

(c) the fair value, not theretofore so added and which the Company then elects so to add, at the time of its release, of any Funded Property released from the Lien hereof, to the extent that such release has been made on the basis of Property Additions and which Funded Property has been retired on the books of the Company;

(d) unless all bonds of the First Series shall have ceased to be Outstanding, the Cost or fair value (whichever is less) to the Company of any Property Additions, not theretofore so added and which the Company then elects so to add, which shall have been made the basis of a credit under the provisions of clause (3) or clause (b) of subsection (I) of Section 39 hereof;

(e) unless all bonds of the First Series shall have ceased to be Outstanding, the aggregate principal amount of bonds issued hereunder, not theretofore so added and which the Company then elects so to add, which bonds shall have been purchased or redeemed with cash deposited pursuant to the provisions of Section 39 hereof, or the right to the authentication and delivery of which bonds the Company has made the basis of a credit under clause (4) or clause (c) of subsection (I) of said Section 39; and

(f) the Cost to the Company of any Property Additions not theretofore so added and which the Company then elects so to add, to the extent that the same shall have been substituted (otherwise than under the release or cash withdrawal provisions hereof) for Funded Property retired;

provided, however, that the aggregate of the amounts added under clause (B) above shall in no event exceed the amounts deducted under clause (A) above; and provided further, that neither any reduction in the Cost or book value of property recorded in the plant account of the Company nor the transfer of any amounts appearing in such account to intangible and/or adjustment accounts otherwise than in connection with actual retirements of physical property abandoned, destroyed, released or disposed of, or retired from plant account, subsequent to April 30, 1947, shall be deemed to be Funded Property retired for the purposes of this Section.

(III) The Term "Cost" with respect to Property Additions made the basis under any of the provisions of this Indenture of the authentication and delivery of bonds, or the withdrawal of cash or the release of property or the basis of a credit under the provisions of Section 39 or Section 40 hereof, shall mean the sum of (i) any cash forming a part of such Cost, (ii) an amount equivalent to the fair market value in cash (as of the date of delivery) of any securities delivered in payment therefor or for the acquisition thereof, (iii) the principal amount of any prior lien bonds secured by prior lien upon such Property Additions, outstanding at the time of their acquisition, unless the Engineer's Certificate in subdivision (3) of Section 28 hereof provided for shall state that the required amount has theretofore been deducted in compliance with the provisions of Section 26 hereof when other Property Additions subject to such prior lien shall have been made the basis under any of the provisions of this Indenture of the authentication and delivery of bonds or the withdrawal of cash or the release of property or the basis of a credit under the provisions of Section 39 or Section 40 hereof, and (iv) the principal amount of any other indebtedness incurred or assumed as all or part of the Cost to the Company of such Property Additions; provided, however, that, notwithstanding any other provision of this Indenture, in any case where Property Additions shall have been acquired (otherwise than by construction) by the Company without any consideration consisting of cash, property or