

description, the property, improvements, extensions or additions subject to such lien or encumbrance, the nature of such lien or encumbrance, the total amount of the indebtedness secured by such lien or encumbrance, the actual cost of the property subject to such lien or encumbrance and of any improvements, extensions and additions thereto, and the certificate specified in paragraph H should also state the fair unencumbered value of all the property, improvements, extensions and additions subject to such lien or encumbrance.

J. Such instruments of conveyance, assignment and transfer as may be necessary in the opinion of counsel (who may be counsel to the Company) selected by the Company and approved by the Trustee, to vest in the Trustee to hold as part of the mortgaged property hereunder all the right, title and interest of the Company or the Subsidiary Mortgagor Company (whichever owns the same) in and to the property with respect to which the authentication of Bonds shall be requested, or the opinion of such counsel that no such instruments are necessary for such purpose.

K. The opinion of counsel (who may be counsel to the Company) selected and approved in the manner provided in J above, to the effect that the Company or a Subsidiary Company has title to such property subject to no deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto prior to this Indenture, except current taxes, Underlying Mortgages, Farm Mortgages, and liens securing indebtedness pledged with the Trustee unless the statement referred to in paragraph G. states that there are other liens or encumbrances upon such property, extensions, improvements or additions and in such case, unless Residue Bonds shall have been theretofore authenticated on account of property subject to such lien, the opinion of such counsel shall add as an additional exception the amount of the Indebtedness stated in the statement referred to in paragraph G. and shall further set forth that the lien or encumbrance securing such indebtedness covers only the property described in such statement as being covered thereby.

(2) In the case of the issue of Bonds against additional property, permanent improvements, extensions or additions of any Subsidiary Company (other than a Subsidiary Mortgagor Company) in which the Company has at least a 95% interest, in addition to A, B, C, E, G, H, I and K,

L. Either Demand Notes of such Subsidiary Company in an amount at face value or stock of such Subsidiary Company in an amount at par value equal to at least 200% of the principal amount of Bonds to be issued hereunder if issued pursuant to Subdivision 1 of Section 5 of this Article, or equal to at least 154% of the principal amount of Bonds to be issued hereunder if issued pursuant to Subdivision 2 of said Section.

In case the provisions of the Underlying Mortgages shall require the deposit of such Notes or Stock with the trustees of either of said mortgages, the Trustee may receive in lieu of such Notes or Stock a certificate of either of the trustees under such Underlying Mortgages, certifying that the deposit of such Notes or Stock with said trustee is required by the terms of said mortgage and further certifying that they have been so deposited and specifying the amounts so deposited.

Provided, however, that in the case of the issuance of such Demand Notes or Stock by any corporation which is not a Subsidiary Company at the time of the execution of this Indenture but which shall hereafter become such, such Notes or Stock may not be issued out of the surplus of such Subsidiary Company existing at the time of its acquisition, but may only be issued out of earnings accrued to, or for value received by, such Subsidiary Company subsequent to the date of acquisition; and in the case of the issuance of such Demand Notes or Stock by any such corporation, the report required by Paragraph A of Section 8 of this Article shall also state that the requirements of this provision