

additions have been legally acquired by the Mortgagor Company; that the Mortgagor Company has good record title free from all mortgage or lien debts, other than the underlying mortgages or any of them as defined in Sub-division B of this section, and, if any of said underlying mortgages are liens upon the said extensions, enlargements and additions, the opinion shall specify them, and free also from all other encumbrances and easements, except such, if any, as in his judgment will not seriously detract from the value thereof to the Mortgagor Company. Said opinion shall also state that the lien of this Indenture or a supplemental Indenture executed for the purpose is a valid lien of record on said extensions, enlargements and additions. If said opinion shows the existence of any underlying mortgages other than the five enumerated in subdivision B of this section it shall be accompanied by a written consent to the requested certification and issuance signed by said firm of Lee, Higginson & Co., as then constituted.

5. A copy of a resolution of the Mortgagor Company's Board of Directors, certified by the Secretary or Assistant Secretary of the Mortgagor Company and bearing the Mortgagor Company's seal, requesting that the bonds, - the particulars of which shall be stated, - shall be certified and delivered.

Second.- In the case of bonds to reimburse the Mortgagor Company to the extent of eighty per cent. (80%) of the actual cash cost or the fair value to the Mortgagor Company whichever is less, of securities of other corporations.

1. A written consent to such certification and issuance signed by said firm of Lee, Higginson & Company, as then constituted.

2. An affidavit of the President or a Vice-President and the Treasurer or chief accounting officer of the Mortgagor Company stating (a) the general nature and character of such securities of other corporations, the amount thereof acquired by the Mortgagor Company, also the amount of the capital stock and of the bonded debt of each of such corporations outstanding; (b) the actual cash cost of such securities to the Mortgagor Company and that such actual cash cost is not in excess of the fair value thereof to the Mortgagor Company; (c) that said securities were purchased and paid for by the Mortgagor Company after January 1, 1912; (d) that the net earnings of the Mortgagor Company for twelve consecutive months within the fourteen calendar months preceding the application for the certification of bonds (excluding all interest received on all underlying bonds which are held by the Trustee as security under this Indenture), after deducting all operating expenses (including therein the proper charges for taxes, insurance, rents, maintenance, renewals and depreciation) have been at least one and one-half ($1\frac{1}{2}$) times the combined annual interest charges on (1) all bonds issued and outstanding under this Indenture, but not including any of such bonds which are held in the Sinking Fund (2) all underlying bonds as defined in sub-division B of this Section but not including any of such bonds which are held by the Trustee as security hereunder or which are held in the sinking funds of the mortgages securing the same, and (3) the bonds the certification of which is so applied for, and that in determining such net earnings of the company for such period of twelve months, the deductions for maintenance, renewals and depreciation amounted to at least fifteen per cent. (15%) of the gross earnings of the company for such period of twelve months, and that amount shall be considered a proper amount to be charged for said purposes, and (e) that the Mortgagor Company has not been reimbursed for any part of such cash cost