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as to make effective the lien intended to be created thereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such lien effective. It shall be a compliance with this subsection (a) if (1) the opinion of counsel herein required to be delivered to the Principal Trustee shall state that this Indenture or such supplemental indenture, as the case may be, has been received for record or filing in each jurisdiction in which it is required to be recorded or filed and that, in the opinion of counsel (if such is the case), such receipt for record or filing makes effective the lien intended to be created by this Indenture or such supplemental indenture, as the case may be, and (2) such opinion is delivered to the Principal Trustee within such time, following the date of the execution and delivery of this Indenture or such supplemental indenture, as the case may be, as shall be practicable having due regard to the number and distance of the jurisdictions in which this Indenture or such supplemental indenture, as the case may be, is required to be recorded or filed; and

(b) On or before April 1, 1950, and on or before each April 1 thereafter, an opinion of counsel, either stating that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording, and re-filing of this Indenture and any Indenture supplemental hereto as is necessary to maintain the lien of this Indenture, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to maintain such lien.

§ 4.11. That it will not issue, or permit to be issued, any bonds hereunder in any number other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained, and will not suffer or permit any default to occur under this Indenture or any Indenture supplemental hereto, but will faithfully observe and perform all the conditions, covenants and requirements of this Indenture and of any Indenture supplemental hereto and of the bonds issued hereunder.

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day of the month in which such property is to be acquired, have been in the aggregate equal to at least two (2) times the annual interest requirements of the Company as specified in subdivision (B) of § 2.06 plus the annual interest requirements of all indebtedness secured by such prior lien or prior liens, after deducting, however, from such latter requirements, the annual interest requirements on all such indebtedness, if any, held by the Company immediately prior to such acquisition.

In case the Company shall propose to acquire any property subject to a prior lien, as permitted by this Section, it will prior to, or simultaneously with, the acquisition of any such property file with the Principal Trustee:

(1) An engineer's certificate made and dated not more than sixty (60) days prior to the date as of which such property is to be acquired,

(a) stating that the Company proposes to acquire certain property subject to a prior lien or prior liens,

(b) describing in reasonable detail the property so to be acquired,

(c) specifying the nature and extent of all prior liens, and the principal amount of all indebtedness secured thereby, existing upon any of the property so to be acquired, and

(d) stating that the fair value to the Company of such property, as of the proposed date of acquisition thereof, will be equal to or more than an amount stated in such certificate; and in determining such fair value, it shall be proper in the case of any gas utility system included in such property to include as an element of the value thereof an amount deemed proper by the signer for any rights and intangible property (except going concern value or good will) simultaneously acquired with such gas utility system for which no separate or distinct consideration shall have been paid or apportioned.

(2) A net earnings certificate, with such appropriate modifications or additions thereto as may be necessary to show compliance with the provisions of subdivision (B) of this Section.

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§ 4.15. That if the Company shall fail to perform any of the covenants contained in § 2.05, § 2.06, § 2.07, or § 2.13, the Principal Trustee may make advances in order to perform the same in its behalf; and all sums so advanced shall be at once repayable by the Company with interest thereon at the rate of 10% per annum.

§ 4.16. That it will not acquire, by purchase or otherwise, any property (other than property of the character excepted from the lien of this Indenture by the last paragraph of the Granting Clause herein) subject to a prior lien or prior liens.

(A) If at the time of the acquisition by the Company of any such property, the principal amount of outstanding indebtedness secured by such prior lien or prior liens shall exceed sixty per centum (60%) of the sum of (1) an amount equal to the then fair value of the property subject to such prior lien or prior liens plus (2) an amount equal to one hundred sixty-six and two-thirds per centum (166 2/3%) of the aggregate principal amount of all bonds to the authentication and delivery of which the Company would, at the time of such acquisition, be entitled under the provisions of this Indenture upon the basis of property additions by virtue of compliance with all applicable provisions of this Indenture (except as otherwise in this Section set forth) relating to such authentication and delivery, provided, however, that if any such indebtedness as secured by prior lien or prior liens shall exceed sixty per centum (60%) of the then fair value of the property subject to such prior lien or prior liens, then the acquisition thereof shall, to the extent of an aggregate principal amount of bonds equal to such excess of prior lien, operate as a waiver by the Company of the right to the authentication and delivery of such aggregate principal amount of bonds, and to such extent no such bonds may thereafter be authenticated and delivered hereunder; and

(B) unless the net earnings of the Company, determined in the manner provided in § 2.06, but including therein the net earnings or net losses of the property so to be acquired, shall, for some period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the first

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(3) An opinion of counsel to the effect that the nature and extent of the prior lien or prior liens on the property so to be acquired are correctly stated in said engineer's certificate, and that upon the acquisition thereof by the Company all such property of the character intended to be subjected to the lien hereof will be subject to the lien of this Indenture, free from all liens and encumbrances except the prior lien or prior liens specified in said engineer's certificate and except prepaid liens and permitted encumbrances.

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

In case, in connection with any such acquisition of property subject to a prior lien, the indebtedness secured by prior lien shall exceed sixty per centum (60%) of the then fair value of the property subject thereto and the Company's right to make such acquisition shall, accordingly, be based in part on the waiver as aforesaid of the right to the authentication and delivery of bonds hereunder, the Company shall evidence such waiver by a certified resolution, and shall comply with all applicable provisions of this Indenture relating to such authentication and delivery (except as hereinafter in this Section provided, and with such omissions and variations as may be appropriate in the light of the fact that a waiver of the right to the authentication and delivery of bonds is required); provided, however, that in no such case shall the Company be required to deliver to the Principal Trustee the resolution and certificate such as are described in subdivisions (1) and (6) of § 2.06 but in lieu of the certificate described in said subdivision (6) of said § 2.06 the Company shall deliver the certificate described in subdivision (3) of this Section, or such parts of the opinion described in subdivision (7) of § 2.06 as relate to the authorization of the issue 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 except as set forth in subdivision (2) of this Section.