

Opinion of Counsel or other papers shall not make such subsequently acquired Property Additions Funded Property.

Any release of property or withdrawal of cash (representing the proceeds of insurance on or the release or condemnation of property) under this Article XI based upon the right to the authentication and delivery of any bond or fraction of a bond shall operate as a waiver by the Company of its right to the authentication and delivery of such bond or fraction of a bond, and such bond or fraction of a bond may not thereafter be authenticated and delivered hereunder, and any bond or Qualified Lien Bond which has been made the basis of any such right to the authentication and delivery of any bond or fraction of a bond so waived shall be deemed to have been made the basis of a credit under this Article XI and all bonds purchased or redeemed by application of cash pursuant to the provisions of this Section shall be deemed to have been purchased or redeemed with Funded Cash; provided, however, that (notwithstanding the Company may have, as permitted by the provisions of clause (a) of subdivisions (B) of Section 4 hereof, elected to have added any cash used or applied to the purchase or redemption of any or all such bonds), if at any time and from time to time thereafter the Company shall file with the Corporate Trustee an Officers' Certificate referring to such election and stating the cost or fair value to the Company, whichever is less, as shall be stated in an Engineer's Certificate or Independent Engineer's Certificate delivered to the Corporate Trustee of any Property Additions (acquired, made or constructed subsequent to the date of the receipt by the Corporate Trustee of such cash representing the proceeds of insurance on or the release or condemnation of property) which are not then Funded Property (after making the deductions and additions provided for in subsection (II) of Section 4 hereof) and which Property Additions the Company then elects to make the basis of such release of property or withdrawal of cash in lieu of an equal principal amount of bonds, the right to the authentication and delivery of which has theretofore been waived pursuant to the provisions of this Article XI, or which have been purchased or redeemed with cash (representing the proceeds of insurance on or release or condemnation of property), then such Property Additions shall thereupon be deemed to have been made the basis of the release of property or the withdrawal of cash, as the case may be, and then and in that event, notwithstanding any other provisions of this Indenture, the Company's waiver made by such election of the right to the authentication and delivery of bonds in the aggregate principal amount specified in the Officers' Certificate filed pursuant to this proviso shall forthwith cease to be effective and the waiver of such right shall no longer be deemed to have been made or, as the case may be, bonds in the aggregate principal amount specified in the Officers' Certificate filed pursuant to this proviso shall forthwith cease to be deemed to have been purchased or redeemed with Funded Cash (whether or not such cash shall have been deposited or applied pursuant to the provisions of Section 64 hereof); provided, further, that the aggregate principal amount of bonds the right to the authentication and delivery of which has been so waived and revoked, plus the aggregate principal amount of bonds no longer so deemed to have been purchased or redeemed with Funded Cash pursuant to the provisions of this paragraph, shall not exceed thirty per centum (30%) of the greatest principal amount of Bonds at any one time theretofore Outstanding hereunder.

In every case in which any Property Additions are certified for the purposes of the preceding paragraph, the Company shall comply with all applicable provisions of this Indenture (except subsection (II) of Section 4 hereof) as if such Property Additions were made the basis of an application for the authentication and delivery of bonds thereon (equivalent in principal amount to sixty per centum (60%) of the credit so to be based on such Property Additions), except that in no such case shall the Company be required to comply with any