

not theretofore, but which would thereupon become, a Subsidiary Company.

III. If the consideration stated in said certificate for any such property shall be

(a) Cash, then such cash or a certificate of any trustee or mortgagee under any mortgage which, in the opinion of counsel selected and approved as provided in Clause (b) next succeeding (who may be counsel for the Company), shall constitute a lien on any such property of any Subsidiary Company (other than Subsidiary Mortgagor Companies), or a lien prior to the lien hereof on any such property of the company or any Subsidiary Mortgagor Company, stating that it has received such cash.

(b) obligations of the nature described in Clause (2) of the preceding paragraph II, then such obligations or a certificate of any of the trustees or mortgagees described in Clause (a) above stating that it has received such obligations and also an opinion of counsel (who may be counsel to the Company) appointed by the Company and approved by the trustee to the effect that such obligations are of the nature described in said Clause (2) and that the purchase money mortgage securing such obligations is or will be when recorded, sufficient to afford a valid first lien upon the property to be sold or exchanged.

(c) fixed property, oil and/or gas leases, or tangible personal property, then instruments of conveyance, assignment or transfer sufficient in the opinion of counsel, who may be counsel to the company, selected and approved as provided in Clause (b), to subject the same to the lien of this indenture (subject only to such liens prior hereto as shall have existed on the property being disposed of, and farm mortgages and current taxes) if such disposition is being made by the Company or any Subsidiary Mortgagor Company or if not, to vest title in the Subsidiary Company making such disposition free and clear of all liens and encumbrances except such liens as shall have existed on the property being disposed of, farm mortgages and current taxes, or an opinion of such counsel to the effect that no instrument of conveyance, assignment or transfer is necessary so to subject such property to the lien of this indenture or so to vest such title to such property in such company, as the case may be, and also a statement signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company, stating what portion of such property is property of the nature described in Section 3 of Article IX, and the value thereof.

Provided, however, that if any Subsidiary Company shall dispose of any fixed property, oil and/or gas leases, or tangible personal property subject at the time to the lien of a mortgage securing bonds then held by the Trustee hereunder, and if, for the purpose of evidencing or making more effective the release or consent of the Trustee provided for hereunder, the Trustee shall surrender such bonds for cancellation, there shall also be delivered to the Trustee simultaneously with the surrender of such bonds, demand bonds of an equal aggregate principal amount secured by mortgage upon the property received in exchange which mortgage secures only at that time such principal amount of demand bonds and an opinion of counsel of the nature specified in paragraph K of Section 10 of Article II, with appropriate modifications. Such opinion shall further state that the mortgage securing the said demand bonds is subject to no prior liens other than those liens which were prior to the bonds surrendered, and that such mortgage secures only at that time the principal amount of bonds being delivered to the Trustee.

(d) Bonds, stock or other securities (other than obligations described in subdivision (2) of Clause (b) of paragraph II of this Section), then such bonds, stock or other securities or a certificate of either of the trustees under the underlying mort-