

MORTGAGE RECORD 85

Q. "Appraiser" shall mean any corporation engaged in the business of appraising property or any qualified individual or copartnership, not regularly engaged in the service of the Company or any Related Company.

Section 25. Additional Bonds, of any series other than Series A, may at any time and from time to time be executed by the Company and delivered to the New York Trustee, and thereupon the same shall, subject to the provisions of Section 26, be authenticated and delivered under this Article by the New York Trustee upon the Written Order of the Company upon receipt by and deposit with the New York Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the authentication and delivery pursuant to the provisions of this Article of a specified principal amount of Bonds of a designated series.

B. A PROPERTY ADDITIONS CERTIFICATE of the Company dated not more than 30 days prior to the application for the authentication and delivery of such Bonds, and signed also (except as to Clauses (4), (5) and (13) of this Paragraph) by an Engineer selected by the Company, who may be in the employ of the Company, and who shall be approved by the New York Trustee, setting forth in substance as follows:

(1) That the Company has acquired, by purchase, construction or otherwise, Property Additions, and giving a brief description of such Property Additions and the principal subdivisions of plant or plant addition account to which the cost of such Property Additions has been charged.

(2) That none of said Property Additions consists of Bonded Property or are included in any Other application or certificate then pending with the New York Trustee by virtue whereof said Property Additions or any part thereof would become Bonded Property.

(3) Whether the Property Additions described in said certificate include any additional tract or parcel of real estate, and, if so, a separate description of such tract or parcel shall be included in the certificate.

(4) Whether the Property Additions described in said certificate, or any part thereof, were, at the time of their acquisition by the Company, subject to a Prior Lien or Liens existing or placed thereon at such time, and, if so, such certificate shall also state:

(a) the nature and extent of such such Prior Lien and the principal amount of all indebtedness secured thereby at said time;

(b) that all such Prior Liens have at or prior to the date of the certificate become Prepaid Liens or that all indebtedness secured thereby has been satisfied or discharged; and

(c) the aggregate of the amounts expended (excluding any amounts expended in respect of interest or premium) by the Company to cause such Prior Lien or Liens to become Prepaid Liens or to procure the satisfaction and discharge of the indebtedness secured thereby.

(5) That there is no outstanding indebtedness of the Company, or known, after due inquiry, to the Company, for the purchase price or construction of, or for labor, wages or materials in connection with the construction of, such Property Additions, which could become the basis of a lien upon said Property Additions prior to the lien of this Indenture (other than a Prior Lien described as provided in the preceding Clause (4), which, in the opinion of the signers of said certificate, might materially impair the security afforded thereby.

(6) Whether any part of the Property Additions described in said certificate consists of property which has been used or operated by others than the Company in the Gas Distribution Business; and, if so, such Property Additions shall be separately described.

(7) Whether any part of the Property Additions described in said certificate was acquired from a Related Company; and, if so, such Property Additions shall be separately described.

(8) Whether any part of the Property Additions described in said certificate was acquired by the Company, in whole or in part, for a consideration consisting of securities; and, if so, such Property Additions shall be separately described, and said securities shall also be described.

(9) The Cost to the Company of said Property Additions, and also the Fair Value thereof at the date of such certificate as appraised by said Engineer; and stating that said Cost and Fair Value have been computed and ascertained as required by Paragraph B of Section 24. If, by virtue of the provisions of the foregoing Clauses (6), (7), and/or (8) of this Paragraph, and of said Property Additions shall be separately described in said certificate, the Cost and Fair Value of such Property Additions shall be separately stated; and, in the case of Property Additions of the character described in Clauses (6) and/or (7) of this Paragraph, said Fair Value shall not exceed the value of such Property Additions as stated in the certificate filed with the New York Trustee pursuant to Paragraph C of this Section if such a certificate is required by the provisions of said Paragraph C; and, in the case of Property Additions of the character described in Clause (8) of this Paragraph, the portion of the Cost thereof represented by securities shall not exceed the fair value of such securities as shown by the Appraiser's Certificate filed with the New York Trustee pursuant to Paragraph D of this Section.

(10) That all the Property Additions described in said certificate are used or useful in the Gas Distribution Business of the Company and constitute Property Additions as said term is defined in Section 24; that no part of said Property Additions is property whose acquisition under the provisions of Section 24 is not permitted to be made the basis of the authentication and delivery of Bonds under this Article; and that none of said Property Additions are subject to any lien, charge or encumbrance prior to the lien of this Indenture, except the Prepaid Liens described pursuant to Clause (4) of this Paragraph, Permitted Encumbrances, and easements and similar encumbrances which, in the opinion of the signers of said certificate, do not materially impair the use of said Property Additions in the operation of the business of the Company.

(11) Whether there is an unused Additions Credit, and, if so, a statement of the amount thereof and a reference to the previous certificate and/or application hereunder which originally created such Additions Credit and a reference to the instances, if any, in which any part of such Credit has been previously used.

(12) The amount of the Mandatory Replacement Deductions for the period commencing with the date of the last previous Property Additions Certificate filed with the New York Trustee pursuant to this Section of Section 31 or 37 (or commencing with October 25, 1939 in the case of the first Property Additions Certificate so filed) and running up to the date of the Property Additions Certificate then being filed; and stating that the amount of such Mandatory Replacement Deductions has been computed as required by Paragraph F of Section 24.

(If pursuant to the foregoing Clause (11) it is stated that the Company has an unused Additions Credit, and the amount thereof is sufficient, after deducting Mandatory Replacement Deductions and Net Retirements and making the other computations provided for in Paragraph G of this Section, to entitle the Company to the authentication and delivery of the Bonds applied for, the Property Additions Certificate need state only the matters required by Clauses (11), (12) and (13) of this Paragraph, and the Opinion of Counsel required by Paragraph I of this Section need not include the matters referred to in Clauses (2) and (3) of said Paragraph I.)

(13) That the Company is not in default in the performance of any of the covenants on its part to be performed under this Indenture.

C. In case said Property Additions Certificate shall show any part of such Property Additions to have been acquired from a Related Company at a Cost to the Company in excess of \$65,000 or to consist of property which has been used or operated by others than the Company in the Gas Distribution Business having a cost to the Company, as shown by said Property Additions Certificate, in excess of one per centum of the aggregate principal amount of all Bonds at the time outstanding hereunder, a CERTIFICATE dated not more than 30 days prior to the application for the authentication and delivery of such Bonds, signed by an Independent Engineer selected by the New York Trustee and approved by a Resolution of the Board,