

able, in the ordinary practice of corporations carrying on a business similar to that of the Company, to repairs, maintenance or other operating expense account, and that the cost of such property additions is under, like practice, properly chargeable to plant account;

(8) that such allowances or charges for interest, taxes, engineering, legal expenses, superintendence, insurance, casualties and other items during construction as are included in the cost of any of such property additions constructed by or for the Company are, in the opinion of the signers, proper in respect of such property additions and are not in violation of any applicable rules, regulations or orders of any public body or authority exercising supervisory authority over the accounts of the Company;

(9) whether any portion of such property additions has been acquired by the Company without consideration or by merger, consolidation or dissolution, and, if so, separately describing such property additions and stating that the cost thereof has been deemed to be the fair value to the Company thereof as stated in the engineer's certificate hereinafter provided for in subdivision 3(c) of this Section 3.03;

(10) whether any portion of such property additions has been acquired or paid for in whole or in part through the issue or delivery of shares of stock or other securities, and, if so, describing the shares of stock or other securities so issued or delivered and stating that, for the purpose of determining the cost of the property additions so acquired or paid for, such shares of stock or other securities were taken at their fair value in cash as stated in the appraiser's certificate provided for in subdivision 3(e) of this Section 3.03;

(11) that no portion of such property additions has been acquired to replace a similar item of prop-

erty whose retirement has not been credited to plant account;

(12) whether any portion of such property additions consists of acquired plants or systems, and, if so, separately describing such property additions and stating the cost thereof;

(13) whether any portion of such property additions consists of property subject to a prior lien, and, if so, such prior lien shall be described or identified, such property additions shall be separately described and the cost thereof stated, and it shall also be stated whether or not such prior lien has theretofore been included in the cost of other property additions which have been bonded;

(14) if any portion of such property additions is at the time subject to a prior lien, (i) the total principal amount of all outstanding prior lien bonds secured thereby, and (ii) whether or not any deduction in respect of any such prior lien bonds has theretofore been made in connection with any application under this Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash, and, if so, stating the principal amount of the prior lien bonds with respect to which such deduction has been made; and

(15) that no portion of such property additions is, to the knowledge or belief of the signers, subject to any lien or encumbrance prior to the lien of this Indenture excepting the liens of prior liens (if any) specified in such certificate and permissible encumbrances.

For the purpose of any certificate to be filed in accordance with the provisions of this subdivision (b), the signers of such certificate may, as to property additions theretofore bonded and net property retirements included in any officers' certificate previously filed in accordance with the provisions of this subdivision (b), refer subject to the provisions of Section 17.01 hereof, upon the facts and statements contained in any such officers' certificate.

Property additions and property retirements may be described (i) by stating the descriptive name or title of the account or accounts under or pursuant to any system of accounting with which the Company is required to comply by any provision of law or, if the Company is not subject to any such requirement, any standard system of accounting in general use by companies doing a similar business, to which the cost of such property additions is properly chargeable or allocable or to which such property retirements have been credited or allocated, or (ii) at the Company's option, by descriptive title of the particular project or acquisition, or other improvement, extension, addition, replacement or retirement.

(c) An engineer's certificate stating, in the opinion of the signers, the fair value to the Company of the property additions not theretofore bonded described in the officers' certificate provided for in subdivision 3(b) of this Section 3.03, and separately stating the fair value to the Company of any of such property additions which (i) consist of acquired plants or systems or (ii) are shown by said officers' certificate to have been acquired by the Company without consideration or by merger, consolidation or dissolution.

(d) In case any of the property additions not theretofore bonded described in the officers' certificate provided for in subdivision 3(b) of this Section 3.03 consist of acquired plants or systems, and the fair value to the Company of such property additions (as set forth in the engineer's certificate provided for in subdivision 3(c) of this Section 3.03) is not less than twenty-five thousand dollars (\$25,000) and not less than one per cent (1%) of the aggregate principal amount of bonds at the time outstanding hereunder, an independent engineer's certificate, stating, in the opinion of the signers, the fair value to the Company of such property additions, and, in case the authentication and delivery of bonds to be bonded hereunder is requested (but not otherwise), such certificate shall also state, in the opinion of the signers, the fair value to the Company of any other acquired plants or systems the subject of which to the lien of this Indenture has, since the commencement of the then current

calendar year, been made the basis for the authentication and delivery of bonds, the withdrawal of cash, the reduction of cash or the release of property under any of the provisions of this Indenture and as to which an independent engineer's certificate has not previously been furnished.

(e) In case any property additions are shown by the officers' certificate provided for in subdivision 3(b) of this Section 3.03 to have been acquired or paid for in whole or in part through the issue or delivery of shares of stock or other securities, an appraiser's certificate, stating the fair value in cash of such shares of stock or other securities at the time of the issue or delivery thereof in payment for, or for the acquisition of, such property additions.

(f) An accountant's certificate (hereinafter sometimes referred to as a "net earnings certificate"), dated not more than thirty days prior to the filing of the application with the Trustee, stating that the net earnings of the Company available for interest, for any specified twelve consecutive calendar months during the period of fifteen calendar months immediately preceding the first day of the calendar month in which the application for the authentication of additional bonds is made, have been in the aggregate equal to at least two times the amount of the aggregate annual interest charges on the following:

(i) all bonds outstanding under this Indenture as the date of such certificate (other than bonds held by the Trustee for the purpose of any sinking fund or analogous fund for the retirement of the Indenture, for which provision may be made in any supplemental Indenture, whether or not such supplemental Indenture shall specify that the bonds held for the purpose of such fund are outstanding bonds);

(ii) the additional bonds applied for and any additional bonds applied for in any other pending application, and