

(b) that none of such bondable additions has been made the basis of the authentication and delivery of bonds or the withdrawal of cash pursuant to Section 4.06 or this Section or the release of property as provided in the second paragraph of Section 8.03 or has been constructed or acquired with the proceeds of insurance on the mortgaged property or any part thereof;

(c) that all such bondable additions are, or upon the acquisition thereof by the Company will be, subject to the lien of this Indenture and that none thereof is subject to any liens or encumbrances other than permitted encumbrances; and

(d) unless a certificate of the Company containing such statement shall have previously been filed pursuant to this paragraph II or paragraph I of this Section or pursuant to subdivision (a) of Section 4.03, also stating that the Company has acquired or constructed and charged to its fixed property accounts after December 31, 1945, the property excluded from bondable additions by clauses (a) and (b) of Section 1.09;

provided that the Company shall not be entitled to procure the release and withdrawal of cash pursuant to this paragraph II to an amount in excess of \$50,000 in the aggregate during any one calendar year.

III. Such cash may be applied by the Corporate Trustee to the payment, purchase or redemption of bonds of any series secured by this Indenture, but the amount so applied shall not exceed the principal amount of the bonds paid, purchased or redeemed. All sums required for the payment of interest and premium, if any, in connection with such payment, purchase or redemption shall be furnished by the Company. All bonds paid, purchased or redeemed pursuant to this paragraph III shall be cancelled and no bonds shall be issued in lieu thereof.

IV. Any such cash representing the proceeds of the release of gas production property may be paid out by the Corporate Trustee pursuant to the provisions of Section 4.06 on the basis of gas production expenditures certified to the Corporate Trustee as provided in said Section.

Until paid out or applied as above provided, such cash shall be held by the Corporate Trustee as part of the trust estate.