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request and election of the Company, shall, subject to the provisions of this Section, be applied by the Principal Trustee from time to time as follows:

(1) Trust moneys may be withdrawn from time to time by the Company (a) in an amount equal to the cost of property additions (not theretofore funded) acquired, made or constructed subsequent to the receipt by the Principal Trustee of the trust moneys then being withdrawn less 166 2/3% of the principal amount of any outstanding prior lien bonds secured by a lien on such property additions not theretofore deducted in computing the amount of net property additions which have been funded and have not theretofore been deducted from the cost of property additions pursuant to this subdivision (1), and/or (b) in an amount equal to one hundred sixty-six and two-thirds per centum (166 2/3%) of the principal amount of each bond or fraction of a bond to the authentication and delivery of which the Company shall then be entitled under the provisions of § 3.02, § 3.03, § 3.04, § 3.05 and § 3.06, and/or (c) in an amount equal to the principal amount of bonds to the authentication and delivery of which the Company shall be entitled under the provisions of § 3.07 and § 3.11, but only to the extent that the right of the Company to such authentication and delivery of bonds under § 3.07 and § 3.11 is based upon the payment, retirement or redemption of bonds or prior lien bonds which have theretofore been outstanding as a result of a bona fide sale and provided, however, that if the application for such withdrawal of cash is based upon the fact that the Company is entitled to the authentication and delivery of bonds, such application shall operate as a waiver by the Company of such right to the authentication and delivery of such such bond or fraction thereof on the basis of which right such cash is withdrawn, and to such extent no such bond or fraction thereof may thereafter be authenticated and delivered hereunder;

(2) Trust moneys may be withdrawn from time to time by the Company upon the written request of the Company, delivered to the Principal Trustee, and the receipt by the Principal Trustee of a certificate of the Company stating that the Company has paid a specified amount of Federal and/or State taxes based on profits derived from the sale or other disposition of property released from the lien of this Indenture, and that no part of such requested amount has been theretofore reimbursed to the Com-

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pany out of trust moneys; the amount of trust moneys so to be withdrawn to be in an amount up to, but not exceeding, the aggregate amount of such taxes so paid stated in such certificate;

(3) Trust moneys may, upon the written request of the Company, delivered to the Principal Trustee, be applied by the Principal Trustee to the purchase, in accordance with the provisions of § 3.12, of bonds issued hereunder; or

(4) Trust moneys may, upon the written request of the Company, delivered to the Principal Trustee, be applied by the Principal Trustee to the redemption of any bonds issued hereunder which by their terms are redeemable before maturity, of such moneys as may be designated by the Company, such redemption to be in the manner and as provided in Article 5 hereof, but in the case of any such redemption, the Company shall at the time of the delivery of such resolution to the Principal Trustee (or at any later date satisfactory to the Principal Trustee) pay to the Principal Trustee, to be held and applied as trust moneys in accordance with the provisions of said Article 5, an amount in cash equal to the redemption premium, if any, and accrued interest required to be paid upon redemption of the bonds so to be redeemed, to the end that the trust moneys shall not be diminished by the payment therefrom of such redemption premium, if any, or interest.

Trust moneys shall from time to time be paid to the Company or used or applied by the Principal Trustee as aforesaid upon receipt by the Principal Trustee of (a) the written request of the Company, (b) a certificate of the Company and an opinion of counsel as to compliance with conditions precedent.

In case the withdrawal of trust moneys is, in whole or in part, based upon the cost of property additions (as permitted under subdivision (1)(a) of this Section) the Company shall file with the Principal Trustee

(a) an engineer's certificate specifying property additions purchased, constructed or otherwise acquired by the Company subsequent to the receipt by the Principal Trustee of the trust moneys then being withdrawn; stating whether, and if so, to what extent, such property additions consist of funded property; in case the moneys sought to be withdrawn are part of the

Replacement Fund, stating that such property additions have not been made the basis of a credit under subdivision (1) of § 3.06; and containing the statements required by paragraph (a) through (h) of subdivision (1)(B) of § 3.06 (with such omissions and variations as may be appropriate by reason of the fact that the withdrawal of trust moneys under this Section is based upon the authentication and delivery of bonds, as being applied for); and in addition to the statements required by paragraph (g) of said subdivision (1)(B), stating the principal amount of such prior lien bonds which have not theretofore been deducted in computing the amount of net property additions which have been funded and have not theretofore been deducted from the cost of property additions pursuant to subdivision (1) of this Section;

(b) the independent engineer's certificate, if any, required by subdivision (1) of § 3.06 (with such omissions and variations as may be appropriate by reason of the fact that the withdrawal of trust moneys under this Section is based upon the authentication and delivery of bonds, as being applied for);

(c) the engineer's certificate, if any, required by subdivision (5) of § 3.06; and

(d) the opinion of counsel, instruments of conveyance, assignment and transfer, if any, and the duly certified documents, if any, required by subdivisions (7) and (8) of § 3.06 except that if not necessary for such opinion of counsel to contain such parts of the opinion described in said subdivision (7) 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.

In case the withdrawal of trust moneys is, in whole or in part, based upon the right to the authentication and delivery of bonds (as permitted under subdivision (1)(b) and (c) of this Section) the Company, except as otherwise in this Section provided, shall comply with all applicable provisions of this Indenture relating to such authentication and delivery (with such omissions and variations as may be appropriate by reason of the fact that the withdrawal of trust moneys under this Section is based upon the authentication and delivery of bonds as

being applied for); provided, however, that in no such case shall the Company be required to deliver to the Principal Trustee any such resolution or certificate as is described in subdivisions (1) and (2) of § 3.06, or the resolution described in subdivisions (1) of § 3.06 or of § 3.11 or the net earnings certificate provided for in § 3.06 or § 3.11, or such parts of the opinions described in subdivision (7) of § 3.06 and in subdivision (3) of § 3.07 or in subdivision (4) of § 3.11 as relate solely to the authorization of the issue of bonds of the Company by governmental authorities or by the Company and as relate to tax laws applicable to the issue of bonds, or to comply with any earnings requirements.

If the amount of the property additions permitted under this Section as the certificate filed pursuant to subdivision (1) (a) of this Section as the basis for the application for the withdrawal of trust moneys shall exceed the amount required for the withdrawal of the trust moneys then being withdrawn, the excess, if any, may thereafter be used, anything in this Indenture to the contrary notwithstanding, to the extent and for the purpose for which the same might have been used if not included in such certificate filed in connection with the withdrawal of trust moneys from the Principal Trustee. In any case where the property additions being certified include property which, within six months prior to the date of acquisition thereof by the Company, has been used or operated by a person or persons other than the Company in a business similar to that in which it has been or is to be used or operated by the Company, and the fair value to the Company of such property is not less than \$25,000 and not less than one per centum (1%) of the aggregate principal amount of the bonds at the time outstanding, the Principal Trustee shall also be furnished with an independent engineer's certificate as to the fair value to the Company of such property.

All trust moneys amounting to \$25,000 or over remaining in the hands of the Principal Trustee for a period of three years after the deposit thereof as trust moneys and in respect of which no request pursuant to this Section shall have been filed by the Company within said three-year period, shall be applied forthwith by the Principal Trustee to the purchase of bonds in the manner provided in subdivision