

MORTGAGE RECORD No. 79

The Trustee shall be entitled to act upon any certified copy of resolution, certificate, opinion, request, order, bond or other instrument or paper mentioned in this Article, when the same is or on its face appears to be signed, certified, verified or executed in the manner herein provided; and the Trustee shall be under no duty to make any investigation or inquiry as to the statements contained in any such instrument or as to the manner in which any computation is made, but may consider the same as conclusive evidence of the statements therein contained, and, shall be fully protected in respect to any and all acts done or actions taken or suffered by it in reliance thereon.

Section 3. The Trustee shall have the right, but shall not be required to demand an opinion of counsel revealing whether, in the opinion of such counsel, the existence of any lien set forth in any certificate delivered to the Trustee in connection with any application for the authentication of any bonds under the provisions of this Article or otherwise known to the Trustee, materially impairs the security afforded hereby for the protection and benefit of the holders of the bonds issued hereunder, including those authentication whereof is desired, and in the event that any such lien does, in the opinion of such counsel, materially impair the security so afforded, the Trustee shall not authenticate such bonds unless and until such lien be discharged, released or removed, or such other proceedings as may be suggested by such counsel be had, and such counsel shall render to the Trustee as opinion to the effect that such lien does not at the date hereof, materially impair the security so afforded.

Liens for taxes or special assessments not in default or in course of contest shall not within the purview of this Section be regarded as materially impairing the lien hereof.

ARTICLE IV.

BONDS FOR ADDITIONS AND EXTENSIONS.

Section 1. Additional bonds of Series A or bonds of any series subsequent thereto, created pursuant to the terms of this Mortgage, may from time to time be executed by the Company and delivered to the Trustee, and the Trustee shall upon receipt of

(a) A certified copy of the resolution responsive to the provisions of Section 5 of Article I hereof in the event the bonds authentication whereof is applied for be the initial bonds of any series;

(b) A copy of a resolution of the Board of Directors of the Company, certified by the Secretary of the Company under its corporate seal, to have been duly adopted and describing and authorizing the authentication and delivery of such bonds together with a copy of a resolution passed by a majority vote of the stockholders of the Company entitled to vote thereon and certified as aforesaid, authorizing the issuance of such bonds under the provisions hereof, or in the alternative an opinion of counsel, to the effect that no such resolution of the stockholders is necessary for the issue of such bonds or to entitle the same to the security and lien thereof.

(c) A certified copy of the order responsive to sub-paragraph (c) of Section 2 of Article III hereof, or, in the alternative, an opinion of counsel responsive to said sub-paragraph;

(d) A certificate signed and sworn to by the President and Treasurer of the Company (1) stating that the Company did, subsequent to March 15, 1936, make or acquire additions and extensions as hereinafter defined to its properties, describing such additions and extensions in reasonable detail, giving the date of construction or acquisition thereof; stating that any such additions or extensions which have been constructed have been fully completed or if not setting forth arrangements made to secure such completion free from liens, and stating the actual cash expenditures made therefor, respectively, not in excess of the fair depreciated value thereof and the aggregate of such expenditures; (2) stating that the titles to such additions and extensions have been vested in the Company, subject only to (A) the lien of this Mortgage, (B) current taxes, and (C) any other lien, charge or objection set out in said certificate in reasonable detail; (3) stating that such additions and extensions were not acquired in exchange or substitution for or out of the proceeds of any property theretofore subject to the lien hereof or through the operation of any fund set up in compliance with any provision hereof, or of any Mortgage supplemental hereto; (4) stating that the Company has not theretofore applied for the authentication of any bonds issuable hereunder, or for the withdrawal of any cash deposited with the Trustee hereunder, or claimed credit as against any fund provided for in this Mortgage, or in any Mortgage supplemental hereto, on account of the making or acquisition of such additions or extensions so set forth in such certificate; (5) setting forth in reasonable detail each lien accrued or created or imposed upon any property of the Company subsequent to the imposition of the lien hereof and remaining undischarged; (6) stating that the Company has by law the power and authority to operate such additions or extensions under its charter; (7) setting forth in reasonable detail the gross earnings of the Company during the period of twelve (12) consecutive months embraced within the fifteen (15) consecutive months preceding the filing of such certificate, including in such gross earnings the earnings during such period from the operation of any property acquired during such period or subsequent thereto or to be acquired simultaneously with the authentication of bonds then applied for, though such earnings accrued to prior owners of such property; (8) setting forth in reasonable detail the operating expenses of the Company, including those incident to properties newly acquired or to be acquired simultaneously as aforesaid during the period covered by the aforesaid statement in respect to gross earnings, including in such operating expenses all state, county and local taxes, rentals, royalties, insurance and expenditures and charges for actual maintenance and repairs, but without any deductions for expenditures or charges for depreciation, amortization of securities, or federal or state income taxes; (9) stating the net amount remaining after deductions from the gross earnings of the Company as stated in said certificate of the operating expenses as so stated, such net amount being hereinafter referred to as the "net earnings" of the Company; (10) setting forth in reasonable detail the annual aggregate interest charge on all bonds outstanding hereunder, being sometimes herein referred to as "Net annual bond interest charge"; (11) stating that no default exists in respect of any of the covenants, agreements or provisions of this Mortgage or of any Mortgage supplemental hereto;

(e) A certificate by a competent engineer or appraiser selected by the Company and satisfactory to the Trustee (who may be at the time or have been previously in the employ of the Company) setting forth that such person has made an examination and an inspection of such property and setting forth the fair value thereof as found by him after deduction of proper depreciation and elimination of any portion of such property not at the time used or useful in the conduct of the business of the Company, and in respect of any gas purchase contracts included in such property that the vendor therein is responsible and has sufficient gas reserves to comply therewith, and that from an engineering standpoint, the acquisition of such additions and extensions are advisable; provided, however, in the event any such additions and extensions consist of renewals and replacements, the fair value thereof shall be determined in accordance with the provisions of sub-paragraph (c) of Section 2 hereof;

(f) An opinion of counsel to the effect that the titles to the additions and extensions described in the pertinent certificate responsive to sub-paragraph (d) of this Section have been vested in the Company and that this Mortgage has been constituted a valid lien on such additions and extensions, subject only to (1) current taxes and (2) any other lien, charge or objection in such opinion described or mentioned in the pertinent certificate responsive to sub-paragraph (d) of this Section, and which, in the opinion of such counsel, does not materially impair the lien hereof on such additions or extensions for the security of the bonds issued hereunder, including those authentication whereof is then applied for and in the event any arrangements in respect of security for the completion of any construction are set forth in said certificate that the same are reasonable and proper.

(g) A receipt or other evidence responsive to sub-paragraph (e) of Section 2 of Article III hereof, or, in the alternative, an opinion of counsel, responsive to said sub-paragraph;

(h) An indenture supplemental hereto specifically subjecting such additions and extensions to the lien hereof, or an opinion of counsel, to the effect that such additions and extensions are subject to the lien hereof without any such Mortgage;

authenticate and deliver the same to or upon the order of the President or any Vice President of the Company if and only if

(1) It shall appear by the pertinent certificate responsive to the preceding sub-paragraph (d) of