

amounts so deposited.

Provided, however, that in the case of the issuance of such bonds 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 bonds 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 bonds by any such corporation, the report required by Paragraph A of Section 8 of this Article shall also state that the requirements of this proviso have been complied with.

R. An 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 bonds of such Subsidiary Company deposited in accordance with the requirements of paragraph Q above have been validly issued and are secured by a mortgage upon the property described in the statement furnished in accordance with paragraph G and that the title to such bonds is vested in the Trustee free and clear of all liens prior to the lien of this Indenture, except the Underlying Mortgages if the lien thereof should extend to such bonds. Such opinion shall further state that the terms of said mortgage are such as in all respects to afford to the holders of bonds issued and outstanding thereunder as prompt, effective and efficient a remedy as afforded by this Indenture to the Holders of Bonds outstanding hereunder and that such mortgage in its substantial provisions is equivalent to and not less favorable to the holders of bonds outstanding thereunder than the provisions of Articles III, IX, X and XI of this Indenture; provided that the opinion of counsel as to such further matters once given with respect to a particular mortgage of a subsidiary company need not be furnished upon subsequent application.

(4) In the case of the issue of Bonds against securities as provided in Subdivision 3 of Section 5 of this Article, in addition to A, B, C and E.

S. A Statement signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company stating that after November 30, 1921 (or in the case of Subsidiary Companies which became such subsequent to November 30, 1921, after the date of acquisition) the Company, or a Subsidiary Company in which the Company shall have at the time at least a ninety-five per cent, interest, has acquired shares of stock, bonds, notes or other obligations (hereinafter called securities) of any corporation not theretofore a Subsidiary Company and which upon such acquisition has become a Subsidiary Company and stating the actual cost thereof and stating further what portion of the assets of such Subsidiary Company consists of oil or gas property described in Subdivision 1 of Section 5 of this Article, and stating further that such securities do not include any described in clauses (a), (b), (c), (d), (e), (f) and (g) of Section 5 of this Article and stating further that neither the Company nor any such Subsidiary Company has been reimbursed for any part of such actual cost in Bonds issued under this Indenture, or in the alternative stating to what extent the Company or any Subsidiary Company has been so reimbursed, and if the Company or any Subsidiary Company has been so reimbursed to any extent whatsoever, stating that the securities included in such statement, which have theretofore been included in any previous statement used for the authentication of Bonds, do not appear in the statement then being made or the certificate then being furnished pursuant to paragraph T at a greater value than in any such previous statement, and stating further whether the corporation whose securities have been acquired has all its property free and clear of all liens and encumbrances except current taxes, Underlying Mortgages, Farm Mortgages and Liens securing indebtedness to be