

MORTGAGE RECORD 75

of the Company, or, in the case of proceeds of property of a subsidiary, to the trustee under the mortgage securing subsidiary first mortgage bonds of such subsidiary.

In the event that in any case such proceeds consist, in whole or in part, of anything other than money, or securities treated as equivalent thereto under Sec. 9.05 or Sec. 9.07, the Company shall likewise furnish to the Corporate Trustee a certificate signed by the President or a Vice President of the Company and by an independent engineer, stating in their opinion the fair value, as of a date not more than 60 days prior to the date of the application, of such other proceeds.

The Trustees shall, if so requested by the Company in an application signed by the President or a Vice President and by the Secretary or Assistant Secretary or Treasurer or Assistant Treasurer, in connection with any proceeding for the taking of any property of the Company or of a subsidiary through the exercise of the power of eminent domain or any right of purchase above referred to, give their consent in writing to the taking or purchase of such property and/or to the amount of any award or allowance of compensation therefor, if furnished with a certificate signed by the President or a Vice President of the Company and by an engineer, stating that in their opinion the fair value of the property in question to the Company or subsidiary, as of a date not more than 60 days prior to the date of the application, is not more than the amount of the proposed award or allowance, and further stating in substance that, when the Company or subsidiary shall have made substitution in money or its equivalent to the extent of such amount, the security afforded by this Indenture will remain unimpaired.

Sec. 9.06. For the purpose of obtaining the consent of the Trustees to the release of property of a subsidiary under Sec. 9.03 or Sec. 9.05 from the lien of a subsidiary mortgage securing subsidiary bonds pledged with the Corporate Trustee hereunder the Corporate Trustee shall treat as equivalent to money deposited with it a like amount of money (or securities equivalent to money under Sec. 9.07) deposited with the trustee of such subsidiary mortgage but only when the Corporate Trustee shall have received the certificate of such trustee or other satisfactory evidence of such deposit; and the Company covenants that it will not permit any money so deposited with the trustee of a subsidiary mortgage to be paid out without the written consent of the Corporate Trustee hereunder, unless the payment be made to the Corporate Trustee itself. For the purposes of Sec. 9.08 the giving of a written consent by the Corporate Trustee to the payment of a specified amount of money so deposited with the trustee of a subsidiary mortgage shall be deemed equivalent to the actual payment of such an amount by the Corporate Trustee itself to or on the order of the Company unless such payment be made to the Corporate Trustee itself on account of pledged securities pursuant to Sec. 9.05 or Sec. 9.17 in which event such money when received by the Corporate Trustee shall be deemed to be a continuation of the former deposit and not in addition thereto.

Sec. 9.07. (a) For the purposes of this Article and Article 8 the following described classes of bonds or other obligations (herein referred to as "securities") and property shall be deemed equivalent to money on the basis below specified:

(1) Bonds or other obligations secured by a purchase money mortgage or vendor's lien (or the equivalent thereof) constituting a first lien (subject only to the lien of current taxes) upon the property sold, exchanged or otherwise disposed of, which shall be treated as equivalent to money in an amount equal to the aggregate principal amount thereof;

(2) Bonds or other obligations of the United States Government or of any State of the United States, or of any municipality or political subdivision of any such State, where received as all or a part of the consideration for the property released or to be released, or for fixed properties disposed of or to be disposed of by a subsidiary, whether or not issued for the purpose of acquiring and paying for such property, all such bonds or other obligations to be taken as the equivalent of money to an amount equal to the principal amount or market value thereof, whichever is the lesser;

(3) Fixed property received in exchange for or as all or a part of the consideration for property released or to be released to the extent of the fair value thereof as certified to the Corporate Trustee by an independent engineer as of a date not more than 60 days prior to the date of the application referred to in Sec. 9.17 or Sec. 9.03, as the case may be.

(b) Before the Trustees shall be required to accept any such securities or property in lieu of money, they shall be entitled to receive:

(1) in the case of securities mentioned in paragraph (1) of the foregoing subdivision (a), an opinion of counsel, stating in effect that such securities are valid and are secured by a purchase money mortgage or vendor's lien (or the equivalent thereof) upon property (therein described) so released or disposed of; that the instrument under which such securities are issued is valid and sufficient to afford a first lien upon the property so specified (subject only to the lien of current taxes) and has been duly filed or recorded, if necessary to its validity as against creditors or subsequent purchasers; that the Company has title to such securities; and whether any and if so what, instruments of transfer are necessary to vest the title to such securities in the Corporate Trustee hereunder; and

(2) in the case of securities mentioned in paragraph (2) of the foregoing subdivision (a), a certificate, signed by the President or a Vice President of the Company, and by an independent accountant, stating, in their opinion, the market value (not exceeding the aggregate principal amount thereof) of such securities (describing the same); that such securities have been received, or are to be received as all or part of the consideration for property (therein described) so released or disposed of, and whether any such securities have been issued or are to be issued for the purpose of acquiring and paying for such property; together with an opinion of counsel to the effect that the Company has title to such securities and whether any, and if so what, instruments of transfer are necessary to vest title to such securities in the Trustees hereunder, and also, in case the above required certificate states that such securities have been issued for the purpose of acquiring or paying for the property in question, stating that such securities are valid and have been duly issued;

(3) in case of fixed property referred to in paragraph (3) of the foregoing subdivision (a) a certificate of an independent engineer stating the fair value of the property (describing the same) received in exchange for or as all or a part of the consideration for the property released or to be released, together with an opinion of counsel to the effect that the Company has title to such property so received and whether if, and if so what, instruments or deeds of transfer and conveyance are necessary to subject such property to the lien of this Indenture as a first lien thereon.

(4) in all cases, such instruments or deeds of conveyance or transfer, if any, as are stated in the above required opinions of counsel to be necessary to vest the title to such securities in the Trustees hereunder or to subject such property so received to the lien of this Indenture as a first lien thereon.

(c) Any securities received by the Trustees under this Sec. 9.07 shall be held by them as a part of the trust estate, and may from time to time be delivered to or on the order of the Company under any of the provisions of this Indenture in lieu of and as the equivalent of money on the basis above specified.

(d) The Trustees shall also at any time, upon application of the Company signed by the President or a Vice President and by the Treasurer or Assistant Treasurer, surrender or deliver in accordance with such application any such securities upon the deposit with the Corporate Trustee in lieu thereof an equivalent amount of money on the basis above specified.