

vided in Section 4.06 within three years after the date of delivery to the Corporate Trustee of the above mentioned documents, such cash, if in an amount equal to \$250,000 or more, shall, unless the Company shall at the time be in default in the payment of interest on some one or more of the bonds or an event of default as defined in Section 10.02 shall have happened and be continuing, be applied (except as to any balance insufficient to effect the redemption of the smallest outstanding bond or portion thereof) to the redemption of bonds of the Third 1968 Series as provided in subdivision (2) of Section 4.06 on the earliest practicable date or dates on which the bonds of such series shall be redeemable, and the Company covenants that it will promptly call for redemption the bonds to be redeemed with such cash. All sums required for the payment of interest and premium in connection with the redemption of such bonds shall be furnished by the Company.

SECTION 6C.07. If the acquisition and construction of the Permian-San Juan Project shall be abandoned for any reason (it being understood that the Company shall have no right to abandon such acquisition or construction), or shall be unreasonably delayed, or if the Permian-San Juan Project shall not be completed on or before January 1, 1958, subject, in any case other than abandonment, to delays due to *force majeure*, the Trustees, or either of them, may in the discretion of the Corporate Trustee complete the acquisition and construction of the Permian-San Juan Project and for such purposes the Trustees, or either of them, may in their absolute discretion make any and all necessary contracts with contractors or construction engineers for work, labor or materials in the name of the Company, and may sign the name of the Company as its attorneys or attorney in fact, hereby irrevocably appointed by the Company for such purposes, to any and all papers and documents necessary in and about the work of constructing the Permian-San Juan Project, or, at the election of the Corporate Trustee in its sole discretion, the Trustees, or either of them, may make any such contracts in the name of the Trustees or in the name of either of them and may, but shall not be obligated so to do, at any time, pay out of the Permian-San Juan Construction Fund any outstanding bills, liabilities or indebtedness incurred by the Company or by the Trustees, or either of them, in behalf of the Company or in the name of the Trustees or