

(5) State whether or not the moneys to be so applied represent proceeds of the sale of property, or insurance moneys paid with respect to property damaged or destroyed, or property taken by the power of eminent domain.

(B) If in such resolution or resolutions the cash cost of such property which the Company desires so to acquire is stated to be in excess of \$25,000 there shall also be delivered to the Trustee a certificate of an engineer (which term shall include any person, firm or corporation engaged in an engineering business) satisfactory to the Trustee in its sole discretion, appraising such property and stating that in the opinion of such engineer the said cash cost is at least equal to the fair value of such property or such equity to be owned by the Company therein, and also stating that in the opinion of said engineer the proposed acquisition thereof is necessary or useful for the business of the Company or otherwise for the benefit of the mortgaged property.

(C) There shall be delivered to the Trustee the opinion of counsel satisfactory to the Trustee, who may be of counsel to the Company, to the effect that the Company, upon acquisition thereof, will have good title to such property, and that the same will not be subject to any liens prior to the lien of this First Mortgage other than the lien of current taxes, and or the lien of assessments for local improvements not then payable, and/or other than liens thereon of the character and to the amount permitted by the provisions of this First Mortgage together with a proper instrument or instruments of conveyance approved by such counsel if deemed necessary or advisable by him, subjecting the same to the lien of this First Mortgage.

Upon receipt of such order or orders, resolution or resolutions, certificate or certificates, opinion of counsel, and instruments of conveyance, the Trustee shall pay at the time or from time to time such moneys to the Company to be applied by it to the payment of said cash cost or to reimburse the Company for such payment as may be set forth in such written order or orders of the Company.

All property acquired as aforesaid shall forthwith become subject to the lien hereof, and the Company shall immediately execute a proper conveyance or conveyances or deed or deeds of assurance, conveying or assuring the same to the Trustee as part of the trust estate and properly record the same at such place or places as the Trustee shall require, unless the Trustee shall in writing waive such conveyance or deed, and in the event of such waiver the Company shall, if and when required by the Trustee at any time thereafter, execute such conveyance or deed and so record the same. Pending such application as aforesaid, the Trustee shall hold any moneys deposited with it under this Article as a special deposit, subject to the lien hereof, paying to the Company such rate of interest thereon as may be agreed upon. Any moneys so deposited with the Trustee which shall not be applied as herein above provided to the purchase, acquisition or construction of such property within two years or such extended period as the Trustee shall consent to, after the same shall have been so deposited, shall thereupon be applied to the redemption as soon as practicable of outstanding bonds issued hereunder; and any moneys deposited with the Trustee under this Article may at any time at the option of the Company be so applied. Moneys which are so to be applied shall be applied to the redemption of bonds in the manner provided in Section 2 of Article III hereof, and all bonds so redeemed shall be immediately cancelled and no bonds shall be issued in place thereof.

SECTION 4. All obligations secured by purchase money mortgage received by the Trustee in accordance with the provisions of Section 2 of this Article shall be held and collected by the Trustee, which shall, however, be under no liability or accountability whatsoever for the collection thereof (interest as received thereon meanwhile to be paid over to the Company, if an event of default hereunder does not then exist to the knowledge

COMPARED BY *Jay*
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