

fed in such permit or franchise or law, and to remove such equipment or structures at the expiration of the period covered by such permits or franchises or law or that the terms of such permit or franchise or law require any public authority having the right to take over such equipment to pay fair consideration therefor;

(4) The Company has corporate power to own and operate such property additions;

(5) The nature and extent of the prior liens and judgment liens, if any, on such property additions are correctly stated in said engineer's certificate; and

(6) The Indenture is, upon the delivery of the instruments of conveyance, transfer or assignment or of prior lien bonds or certificates or payment of cash, if any, specified in such opinion, will be, a lien upon all property additions described in said engineer's certificate (except such as have been retired) free and clear of any mortgages or other lien prior to the date of this Indenture, except specified funded prior liens, if any, specified judgment liens, if any, permitted liens, and, in the case of property additions to or upon leasehold estates, as permitted by this Indenture, the lien reserved by the lease for rent and for compliance with the terms of the lease, and free and clear of any encumbrances or similar encumbrances, except such as, in the opinion of such counsel, do not impair the use of such property additions for the purposes for which they were acquired.

(7) The prior lien bonds and cash in the amounts necessary in order to constitute any unfunded prior liens, specified in the engineer's certificate and opinion of counsel provided for in Subdivisions (a) and (e) of this Section 4, funded prior liens, or the certificate of the trustee or other holder of the prior lien securing such prior lien bonds or other funded prior lien bonds certifying to the deposit with it of such prior lien bonds or cash.

Section 5, which shall be held and applied by the Trustee as a part of the trust estate and which may be withdrawn only in accordance with Section 3 of Article VIII, and

(5) The resolution, certificate, opinion of counsel and cash required by Section 3 of this Article III.

SECTION 4. From time to time hereafter the Company, in addition to the Bonds authorized to be executed, authenticated and delivered pursuant to the other provisions of this Article III, and in substitution for any refundable Bonds, may execute and deliver to the Trustee, and the Trustee shall thereupon authenticate and deliver to or upon the order of the Company, additional Bonds for an aggregate principal amount equal to the aggregate principal amount of the refundable Bonds made the basis for the application therefor, but only upon the receipt by the Trustee of:

(a) An officers' certificate stating in substance

(1) The senior and the aggregate principal amount of the Bonds in substitution for which additional Bonds are to be authenticated and delivered;

(2) That no part of the Bonds made the basis for the application have theretofore been made the basis for the authentication and delivery of additional Bonds pursuant to this Section 4, or for the withdrawal of cash included in the trust estate or for the reduction of the amount of cash required to be deposited in the trust estate under any provision of this Indenture;

(3) That no part of the Bonds made the basis for the application were paid or redeemed or purchased with money included in the trust estate;

(4) That no part of the Bonds made the basis for the application were paid or redeemed or purchased pursuant to the provisions, or used in satisfaction of the

(g) An amount of cash equal to the aggregate of all judgment liens specified in said engineer's certificate and opinion of counsel, less the amount of all cash then held by the Trustee on account of such judgment liens, which shall be held and applied by the Trustee as part of the trust estate.

(4) The resolution, certificate, opinion of counsel and cash required by Section 3 of this Article III, except that, in case an application for the authentication and delivery of Bonds upon the basis of property additions subject to an unfunded prior lien, which simultaneously with the granting of such application will become a funded prior lien, is made at any time after a date two years prior to the date of maturity of the prior lien bonds secured by such prior lien, the Trustee shall authenticate and deliver such additional Bonds in an amount equal to the principal amount of all prior lien bonds secured by such prior lien outstanding immediately prior to its becoming a funded prior lien, without requiring the certificate provided for in Section 3 (b) of this Article III, upon receipt by it of an officers' certificate stating, in substance, that all the additional Bonds applied for, or the proceeds of the sale thereof, will be applied by the Company to the extent necessary to make such prior lien a funded prior lien or to pay indebtedness incurred by the Company for such purpose.

SECTION 5. From time to time hereafter the Company, in addition to the Bonds authorized to be executed, authenticated and delivered pursuant to the other provisions of this Article III, may execute and deliver to the Trustee, and the Trustee shall thereupon authenticate and deliver to or upon the order of the Company, additional Bonds for an aggregate principal amount equal to the amount of cash which shall be deposited with the Trustee pursuant to this Section 5, but only upon receipt by the Trustee of:

(a) Cash in an amount equal to the aggregate principal amount of additional Bonds applied for pursuant to this

requirements, or made the basis for any reduction in the amount, of any sinking fund or analogous fund established by any indenture supplemental hereto, which does not permit the authentication of additional Bonds upon the basis of Bonds paid, redeemed, purchased, used for or made the basis for reduction in the amount of such sinking fund or analogous fund; and

(5) Whether all of the Bonds made the basis for the application were theretofore issued by the Company; and

(b) The resolution, certificate, opinion of counsel and cash required by Section 3 of this Article III, except that, in any case where such application is upon the basis of the payment at maturity of Bonds, which were theretofore issued by the Company, or the redemption or purchase thereof after a date two years prior to the date of their maturity, the certificate provided for by Section 3(a) of this Article III need not be filed with the Trustee, but in lieu thereof there shall be filed with the Trustee an officers' certificate stating, in substance, that all of the additional Bonds so applied for, or the proceeds of the sale thereof, will be applied by the Company to the extent necessary to effect the retirement by payment, redemption, purchase or exchange of the Bonds made the basis for the application or the payment by the Company of moneys borrowed for such purpose.

ARTICLE IV.

PARTICULAR COVENANTS OF THIS COMPANY.

The Company hereby covenants, warrants and agrees:

SECTION 1. That the Company will punctually pay or cause to be paid the principal premium, if any, and interest to become due in respect of all the Bonds duly issued hereunder according