

F. In depositing cash with the trustee.

SECTION 2. If in any year, commencing December 1, 1921, or commencing each December first thereafter, the whole or any part of the depletion and depreciation fund has been expended in the manner set forth in Clause A of Section 1 of this Article, the Company shall, on or before November 30th of such year deliver to the trustee;

1. in the case of expenditures for additional property, permanent improvements, extensions or additions of the Company or the Subsidiary mortgagor companies:

A. A statement signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the company stating with reasonable details of description and actual cash cost that since November 30, 1921 (or in the case of Subsidiary Companies which became such subsequent to November 30, 1921, since the date of acquisition) the Company or a Subsidiary Company has acquired additional property or constructed improvements, extensions or additions of the nature described in subdivisions 1 and/or 2 of Section 5 of Article II, and stating further that said property, improvements, extensions or additions do not include any described in clauses (a), (b), (c), (d), (e) and (g) of section 5 of Article II, and stating further that neither the Company nor any such Subsidiary company has been reimbursed for any part of such actual cash 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 stating further whether any such property, improvements, additions or extensions are of the nature described in Section 3 of Article IX and if so specifying the same, and stating separately the actual cash cost thereof, and stating further the means of any of the Subsidiary Companies mentioned in the statement, which have been acquired since the date of the execution of this indenture.

B. 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 described in the statement referred to in the preceding Paragraph A, or the opinion of such counsel that no such instruments are necessary for such purpose.

2. In the case of expenditures for additional property, 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.

C. Either Demand Notes of such Subsidiary Company in an amount at face value or Stock of said Subsidiary Company in an amount at par value at least equal to the actual cash cost of the additional property, permanent improvements, extensions or additions purchased, acquired or constructed by such Subsidiary Company and described in the statement referred to in paragraph A.

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 acquisi-