

(3) an Engineer's Certificate made and dated not more than ninety (90) days prior to the date of such application, describing the Property Additions made the basis of the application in reasonable detail and stating that they are Property Additions as defined in Section 4 hereof, that such Property Additions are desirable for use in the proper conduct of the Company's business, and that such Property Additions, to the extent of the Cost or Fair Value thereof to the Company (whichever is less) made the basis of the application, do not consist of Funded Property; stating, except as to Property Additions acquired, made or constructed wholly through the delivery of securities, that the amount of cash forming all or part of the Cost thereof was equal to or more than an amount to be stated therein; briefly described, with respect to any Property Additions acquired, made or constructed in whole or in part through the delivery of securities, the securities, so delivered and stating the date of such delivery; stating, except as to Property Additions in respect to the Fair Value to the Company of which a statement is to be made in an Independent Engineer's Certificate as provided for in subdivision (4) of this Section, that the then Fair Value to the Company of such Property Additions is equal to or more than an amount therein to be stated; stating the amounts required to be deducted and added under the provisions of Section 4 hereof; specifying the nature and extent of any Prior Lien existing upon any of such Property Additions and the principal amount of all Outstanding Prior Lien Bonds secured thereby, and further stating whether or not the required amount has theretofore been deducted in compliance with the provisions of Section 26 hereof when other Property Additions subject to such Prior Lien were made the basis under any of the provisions of this Indenture for the authentication and delivery of bonds or the withdrawal of cash or the release of property or the basis of a credit under the provisions of Section 38 or Section 39 hereof and, if so, when such deduction was made and whether since the date of such deduction property of the Company has continued to be subject to such Prior Lien; and stating what part, if any, of such Property Additions includes property which has been used or operated in the public utility business by others than the Company and, if any such Property Additions include property subject to any easements, restrictions, exceptions or reservations for the purpose of roads, pipe lines, transmission lines, transportation lines, removal of coal or other minerals, or other like purposes, or for the joint and common use of real property, facilities and equipment, that any such easements, restrictions, exceptions or reservations do not materially impair the use of such property for the purposes for which it is held by the Company. If any such Property Additions have been used or operated in the public utility business by others than the Company, the amount of cash stated to be all or any part thereof may include the amount of cash forming part of the Cost of the Cost of any rights and intangible property simultaneously acquired with the same for which no separate or distinct consideration shall have been paid or apportioned, and in such case the term Property Additions as defined herein may include such rights and intangible property;

(4) in case any Property Additions are shown by the Engineer's Certificate provided for in subdivision (3) above to include property which within six (6) months prior to the date of acquisition thereof by the Company, has been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and such certificate does not show the Fair Value thereof to the Company to be less than <sup>Twenty-five Thousand Dollars (\$25,000) or less than</sup> one per centum (1%) of the aggregate principal amount of the bonds at the time Outstanding hereunder, a further certificate consisting of an Independent Engineer's Certificate stating as to such Property Additions which have been so used or operated and (at the option of the Company) as to any other Property Additions included in the Engineer's Certificate provided for in subdivision (3) of this Section that the then aggregate Fair Value thereof to the Company in the opinion of the signer is equal to or more than an amount to be stated therein, together with the signer's report thereon which shall contain a brief statement of the conditions governing the signer's determination of such Fair Value and a brief statement of the condition, serviceability and location of such Property Additions; and in the case of the authentication and delivery of bonds, the Fair Value to the Company of any property so used or operated which has been subjected to the Lien of this Indenture since the commencement of the then current calendar year as the basis for the authentication and delivery of bonds, the withdrawal of cash, or the release of property or securities, and as to which an Independent Engineer's Certificate has not previously been furnished to the Corporate Trustee;

(5) in case any Property Additions are shown by the Engineer's Certificate provided for in subdivision (3) above to have been acquired, made or constructed in whole or in part through the delivery of securities, a written appraisal of an engineer, appraiser or other expert person, firm or corporation (who, unless the Fair Value thereof to the Company as shall be set forth pursuant to the provisions of this subdivision (5), is less than Twenty-five Thousand Dollars (\$25,000) or less than one per centum (1%) of the aggregate principal amount of the bonds then Outstanding hereunder, shall certify to the Corporate Trustee that the signer in an independent engineer, appraiser or other expert person, firm or corporation) to be selected by the Board of Directors of the Company and approved by the Corporate Trustee, stating in the opinion of the signer the Fair Market Value in cash of such securities at the time of delivery thereof in payment for or for the acquisition of such Property Additions. If any such Property Additions are shown by such Engineer's Certificate to include property which has been used or operated in the public utility business by others than the Company, the appraised value of the securities stated to have been delivered in