

were not less than twice the aggregate interest charges for a period of twelve months on all bonds secured by this indenture and then outstanding and on the total funded debt of the companies whose entire capital stock (except directors qualifying shares), is at the time owned by the Company and pledged hereunder with the trustees and on the bonds then requested to be authenticated hereunder; and (3), that no part of such property specified in such certificate as a basis for the further issue of bonds was acquired prior to the date of this indenture nor prior to the execution and delivery to the Corporate Trustee for authentication of the three million dollars face amount of Series "A" bonds, provided for in Section 2 of this Article II, nor with any part of the proceeds thereof, nor has been previously made the basis for the withdrawal of cash deposited with the Corporate Trustee under the provisions of Section 6 of Article II, nor has been included in any preceding certificate made the basis of any issue of bonds hereunder, nor has been acquired as substituted property to the release of property from the lien hereof, nor with insurance money received under any of the provisions hereof, nor with moneys taken from the Maintenance and Improvement Fund provided for in Article V hereof, nor previously made the basis for the withdrawal of any portion of said fund and that no part of such property is of the character excluded as a basis of the issuance of such bonds under the provisions of Section 4 of this Article II.

(b) A certificate of an engineer appointed by the Company and satisfactory to the Corporate Trustee, that the value to the Company of the property specified as a basis for the issue of further bonds is equal to the cost as stated in the certificate described in Paragraph "(a)" of this Section, and that its desirability to the Company is commensurate with its cost and value. The property specified shall be described in said certificate if required by the Corporate Trustee. Such engineer may be one who is in the employ of the Company.

(c) A certificate, signed and sworn to by the Treasurer or an assistant Treasurer of the Company that the net earnings of the Company and those whose entire capital stock (except directors' qualifying shares) is owned by it and pledged with the Trustees hereunder have not been less than the amount stated in the certificate described in Paragraph "(a)" of this Section; and to that end specifying the gross earnings and also the respective amounts charged to the different distributive groups of operating expenses, and also the total amount of all bonds secured by this indenture and then outstanding, and the total funded debt of the companies whose entire capital stock (except directors' qualifying shares), is at the time owned by the Company and pledged with the Trustees hereunder and the total amount of bonds then requested to be authenticated hereunder, with the interest charges thereon. Whenever under the provisions of this Section the earnings of the Company are to be computed for a stated period and any of the properties of the Company shall have been owned by it during a part but not during the whole of said period, the earnings of such property during such part of said period as shall have preceded the acquisition of the said property shall be treated as earnings of the Company for such part of said period for the purposes of this Section.

(d) A certificate by legal counsel, satisfactory to the Corporate Trustee, and who may be the counsel of the Company, that the title to the property as the basis for the further issue of bonds is vested in the Company or is about to be vested in it concurrently with the issue of the bonds, and is free and clear of all liens and incumbrances superior to the lien of this indenture.

(e) A certified copy of an order of approval of such commission, official, or officers as may have jurisdiction in the premises and as may be required by law to make such bonds, the valid, legal and binding obligation of the Company, and if required by the Corporate Trustee the written opinion of counsel satisfactory to the Corporate Trustee and who may be counsel for the Company, that such order was made by such commission, official or officers having such jurisdiction and is such as is required to make such bonds the valid, legal and binding obligations of the Company, or in the alternative, the written opinion of such counsel, that such order is not required by law.

New properties shall not be acquired with the proceeds of bonds of the Company nor used as the basis for the issue of bonds of any series issued under and secured by this indenture unless all the bonds secured by this indenture are secured by an absolute first mortgage on such property.

Every order of the Company for the authentication and delivery of bonds under this Section 3 of Article II or with the withdrawal of cash as provided by Section 6 of this Article II, shall be executed in the name of the Company by its President or Vice-President and attested by its Secretary or Treasurer, under its Corporate seal, and shall be delivered to the Corporate Trustee accompanied by a certified copy of a resolution of the Board of Directors of the Company authorizing such order, and also by the certificates hereinbefore set forth, and the sworn statements of the President or Vice-President and the Treasurer or Assistant Treasurer of the Company showing the existence of all facts or other conditions necessary to entitle the Company under the provisions of this section to the authentication and delivery of such bonds or the withdrawal of such cash.

Upon any cash required to be deposited with the Corporate Trustee, under the provisions hereof, the Company shall be entitled to receive the interest on such deposits at the rate paid by the Corporate Trustee on other deposits of a similar character.

Such certificates and order shall be full authority to the Corporate Trustee for the authentication and delivery of bonds under this Section 3 Article II; but before authenticating and delivering an installment of bonds under this Section the Corporate Trustee may, if requested in writing so to do by the holders of not less than twenty-five per cent. (25%) in amount of the outstanding bonds and furnished with security and indemnity satisfactory to the Corporate Trustee, cause to be made such independent investigation as it may see fit, and the expense thereof shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest at the rate of six per cent. (6%)