

demption, as soon as practicable, of bonds of the 1972 Series and bonds of the 1974 Series, at the principal amount thereof and accrued interest to the date of redemption; and

(b) apply the remainder, if any, of such unexpended balance of the Second Permian-San Juan Construction Fund not required to be applied as provided in the foregoing subdivision (a) (except as to any amount insufficient to effect the redemption of the smallest outstanding bond or portion thereof which shall then be redeemable) to the redemption of bonds of other series outstanding hereunder at the earliest practicable date or dates on which such bonds shall be redeemable.

So far as practicable, bonds of different series to be redeemed in accordance with the provisions of the foregoing subdivision (a) or subdivision (b), as the case may be, shall be redeemed pro rata according to the respective principal amounts of the then outstanding bonds of the particular series affected.

The Company covenants that it will promptly call for redemption the bonds to be redeemed and will furnish all sums required for the payment of the interest and premium (if any) payable in connection with the redemption of any bonds to be redeemed pursuant to this Section 6D.09.

#### ARTICLE SIX E.

##### Third Permian-San Juan Project—Covenant to Construct— Third Permian-San Juan Construction Fund.

SECTION 6E.01. The Company covenants and represents that it has procured from the Federal Power Commission all necessary authorizations from said Commission to acquire or construct and operate all of the facilities included in the Third Permian-San Juan Project, as described generally in Part I of Article Three of the Twenty-sixth Supplemental Indenture, for which such authorizations are required, and that such authorizations are in full force and effect.

The Company covenants and agrees .

(a) that, subject to delays due to *force majeure*, it will proceed promptly and without unnecessary delay in the acquisition