

JOHNSON-COX COMPANY, PRINTERS, TACOMA — 42355

and the fair value to the subsidiary company, the subsidiary property additions of which are made the basis of the application, at the date of this engineer's certificate, of such subsidiary property additions is equal to or more than an amount to be stated therein; further specifying the nature and extent of any prior liens, (and the principal amount of all prior lien bonds secured thereby) existing on (a) such property additions and (b) such subsidiary property additions, and whether or not other property additions or subsidiary property additions subject to the same prior liens have theretofore been made the basis of the authentication and delivery of bonds under this Article V, or of the withdrawal of cash, or of the release of property, or of the disposition by a subsidiary company of property, under any of the provisions of this Indenture; and stating what part, if any, of such property additions and such subsidiary property additions includes property which has been used or operated by others than the Company or any other corporation or any individual or firm subjecting such property additions to the lien of this Indenture or a subsidiary company in the public utility business. If any such property additions and/or subsidiary property additions (as the case may be) theretofore have been used or operated in the public utility business by others than the Company or any other corporation or any individual or firm subjecting such property additions to the lien of this Indenture or a subsidiary company, the amount of cash in either case so stated to be all or any part of the cost thereof may include the amount of cash forming part 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 and the term subsidiary property additions, as defined herein, shall include such rights and intangible property;

(4) in case any property additions or subsidiary property additions are shown by the engineer's certificate provided for in Subdivision (3) above to include property which has been used or operated in the public utility business by others than the Company or any other corporation or any individual or firm subjecting such property additions to the lien of this Indenture or a subsidiary company, a further and independent engineer's certificate stating as to any such property additions and/or subsidiary property additions and (at the option of the Company) as to any other property additions and/or subsidiary property additions included in the engineer's certificate provided for in Subdivision (3) of this Section that the aggregate fair value thereof to the Company and/or to any other corporation or any individual or firm subjecting such property additions to the lien of this Indenture and/or to the subsidiary company, the subsidiary property additions of which are made the basis of the application, at the date of this independent engineer's certificate 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/or such subsidiary property additions;

(5) in case any property additions or subsidiary 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 issue or delivery of securities, a written appraisal of an appraiser or other competent person, firm or corporation to be selected by the Corporate Trustee and approved by the Board of Directors or Executive Committee of the Company, stating in the opinion of the signer the fair market value in cash of such securities at the time of the issue or delivery thereof in payment for or for the acquisition of such property additions and/or such subsidiary property additions,