

to prior liens as shall have continued to be subject to such prior liens, used as a basis of the release from the lien of this Indenture or of the disposition by a subsidiary company of, funded property (other than funded property subject to prior liens), including any such property additions and/or subsidiary property additions then made the basis for such release or disposition, do not in the aggregate exceed twenty-five per centum (25%) of the aggregate principal amount of all bonds authenticated and delivered under this Indenture to the date of such application, including those applied for (except bonds authenticated and delivered hereunder upon transfer of which or in exchange or substitution for and/or in lieu of which other bonds have been authenticated and delivered under any of the provisions of this Indenture).

No bonds shall be authenticated and delivered under the provisions of this Article V ^{cash be withdrawn or funded} nor funded/property be disposed of by a subsidiary company, under any of the provisions of this Indenture upon the basis of the acquisition or construction of any property additions and/or subsidiary property additions subject to a prior lien or prior liens in any case unless it shall be stated in an engineer's certificate accompanying the application that the aggregate principal amount of outstanding prior lien bonds secured by such prior lien or prior liens to which such property additions and/or subsidiary property additions are subject (exclusive of any such outstanding prior lien bonds which may have been or which may concurrently with such certificates be deposited with the Corporate Trustee to be held under the provisions of Article IX hereof and with respect to which deposit the Company shall certify that it elects not to have any bonds authenticated hereunder upon the basis thereof), does not exceed in principal amount fifty per centum (50%) of the cost (which shall be computed as in Section 27 hereof provided) or of the cost (which shall be computed as in Section 27 hereof provided) or of the fair value thereof to the Company (whichever is less) and/or to any other corporation or any individual or co-partnership subjecting such property additions to the lien of this Indenture (whichever is less) and/or to a subsidiary company (whichever shall be less), as the case may be, or unless such engineer's certificate shall show that the principal amount of such prior lien bonds has theretofore been deducted when other property additions and/or subsidiary property additions subject to the same prior lien or prior liens (as the case may be) have theretofore been made the basis of the authentication and delivery of bonds under this Article V or of the withdrawal of cash or of the release of property or of the disposition by a subsidiary company of property under any of the provisions of this Indenture.

No bonds shall be authenticated and delivered under the foregoing provisions of this Section unless the Corporate Trustee at the time of the application for such authentication and delivery shall receive a resolution and certificate such as are described in subdivisions (1) and (2) of Section 31 thereof and an opinion of counsel such as is described in subdivision (4) of Section 33 hereof, together with the officially authenticated certificates or other documents, if any, specified in such opinion of counsel.

The Corporate Trustee shall assume that any property additions and/or subsidiary property additions subject to prior liens which shall have formed the basis of the authentication and delivery of bonds, or the withdrawal of funded cash, or the release of or the disposition by a subsidiary Company of funded property, under any of the provisions of this Indenture, have continued to be subject to such prior liens until the Corporate Trustee shall have received a Treasurer's certificate, accompanied by a concurring opinion of counsel to the contrary. If at any time and from time to time by reason either of the discharge of prior liens or an increase in the aggregate amount of