

PURCHASE OF ANY PROPERTY WHICH SHALL HAVE BEEN PREVIOUSLY CONSTRUCTED, USED OR OPERATED BY OTHERS THAN THE COMPANY OR A SUBSIDIARY COMPANY, AS THE CASE MAY BE, IF THE ENGINEER'S CERTIFICATE WITH RESPECT THERETO, PROVIDED FOR IN PARAGRAPH (E) OF SUB-SECTION II OF THIS SECTION 29, SHALL SHOW THE FAIR PHYSICAL VALUE, AFTER DUE ALLOWANCE FOR DEPRECIATION, OF THE PROPERTY SO PURCHASED OR BELONGING TO A SUBSIDIARY COMPANY THE STOCK OF WHICH IS SO ACQUIRED, AFTER DUE ALLOWANCE FOR DEPRECIATION, TO BE LESS THAN THE ACTUAL CASH COST THEREOF, OR THE ACTUAL CASH COST OF THE SAID STOCK, AS THE CASE MAY BE, THE AMOUNT OF THE EXPENDITURES WITH RESPECT TO SUCH PROPERTY FOR WHICH THE COMPANY MAKING THE EXPENDITURES SHALL BE ENTITLED TO BE REIMBURSED, TO THE EXTENT HEREIN PROVIDED, SHALL NOT BE MORE THAN SUCH FAIR PHYSICAL VALUE; PROVIDED, FURTHER, THAT, IN CASE ANY PROPERTY SO PURCHASED OR ACQUIRED, OR ANY PROPERTY OF A COMPANY THE STOCK OF WHICH IS SO ACQUIRED, SHALL BE SUBJECT TO ANY EXISTING LIEN OR INCUMBRANCE, THE AUTHENTICATION AND DELIVERY OF BONDS AND THE PAYMENT OF DEPOSITED CASH SHALL BE SUBJECT TO THE PROVISIONS OF SUB-SECTION VI OF THIS SECTION 29.

VI. IN CASE THE COMPANY OR ANY SUBSIDIARY COMPANY SHALL HEREAFTER ACQUIRE ANY PROPERTY SUBJECT TO AN EXISTING LIEN OR INCUMBRANCE THEREON, OR IN CASE THE COMPANY SHALL ACQUIRE THE STOCK OF A COMPANY THEN BECOMING A SUBSIDIARY COMPANY, THE PROPERTY OF WHICH IS SUBJECT TO AN EXISTING LIEN OR INCUMBRANCE, THE COMPANY SHALL FORTHWITH FILE WITH THE TRUSTEE (1) A CERTIFICATE, SIGNED BY THE PRESIDENT OR A VICE-PRESIDENT AND THE SECRETARY OR AN ASSISTANT SECRETARY OF THE COMPANY, VERIFIED BY ONE OF SUCH OFFICERS, <sup>STATING,</sup> AS THE CASE MAY BE, THAT THE COMPANY OR SUCH SUBSIDIARY COMPANY HAS ACQUIRED SUCH PROPERTY, OR THAT THE COMPANY HAS ACQUIRED THE STOCK OF THE COMPANY OWNING SUCH PROPERTY, AND SPECIFYING THE PRINCIPAL AMOUNT OF THE INDEBTEDNESS, DESCRIBING THE SAME, SECURED BY ANY EXISTING LIEN OR INCUMBRANCE THEREON; (2) A CERTIFICATE OF AN ENGINEER (WHO MAY BE AN ENGINEER EMPLOYED BY THE COMPANY), SELECTED OR APPROVED BY THE TRUSTEE, SETTING FORTH THE FAIR PHYSICAL VALUE OF SUCH PROPERTY AFTER DUE ALLOWANCE FOR DEPRECIATION, AND STATING THAT THE ACQUISITION OF SUCH PROPERTY, EITHER DIRECTLY OR THROUGH THE ACQUISITION OF THE STOCK OF SUCH COMPANY, AS THE CASE MAY BE, IS DESIRABLE IN THE INTERESTS OF THE COMPANY ACQUIRING THE SAME AND OF THE HOLDERS OF THE BONDS HEREBY SECURED, AND (3), IN CASE OF A MORTGAGE ON PROPERTY OF A SUBSIDIARY COMPANY AT THE TIME IT BECOMES SUCH SUBSIDIARY COMPANY, WHICH MORTGAGE PERMITS THE FURTHER ISSUE OF BONDS THEREUNDER FOR AT LEAST SEVENTY-FIVE PER CENT. OF THE ACTUAL AND REASONABLE EXPENDITURES MADE BY SUCH COMPANY FOR PERMANENT EXTENSIONS, ENLARGEMENTS AND ADDITIONS OF AND TO ITS PLANTS AND PROPERTIES, AN OPINION OF COUNSEL (WHO MAY BE COUNSEL FOR THE COMPANY), APPROVED BY THE TRUSTEE, STATING WHETHER OR NOT, IN THE OPINION OF SUCH COUNSEL, THE TERMS OF SUCH MORTGAGE CONFLICT WITH THE TERMS AND PROVISIONS HEREOF IN ANY ESSENTIAL PARTICULAR; AND, THEREUPON, UPON THE DELIVERY TO THE TRUSTEE OF ALL THE INSTRUMENTS AND BONDS AND STOCK HERETOFORE IN THIS SECTION 29 REQUIRED TO BE DELIVERED, FOR THE PURPOSE OF AUTHORIZING THE AUTHENTICATION AND DELIVERY OF BONDS OR THE PAYMENT OF DEPOSITED CASH, THE TRUSTEE SHALL AUTHENTICATE AND DELIVER, OR PAY OUT, TO OR UPON THE WRITTEN ORDER OF THE COMPANY, SIGNED BY ITS PRESIDENT OR A VICE-PRESIDENT AND ITS SECRETARY OR AN ASSISTANT SECRETARY, AN AGGREGATE PRINCIPAL AMOUNT OF BONDS OR AN AMOUNT OF DEPOSITED CASH EQUAL, AS NEARLY AS MAY BE, TO, BUT NOT EXCEEDING, THE AMOUNT BY WHICH SEVENTY-FIVE PER CENT. OF THE FAIR PHYSICAL VALUE OF SUCH PROPERTY AFTER