

COMPARED

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entitled to the lien and benefits as a first lien thereon of a first mortgage of such subsidiary company under which they were issued or are secured, and that the Company has good and lawful right to pledge and has duly and properly pledged said bonds or obligations under this Indenture as part of the pledged securities, free and clear of all other liens and encumbrances;

(d) Such supplemental indenture or instrument as in the opinion of counsel referred to in paragraph (c) of this Section is necessary or advisable to subject such additional properties to the lien of this Indenture, as a first lien thereon, or in the case of a subsidiary company, to the lien of a first mortgage as a first lien thereon securing the bonds or obligations of such subsidiary company, which indenture or instrument shall be in form satisfactory to the Corporate Trustees and in the opinion of said counsel duly executed, acknowledged and delivered with all formalities necessary to authorize the same to be filed, recorded or registered in the manner required by law to effectuate the lien thereof; and

(e) In the case of a subsidiary company, the bonds or obligations of such subsidiary company as described in said certificate of counsel, to a principal amount equal to the cost or fair value (whichever is less) of such additional properties as stated respectively in the Company's certificate referred to in paragraph (a) and in the appraisal certificate referred to in paragraph (b) of this Section.

Upon receipt of such order or orders, resolution or resolutions, certificate or certificates, opinion of counsel, supplemental indentures (if any) and bonds or obligations (if any), the Corporate Trustees shall apply at the time or from time to time such moneys as may be requested in such written order or orders of the Company, but no such payments need be made by the Corporate Trustees unless they consider the same advisable in their discretion, if the Company shall to the knowledge of the Corporate Trustees be in default in respect of any covenant or provision of this Indenture, or if any such subsidiary company shall be in default in respect of any covenant or provision of a mortgage or instrument securing bonds or obligations then pledged hereunder, or if in their opinion the security of this Indenture would be thereby impaired.

All property and bonds and obligations acquired as aforesaid shall forthwith upon the acquisition thereof become subject to the lien of this Indenture, but the Company shall, if the Corporate Trustees shall so request, execute a supplemental indenture or supplemental indentures, conveyance or conveyances or deed or deeds of assurance satisfactory to said counsel conveying or assuring the same to the Trustees as part of the mortgaged property or premises.

Any moneys so deposited with the Corporate Trustees, which shall not be applied to the acquisition of additional properties within two years, or such extended period or periods as the Corporate Trustees shall consent to, after the same shall have been so deposited, shall thereupon be applied as soon as practicable to the retirement of bonds issued and outstanding hereunder, such retirement to be in addition to any sinking fund requirements of the bonds issued hereunder; and any moneys deposited with the Corporate Trustees under this Article may at any time at the option of the Company be applied to the retirement of bonds then outstanding hereunder. Such bonds may be retired by purchase by the Corporate Trustees at prices considered proper by them in their discretion, but not exceeding the redem-