

opinions described in *subdivision (7)* of § 2.06 and in *subdivision (3)* of § 2.07 and in *subdivision (4)* of § 2.11 as relate to the authorization of the issuance of bonds by governmental authorities and by the Company and as relate to tax laws applicable to the issue of bonds, or to comply with any earnings requirements. Any withdrawal of cash under this Section shall be in lieu of the right of the Company to the authentication and delivery of the bonds on the basis of which such cash is withdrawn.

§ 2.10. Any sums deposited with the Principal Trustee under the provisions of § 2.06 in respect of which no application under the provisions of § 2.09 shall have been made within three (3) years from the date of the deposit thereof and in respect of which notice in writing of intention to make such application upon the basis of property additions being constructed by or on behalf of the Company and then in progress and uncompleted shall not have been given to the Principal Trustee by the Company within such three-year period, or in respect of which the Company shall at any time notify the Principal Trustee that no application is to be made under § 2.09, shall be used for or applied to the purchase or (a) the election of the Principal Trustee to the redemption of bonds in the manner and subject to the conditions provided in *subdivisions (3)* and/or (4) of § 2.11. Bonds so purchased or redeemed shall not thereafter be made the basis for the issue of bonds, or the withdrawal of cash, or the taking of a credit under any of the provisions of this Indenture.

§ 2.11. At any time after the amount of any outstanding prior lien bonds shall have been deducted in connection with any application for authentication and delivery of bonds on the basis of property additions or for the release of property, or for the withdrawal of cash, or deducted in the computation of net property additions taken as a credit under § 4.10, or have been the cause of a waiver of the authentication and delivery of bonds pursuant to the provisions of *subdivision (4)* of § 2.10, the Company may (subject to the provisions of § 4.18), execute and deliver to the Principal Trustee, and the Principal Trustee

shall thereupon authenticate and deliver to or upon the written order of the Company, bonds (other than bonds of the 1929 Series) for an aggregate principal amount equal to the aggregate principal amount of such prior lien bonds, deducted or causing a waiver as aforesaid, which after such deduction or causing a waiver, shall have been deposited with the Principal Trustee or paid or redeemed or ascertained by a final judicial determination to be invalid, or for the payment, retirement or redemption of which moneys, in the necessary amount shall be deposited with the trustee or other holder of the prior lien securing the same concurrently with the action requested (with irrevocable direction and authorization, satisfactory to the Principal Trustee, to the trustee or other holder of the prior lien so to apply the same, and, as regards prior lien bonds to be redeemed, either with proof that notice of redemption has been published or otherwise given as required by the mortgage or other instrument securing the same, or that irrevocable authorization to give such notice shall have been given to the trustee or other holder of such prior lien), but only upon receipt by the Principal Trustee of:

(a) A certified resolution such as is described in *subdivision (1)* of § 2.06;

(b) Either

(1) prior lien bonds, not theretofore funded, then or theretofore delivered (either uncancelled and pledged under this Indenture pursuant to the provisions of § 2.11, to be held and dealt with by the Principal Trustee in the manner and subject to the provisions of Article 7, or cancelled at maturity or under the redemption or other provisions of the mortgage or other lien securing the same), or

(2) a certificate of the Company, accompanied by a concurring opinion of counsel, to the effect that specified prior lien bonds have been paid or ascertained by final judicial determination to be in whole or in part invalid, or constitute redeemed prior lien bonds, and specifying the amount of payment, or the extent of invalidity, or the amount of bonds redeemed, as the case may be, or stating that moneys in the necessary amount for the payment, retirement or redemption

of specified prior lien bonds have been or will be, concurrently with the action requested, deposited with the trustee or other holder of the prior lien securing the same (with irrevocable direction and authorization, satisfactory to the Principal Trustee, to the trustee or other holder of the prior lien so to apply the same, and, as regards bonds to be redeemed, with proof that notice of redemption has been published or otherwise given as required by the mortgage or other instrument securing the same, or that irrevocable authorization to give such notice shall have been given to the trustee or other holder of such prior lien);

(c) A certificate of the Company stating in substance:

(1) That the prior lien bonds, made the basis for the application, have theretofore been deducted in connection with applications (specifying the dates thereof) for authentication and delivery of bonds on the basis of property additions, or for the withdrawal of cash, or for the release of property, or have been deducted in the computation of net property additions taken as a credit under § 4.10 or have been the cause of a waiver under *subdivision (4)* of § 2.10;

(2) That no part of the prior lien bonds, made the basis for the application, has theretofore been funded;

(3) That the Company is not and, upon the granting of the application then being made, will not be in default in the performance of any of the terms or covenants of § 4.18 or § 4.19; and

(4) That the Company is not, and by the granting of the application then being made will not become, to the knowledge of the signers, in default in the performance of any of the other terms or covenants of this Indenture;

(d) An opinion of counsel to the effect that such uncanceled prior lien bonds, if any, which have been deposited with the Principal Trustee pursuant to this § 2.11 have been legally and validly pledged under this Indenture, that the instruments which have been or are therewith delivered to the Principal Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Principal Trustee to authenticate and deliver the bonds applied for, that

the issue of the bonds, the authentication and delivery of which are requested in such resolution, has been duly authorized by the Company and by any and all governmental authorities the consent of which is requisite to the legal issue of such bonds, specifying any duly certified documents by which such consent is or may be evidenced, or that no consent of any governmental authorities is requisite, and specifying the certificate or other evidence which will be sufficient to show compliance with the requirements, if any, of any mortgage recording tax law or other tax law applicable to the issue of the bonds applied for, or stating that there are no such legal requirements;

(e) A net earnings certificate showing the net earnings of the Company to be as required by § 2.05, but only if

(1) the Principal Trustee is requested to authenticate and deliver additional bonds bearing interest at a greater rate per annum than the prior lien bonds on the basis of which such additional bonds are to be authenticated and delivered, or

(2) additional bonds shall have been authenticated and delivered and a net earnings certificate shall have been filed with the Principal Trustee as a basis therefor, pursuant to any provision of this Article, between the date of the deposit, payment, or ascertainment of invalidity, redemption, or the making of provision for the payment, retirement or redemption of the prior lien bonds on the basis whereof additional bonds are then applied for under this § 2.11 and the date such additional bonds are so applied for;

provided that no such net earnings certificate need be filed when the Principal Trustee is requested to authenticate and deliver additional bonds pursuant to the provisions of this § 2.11 on the basis of prior lien bonds which by their terms mature within two years from the date of such request;

(f) The duly certified documents, if any, specified in the opinion of counsel provided for in *subdivision (d)* of this § 2.11; and

(g) A certificate of the Company and an opinion of counsel as to compliance with conditions precedent.

Redeemed prior lien bonds shall be deemed to have been paid and cancelled within the meaning of this § 2.11.