

January 10, 1905, executed by that Company to Commonwealth Trust Company, as Trustee, being all of the bonds now outstanding under such mortgage; and/or **COMPARED**

(3) All bonds or other evidences of indebtedness secured by Mortgage superior in lien to the lien of this Mortgage upon any purchased property (as in this section defined) hereafter acquired by the Company, provided (a) that the principal amount of such bonds or indebtedness shall not exceed seventy five per cent of the cost to the Company or of the value at the time of its acquisition (whichever shall be less) of such purchased property; or (b) that if the principal amount of such bonds or indebtedness shall exceed seventy five per cent of such cost or value (whichever shall be less) the Company after such acquisition shall have paid or otherwise discharged a principal amount of such bonds or indebtedness at least equal to such excess or shall have made (either before or after such acquisition) expenditures (on account of which bonds could have been authenticated under the provisions of Section 4 of this Article, disregarding the provisions of Sections 7 and 8 of this Article, but on account of which no bonds shall have been authenticated under this Mortgage) amounting to one and one third times such excess, and shall have certified the discharge of such bonds or indebtedness or the making of such expenditures to the Trustee for the purpose of eliminating or compensating such excess; provided further that in computing the principal amount of bonds or other evidences of indebtedness secured by mortgage upon any purchased property acquired from a Subsidiary (as hereinafter in this Mortgage defined) for the purposes of subdivision (a) of this paragraph there shall be excluded any such bonds or evidences of indebtedness pledged with the Trustee hereunder and there shall be included in lieu thereof an amount of bonds equal to the principal amount of all bonds previously authenticated under the provisions of Section 5 of this Article in respect of such Subsidiary.

The bonds and other evidences of indebtedness hereinabove in this section specified and described are hereinafter sometimes referred to individually and collectively as "underlying bonds", and the mortgages or other instruments respectively securing or providing for the issue of the same are herein sometimes referred to as "underlying mortgages". Any bond or evidence of indebtedness issued under any underlying mortgage and which is deposited under any other underlying mortgage or under this Mortgage shall not be deemed or considered an underlying bond for the purpose of this section. The term "cost" as used in this mortgage with respect to any purchased property shall be taken to mean the amount of cash expenditures made or agreed to be made by the acquiring company therefor, added to the aggregate principal amount of the bonds or other evidences of indebtedness, if any, secured by mortgage or other lien existing on such purchased property at the time of the acquisition thereof and subject to which such property was acquired, except in cases where the consideration for purchased property shall not consist wholly of such cash expenditures, or of such cash expenditures and the assumption of any mortgage indebtedness existing on such purchased property at the time of its acquisition; and in all such cases the value at the time of acquisition of such purchased property (determined as hereinafter in this section provided) shall within the meaning of this mortgage be deemed the "cost" of such purchased property.

The "value" as that term is used in this Mortgage, of any property shall be the value determined and certified by an engineer or firm of engineers to be selected by the Company and to be acceptable to the Trustee, except where some other method of determination is specifically provided for herein; and the Trustee shall be furnished with a Certificate of such determination signed by such engineer or firm of engineers.

The term "purchased property" as used in this Mortgage shall mean any plant, equipment or other property used or useful for public utility purposes, acquired through purchase,