

or other instrument requiring the same, or irrevocable authorization to give such notices shall have been given to the Principal Trustee, or to the trustee or other holder of such prior lien.

The term "prior lien" shall mean a mortgage or other lien (except permitted encumbrances) prior to the lien of this Indenture, upon property thereafter acquired by the Company, existing on said property, and/or placed thereon, at the time of such acquisition to secure unpaid portions of the purchase price.

The term "prior lien bonds" shall mean bonds or other obligations secured by a prior lien, "outstanding" with respect to prior lien bonds shall mean as of any certificate time all prior lien bonds theretofore authenticated and delivered by the trustee or other holder of the prior lien securing the same, or, if there be no such trustee or other holder, all prior lien bonds theretofore issued under and secured by any such lien, except (a) prior lien bonds theretofore paid, retired, redeemed, discharged or cancelled, (b) prior lien bonds held in pledge hereunder, (c) prior lien bonds held unencumbered by the trustee or other holder of a prior lien on the same property as that securing the prior lien bonds so held) under conditions such that no transfer of ownership, or possession of such prior lien bonds by the trustee or other holder of such prior lien is permissible thereunder except upon a default thereunder or except to the Trustee hereunder to be held subject to the provisions of Article 2, or to the trustee or other holder of a prior lien for cancellation or to be held unencumbered under the terms of a prior lien under its conditions, (d) prior lien bonds for the purchase, payment or redemption of which moneys in the necessary amount shall have been deposited with or be held with irrevocable direction so to apply, by the Principal Trustee hereunder or by the trustee or other holder of a prior lien, provided that, in the case of redemption, the notice required therefor shall have been published or otherwise given as required by the mortgage or other instrument securing the same, or irrevocable authorization to give such notice shall have been given to the Principal Trustee or to the trustee or other holder of such prior lien, and (e) prior lien bonds, upon transfer of which or in exchange or substitution, for and/or in lieu of which other prior lien bonds have

been authenticated and delivered or made and delivered under any of the provisions of the prior lien securing such prior lien bonds.

110. The term "property additions" shall mean any new or additional property (including separate and distinct units, plants, systems and properties) located in any one or more of the States of Missouri, Kansas, Oklahoma and Nebraska, and improvements, extensions, additions or betterments to or about the plants or properties of the Company in said States in every case properly chargeable to gas plant account, purchased, constructed or otherwise acquired by the Company subsequent to June 20, 1919, and in every case used for useful or to be used in the business of manufacturing, transporting, distributing or supplying gas for any and all purposes; provided, however, that

(a) Property additions, as so defined, without limitation of the general import of such term, shall include

(1) Improvements, extensions, additions or betterments to or about the properties of the Company in the process of construction or erection in so far as actually constructed or erected by the Company subsequent to June 20, 1919, or in so far as machinery, pipe and equipment for installation as part of, or building material to be used in the construction or erection of, such improvements, extensions, additions or betterments, are actually delivered at the site of construction subsequent to June 20, 1919;

(2) Property purchased or otherwise acquired by the Company, to renew or replace or in substitution for old, worn out, retired, discontinued or abandoned property, the retirement of which, has been credited to gas plant account;

(3) Property acquired by the Company subject to prior liens;

(b) Property additions, as so defined, shall not include:

(1) Any shares of stock, bonds, evidences of indebtedness, other securities, contracts, leases, bills, notes, accounts receivable, or choses in action;

(2) Going concern value or good will acquired by the Company;

(3) Any plant or system in which the Company shall acquire only a leasehold interest, or any improvements, extensions, additions or betterments upon or to any plant or system in which the Company shall own only a leasehold interest;

(4) Any property acquired, made or constructed by the Company in keeping or maintaining the mortgaged property in good repair, working order, and condition, whose cost is not properly chargeable to gas plant account;

(5) Any property of the character specified in subdivisions (2), (3) and (4) of property exempted from the lien of this Indenture by the Granting Clauses hereof under the heading "Exempted Property";

(6) Any natural gas lands, wells or leases, or rights or interests therein, or works or property used in the production or gathering of natural gas.

The term "net property additions" shall at any particular time mean the aggregate of all property additions up to that time at the cost or fair value thereof to the Company (whichever is less) after

(A) deducting (1) the aggregate amount of all property retirements, as hereinafter defined, prior to the date of the particular computation, and (2) a sum equal to one hundred sixty-six and two thirds per centum (166 2/3%) of the principal amount of any outstanding prior lien bonds secured by a lien on such property additions, which prior lien bonds have not theretofore been deducted in computing the amount of other net property additions which have been funded; and

(B) adding to the balance so arrived at an amount equal to the aggregate of the cash plus the principal amount of any purchase money obligations deposited with the Principal Trustee hereunder, or the trustee or other holder of a prior lien, and representing the proceeds of insurance on or the release or sale of or the taking by eminent domain of any property classified as retired prior to the date of the particular computation;

provided, however, that the aggregate of the amounts added under Clause (B) above shall in no event exceed the amounts deducted under Clause (A) (1) above.

Anything herein contained to the contrary notwithstanding, any net property additions which shall have been certified to the Principal Trustee at any time as a basis for the authentication and delivery of bonds or for the withdrawal of cash under any of the provisions of this Indenture, or the basis of a credit taken under subdivision (3) of § 4.10, or have been the subject of a waiver of the right to the authentication and delivery of bonds under and to the extent provided in § 4.16, and having a cost or fair value, whichever shall be applicable under the respective provisions of this Indenture, in excess of

(1) the amount thereof required by the provisions of this Indenture as a basis for the authentication and delivery of the bonds applied for or for the withdrawal of the cash applied for under any of the provisions of this Indenture, or as the basis of a credit taken under subdivision (3) of § 4.10, or

(2) one hundred sixty-six and two thirds per centum (166 2/3%) of the principal amount of bonds the authentication and delivery of which have been waived pursuant to said § 4.16,

shall to the extent of such excess (but in no event in an amount of more than \$250,000) be available upon any subsequent application as a basis for the authentication and delivery of bonds, or the withdrawal of cash under any of the provisions of this Indenture where net property additions are made the basis thereof, or the basis of a credit taken under subdivision (3) of § 4.10, or for an application for a waiver under § 4.16. The amount of any such excess is hereinafter sometimes referred to as the "unapplied balance of net property additions." Whenever any unapplied balance of net property additions is included in any engineer's certificate or certificate of the Company executed and delivered to the Principal Trustee in connection with the authentication and delivery of bonds hereunder, or the withdrawal of cash under any provision of this Indenture where net property additions are made the basis thereof, or the taking of a credit under subdivision (3) of § 4.10, or a waiver under § 4.16, and if there are also included in such