

any of the provisions of this Indenture may be issued, exchanged, sold or disposed of, but any or all of said bonds may be issued, exchanged, sold or disposed of upon such terms and for such considerations as the Board of Directors of the Company may deem fit.

## ARTICLE IV.

## INITIAL ISSUE OF BONDS.

SECTION 22. Bonds of the 1965 Series for the aggregate principal amount of Forty-six Millions Dollars (\$46,000,000) shall forthwith be executed by the Company and delivered to the Corporate Trustee and shall be authenticated by the Corporate Trustee, and delivered (whether before or after the filing or recording hereof) from time to time, in accordance with the order or orders of the Company, evidenced by a writing or writings signed by the Company by its President or one of its Vice-Presidents and its Treasurer or one of its Assistant Treasurers.

## ARTICLE V.

## ISSUANCE OF BONDS UPON THE BASIS OF PROPERTY ADDITIONS.

SECTION 23. Bonds in addition to those provided for in Article IV hereof and of any one or more series may from time to time be executed by the Company and delivered to the Corporate Trustee, and shall be authenticated by the Corporate Trustee and delivered from time to time in accordance with the written order or orders of the Company signed by its President or a Vice-President and its Treasurer or an Assistant Treasurer upon the basis of Property Additions, but only in accordance with the subject to the conditions, provisions and limitations set forth in the next succeeding five (5) Sections of this Indenture, numbered from 24 to 28, both inclusive.

SECTION 24. No. bonds shall be authenticated and delivered at any time under the provisions of this Article V, upon the basis of Funded Property.

SECTION 25. Bonds of any one or more series may be authenticated and delivered under the provisions of this Article V upon the basis of Property Additions for a principal amount not exceeding seventy per centum (70%) of the balance of the Cost or of the Fair Value thereof to the Company (whichever shall be less) after making any deductions and any additions required by Section 4 hereof. The Cost of any such Property Additions shall be deemed to be the sum of (1) any cash forming a part of such Cost, (2) 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 and (3) the principal amount of any Prior Lien Bonds secured by Prior Lien upon <sup>such</sup> Property Additions Outstanding at the time of their acquisition, unless the Engineer's Certificate hereinafter 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 38 or Section 39 hereof, and that since the date of such deduction property of the Company has continued to be subject to such Prior Lien, provided, however, that 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 securities or the incurring or assumption of indebtedness, no determination of Cost shall be required, and wherever in this Indenture provision is made for Cost or Fair Value, such provisions shall be so construed. The amount of the Cost of any Property Additions and the Fair Value thereof to the Company, and the Fair Market Value in cash of any securities so delivered in payment therefor or for the acquisition thereof and the amount of any deductions and any additions required to be made by Section 4 hereof shall be determined for the purposes of this Article V by the appropriate certificates provided for in Section 28 hereof. For all purposes of this Indenture, in the case of property subject to a Prior Lien or a lien prior to the Lien hereof, the Fair Value of such property shall be determined as if such property were free of such Prior Lien or such lien prior to the Lien hereof.

SECTION 26. In all cases in which it shall appear, from the certificate hereinafter in Section 28 hereof provided for, that Property Additions proposed to be made the basis 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 38 or Section 39 hereof are subject to Prior Lien, the principal amount of the then Outstanding Prior Lien Bonds secured by Prior Lien thereon (in the case of the authentication and delivery of bonds or the withdrawal of cash under Section 31 hereof) or ten-sevenths (10/7) of such principal amount (in case of the release of property under any provision hereof or the withdrawal of cash under Section 61 hereof or a credit for any purpose under Section 38 or Section 39 hereof) shall be deducted from the principal amount of bonds which might otherwise be authenticated or from the amount of cash which might otherwise be withdrawn or from the Fair Value of property which might otherwise be released or from the amount for which the Company might otherwise be entitled to a credit, unless such certificate shall also state that the required amount has theretofore been deducted pursuant to the provisions of this Section when other Property Additions subject to such Prior Lien have theretofore 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