

FOR PERMANENT EXTENSIONS, ENLARGEMENTS AND ADDITIONS OF AND TO THE PLANTS, PROPERTIES AND EQUIPMENT OF THE COMPANY AMOUNTING TO ONE AND ONE-THIRD TIMES SUCH EXCESS ON ACCOUNT OF WHICH EXPENDITURES NO BONDS SHALL BE ISSUED OR DEPOSITED CASH PAID OUT UNDER THE PROVISIONS OF THIS INDENTURE; PROVIDED, THAT THE COMPANY SHALL HAVE DELIVERED TO THE TRUSTEE ALL THE INSTRUMENTS REQUIRED UNDER CLAUSES (1), (2) AND (3) OF SUB-SECTION VI OF THIS SECTION 29; AND PROVIDED, FURTHER, THAT AFTER THE COMPANY SHALL HAVE ACQUIRED ONE SUBSIDIARY COMPANY WITHIN THE MEANING OF THIS DEFINITION, NO OTHER CORPORATION SHALL BE DEEMED A SUBSIDIARY COMPANY UNLESS AND UNTIL THE COMPANY SHALL ACQUIRE AND PLEDGE HEREUNDER AT LEAST NINETY-FIVE PER CENT. OF EACH CLASS OF THE OUTSTANDING CAPITAL STOCK THEREOF.

EXCEPT AS HEREIN PROVIDED WITH RESPECT TO THE AUTHENTICATION AND DELIVERY OF BONDS AGAINST DEPOSITED CASH, BONDS MAY BE AUTHENTICATED AND DELIVERED BY THE TRUSTEE UNDER THIS SECTION 29, AND THE DEPOSITED CASH MAY BE PAID OUT, ONLY UPON AND SUBJECT TO THE FOLLOWING CONDITIONS AND RESTRICTIONS:

1. BONDS SHALL BE AUTHENTICATED AND DELIVERED AND DEPOSITED CASH SHALL BE PAID OUT ONLY FOR THE PURPOSE OF REIMBURSING THE COMPANY, OR, THROUGH IT, ANY SUBSIDIARY COMPANY, AS THE CASE MAY BE, TO THE EXTENT HEREINAFTER PROVIDED IN SUB-SECTIONS V AND VI, RESPECTIVELY, OF THIS SECTION 29, FOR ACTUAL AND REASONABLE EXPENDITURES FOR THE PURCHASE, CONSTRUCTION OR ACQUISITION BY THE COMPANY AFTER THE DATE HEREOF OR BY ANY SUBSIDIARY COMPANY AFTER THE DATE OF ITS BECOMING A SUBSIDIARY COMPANY OF PERMANENT EXTENSIONS, ENLARGEMENTS AND ADDITIONS OF AND TO THE RAILWAY TRACKS, STATIONS, <sup>DEPOTS</sup> BRIDGES, BUILDINGS, PLANTS, WORKS, GENERATORS, PIPES, PIPE LINES, TRANSMISSION LINES, DISTRIBUTION LINES, EQUIPMENT, APPARATUS AND MACHINERY AND OF ADDITIONAL REAL ESTATE OR RIGHTS OF WAY FOR USE IN CONNECTION WITH THE OPERATION OR BUSINESS OF THE COMPANY MAKING SUCH EXPENDITURES.

SUCH EXPENDITURES FOR PERMANENT EXTENSIONS, ENLARGEMENTS AND ADDITIONS MAY INCLUDE (1) THE CONSTRUCTION OR INSTALLATION BY THE COMPANY AFTER THE DATE HEREOF OR BY ANY SUBSIDIARY COMPANY AFTER THE DATE OF ITS BECOMING A SUBSIDIARY COMPANY OF REPLACEMENTS AND RENEWALS OF ANY <sup>OF THE</sup> TRACKS, BRIDGES, BUILDINGS, PLANTS, WORKS, GENERATORS, APPARATUS, MACHINERY, EQUIPMENT AND OTHER PROPERTY OF THE COMPANY MAKING SUCH EXPENDITURES, BUT ONLY TO THE EXTENT THAT THE EXPENDITURES FOR SUCH REPLACEMENTS AND RENEWALS SHALL EXCEED THE ORIGINAL COST TO THE COMPANY OR TO ANY SUBSIDIARY COMPANY WITH RESPECT TO PROPERTY ACQUIRED BY SUCH SUBSIDIARY COMPANY AFTER THE DATE OF ITS BECOMING A SUBSIDIARY COMPANY, OR IN THE CASE OF PROPERTY OF A SUBSIDIARY COMPANY EXISTING AT THE DATE OF ITS BECOMING SUCH SUBSIDIARY COMPANY, THE FAIR PHYSICAL VALUE, AFTER DUE ALLOWANCE FOR DEPRECIATION, OF SUCH PROPERTY, ESTABLISHED AS OF THE TIME OF ITS ACQUISITION, OF THE PROPERTY SO REPLACED OR RENEWED, AND (2) THE ACQUISITION BY THE COMPANY (BUT NOT BY A SUBSIDIARY COMPANY) OF THE CAPITAL STOCK OF ANY COMPANY OWNING AND OPERATING PHYSICAL PROPERTY ENGAGED IN THE PRODUCTION, TRANSMISSION OR DISTRIBUTION OF ELECTRIC ENERGY OR GAS, IN THE SAME GENERAL TERRITORY OR TERRITORY ADJACENT TO THAT IN WHICH THE COMPANY OR A SUBSIDIARY COMPANY AT THE TIME OWNS AND OPERATES PHYSICAL PROPERTY AND CONDUCTS ITS BUSINESS, WHICH COMPANY SHALL THEN BECOME A SUBSIDIARY COMPANY; PROVIDED, THAT THE STOCK SO ACQUIRED SHALL IN NO CASE BE LESS THAN THE MINIMUM AMOUNT HEREINBEFORE IN THIS SECTION 29 PROVIDED AS NECESSARY TO QUALIFY A COMPANY AS A SUBSIDIARY COMPANY, WITHIN THE MEANING OF THIS INDENTURE.