

BE DETERMINED AS THE BASIS FOR THE AUTHENTICATION OF BONDS OR FOR THE PAYMENT OF CASH IN LIEU THEREOF) SHALL BE DEEMED TO BE EQUAL TO THE AMOUNT BY WHICH EIGHTY PER CENTUM (80%) OF THE CASH COST OR FAIR VALUE, WHICHEVER IS THE LESSER, OF SUCH PROPERTY ADDITIONS EXCEEDS THE AGGREGATE PRINCIPAL AMOUNT OF SUCH FUNDABLE UNDERLYING OBLIGATIONS; BUT IN EVERY SUCH CASE ACTION SHALL BE TAKEN, IN SUCH MANNER AS MAY BE APPROVED BY COUNSEL SELECTED BY THE COMPANY SATISFACTORY TO THE TRUST COMPANY (WHO MAY BE COUNSEL FOR THE COMPANY) AS WILL IN THE OPINION OF SUCH COUNSEL EFFECTIVELY PROVIDE THAT NO INDEBTEDNESS OTHER THAN THAT SO INCLUDED IN COMPUTING SUCH COST SHALL EVER BE OUTSTANDING UNDER OR SECURED BY SUCH LIEN OR LIENS UNLESS SUCH ADDITIONAL INDEBTEDNESS BE FORTHWITH UPON ITS ISSUANCE PLEDGED WITH THE TRUST COMPANY AS A PART OF THE MORTGAGED PROPERTY.

(B) IN CASE AT ANY TIME THE COMPANY SHALL, AS A PART OF THE PURCHASE PRICE OF PROPERTY ADDITIONS, INCUR OR ASSUME ANY INDEBTEDNESS (HEREIN CALLED "PRIMARY INDEBTEDNESS") FOR WHICH "PRIMARY INDEBTEDNESS" OTHER INDEBTEDNESS OWNED OR ACQUIRED BY THE COMPANY (HEREIN CALLED "PLEDGED INDEBTEDNESS") SECURED BY A LIEN PRIOR TO THE LIEN OF THIS INDENTURE UPON SUCH PROPERTY ADDITIONS IS HELD IN PLEDGE (BUT WHICH PRIMARY INDEBTEDNESS IS NOT OTHERWISE SECURED BY ANY LIEN UPON SUCH PROPERTY ADDITIONS), THEN, AND IN EVERY SUCH CASE, NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THIS INDENTURE.

(1) IN COMPUTING THE CASH COST OF SUCH PROPERTY ADDITIONS THERE SHALL BE INCLUDED THEREIN THE PRINCIPAL AMOUNT OF THE PRIMARY INDEBTEDNESS AND NOT OF THE PLEDGED INDEBTEDNESS, AND

(2) THE PLEDGED INDEBTEDNESS AND NOT THE PRIMARY INDEBTEDNESS SHALL BE DEEMED TO BE FUNDABLE UNDERLYING OBLIGATIONS WHICH (X) MAY BE MADE THE BASIS FOR THE ISSUANCE OF BONDS UNDER SECTION 2 OF THIS ARTICLE AND (Y) SHALL BE TAKEN INTO ACCOUNT BY WAY OF A DEDUCTION IN DETERMINING THE PRINCIPAL AMOUNT OF BONDS ISSUABLE IN RESPECT OF SUCH PROPERTY ADDITIONS AS PROVIDED IN SUB-PARAGRAPH (A) OF THIS SECTION, AND

(3) IN DETERMINING THE ANNUAL INTEREST REQUIREMENTS REFERRED TO IN SECTION 5 OF THIS ARTICLE, THE INTEREST ON THE PRIMARY INDEBTEDNESS SHALL BE TAKEN INTO ACCOUNT AND THE INTEREST ON THE PLEDGED INDEBTEDNESS (BUT ONLY WHILE SO PLEDGED) DISREGARDED.

SEC. 7. THE COMPANY MAY FROM TIME TO TIME ISSUE, AND THE TRUST COMPANY SHALL AUTHENTICATE AND DELIVER, UPON THE COMPANY FILING WITH THE TRUST COMPANY A RESOLUTION CONFORMING TO SUBDIVISION (A) OF SECTION 3 OF THIS ARTICLE AND SUCH OTHER DOCUMENTS AS MAY BE REQUIRED BY SAID SUBDIVISION (A) AND AN OPINION OF COUNSEL CONFORMING TO CLAUSES 3 AND 4 OF SUBDIVISION (C) OF SECTION 3 OF THIS ARTICLE, BONDS OF ANY ONE OR MORE SERIES HEREBY SECURED TO AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING THE PRINCIPAL AMOUNT OF ANY BONDS PREVIOUSLY ISSUED HEREUNDER WHICH SHALL HAVE BEEN RETIRED, PROVIDED THAT (A) NO BOND SHALL BE ISSUED IN RESPECT OF ANY SUCH RETIRED BOND MORE THAN ONE YEAR PRIOR TO THE REGULAR MATURITY (BY LAPSE OF TIME AND NOT BY CALL FOR REDEMPTION) OF SUCH RETIRED BOND, UNLESS THE BOND SO ISSUED BEARS NO GREATER RATE OF INTEREST THAN SUCH RETIRED BOND, AND (B) NO BOND SHALL BE ISSUED IN RESPECT OF ANY SUCH RETIRED BOND WHICH SHALL HAVE BEEN RETIRED BY THE TRUST COMPANY OUT OF INSURANCE MONEYS OR THE PROCEEDS OF RELEASED PROPERTY OR OUT OF ANY SINKING FUND, MAINTENANCE AND IMPROVEMENT FUND OR OTHER SIMILAR FUND APPLICABLE TO ITS RETIREMENT. ANY BOND PREVIOUSLY ISSUED UNDER THIS INDENTURE SHALL BE DEEMED TO HAVE BEEN