

TERMS AND PROVISIONS, AND WITH SUCH TRUSTEE, AS MAY BE SATISFACTORY TO THE TRUSTEE HEREUNDER, SECURING BONDS TO BE KNOWN AS "APPROVED BONDS", WHICH MAY BE ISSUED UNDER SUCH NEW MORTGAGE TO THE EXTENT OF ONE HUNDRED PER CENT. OF THE ACTUAL AND REASONABLE EXTENDITURES THEREAFTER MADE FOR PERMANENT EXTENSIONS, ENLARGEMENTS AND ADDITIONS OF AND TO THE PLANTS, PROPERTIES AND EQUIPMENT OF SUCH SUBSIDIARY COMPANY. SUCH NEW MORTGAGE SECURING APPROVED BONDS MAY PROVIDE FOR THE ORIGINAL ISSUE OF AN AGGREGATE PRINCIPAL AMOUNT OF BONDS THEREUNDER TO BE DEPOSITED AND PLEDGED WITH THE TRUSTEE HEREUNDER, TO THE EXTENT OF AT LEAST ONE HUNDRED PER CENT. OF THE CASH COST TO THE COMPANY OF THE STOCK OF SUCH SUBSIDIARY COMPANY, AND MAY PROVIDE FOR THE REFUNDING, AT OR BEFORE MATURITY, OF ANY OTHER BONDS SECURED BY A LIEN PRIOR TO THE LIEN OF THE MORTGAGE SECURING SUCH APPROVED BONDS ON THE PROPERTY OF SUCH SUBSIDIARY COMPANY; PROVIDED, THAT ALL SUCH APPROVED BONDS ISSUED BY ANY SUBSIDIARY COMPANY SHALL BE PAYABLE ON DEMAND; SHALL BEAR INTEREST AT NOT LESS THAN FIVE PER CENT. PER ANNUM, AND SHALL, WHETHER ISSUED FOR NEW PROPERTY OR FOR THE REFUNDING OF PRIOR LIEN BONDS OF SUCH SUBSIDIARY COMPANY, BE PROMPTLY DEPOSITED AND PLEDGED WITH THE TRUSTEE HEREUNDER.

IV. IN CASE OF THE APPLICATION BY THE COMPANY FOR THE AUTHENTICATION AND DELIVERY OF BONDS OR THE PAYMENT OF DEPOSITED CASH HEREUNDER ON ACCOUNT OF THE ACQUISITION OF THE STOCK OF A COMPANY THEN BECOMING A SUBSIDIARY COMPANY, OR IN CASE THE EXPENDITURES SET FORTH IN ANY CERTIFICATE REQUIRED TO BE DELIVERED TO THE TRUSTEE UNDER PARAGRAPH (C) OF SUB-SECTION II OF THIS SECTION 29 INCLUDE EXPENDITURES MADE BY A SUBSIDIARY COMPANY, THERE SHALL BE DELIVERED TO THE TRUSTEE, FOR DEPOSIT AND PLEDGE HEREUNDER, EITHER UNDERLYING BONDS OR APPROVED BONDS OF SUCH SUBSIDIARY COMPANY AT LEAST EQUAL IN PRINCIPAL AMOUNT TO THE BONDS OR DEPOSITED CASH, AS THE CASE MAY BE, THE AUTHENTICATION AND DELIVERY OR THE PAYMENT OF WHICH IS REQUESTED BY THE COMPANY ON ACCOUNT OF, AND TO THE EXTENT PERMITTED UNDER THE PROVISIONS OF THIS SECTION 29 FOR, SUCH ACQUISITION OF STOCK OR SUCH EXPENDITURES OF SUCH SUBSIDIARY COMPANY, ACCOMPANIED, IN THE CASE OF THE DELIVERY OF UNDERLYING BONDS OR APPROVED BONDS FOR DEPOSIT AND PLEDGE, BY AN OPINION OF COUNSEL (WHO MAY BE COUNSEL FOR THE COMPANY), STATING IN HIS OPINION THE BONDS SO DELIVERED HAVE BEEN DULY ISSUED AND ARE THE LEGAL, VALID AND BINDING OBLIGATIONS OF THE COMPANY ISSUING THE SAME AND ARE ENTITLED TO THE SECURITY PROVIDED BY THE MORTGAGE UNDER WHICH SUCH BONDS ARE ISSUED, PRO RATA WITH ALL OTHER BONDS ISSUED THEREUNDER.

V. EXCEPT AS HEREINAFTER OTHERWISE PROVIDED, UPON THE DELIVERY TO THE TRUSTEE OF ALL THE INSTRUMENTS AND BONDS AND STOCK HERETOFORE IN SUB-SECTIONS II, III AND IV OF THIS SECTION 29 REQUIRED TO BE DELIVERED FOR THE PURPOSE OF AUTHORIZING THE AUTHENTICATION AND DELIVERY OF BONDS OR THE PAYMENT OF DEPOSITED CASH, AND OF ALL SUCH FURTHER ASSURANCE AND CONVEYANCES, IF ANY, AS SHALL BE REQUIRED BY THE TRUSTEE, THE TRUSTEE SHALL AUTHENTICATE AND DELIVER, OR PAY OUT, TO OR UPON THE WRITTEN ORDER OF THE COMPANY, SIGNED BY ITS PRESIDENT OR A VICE-PRESIDENT AND ITS SECRETARY OR AN ASSISTANT SECRETARY, AN AGGREGATE PRINCIPAL AMOUNT OF BONDS OR AN AMOUNT OF DEPOSITED CASH EQUAL, AS NEARLY AS MAY BE, TO, BUT NOT EXCEEDING, SEVENTY-FIVE PER CENT. OF THE AMOUNT OF THE EXPENDITURES CERTIFIED BY THE COMPANY; PROVIDED, THAT, IN CASE BONDS ARE TO BE AUTHENTICATED AND DELIVERED, OR DEPOSITED CASH PAID OUT, UNDER ANY OF THE PROVISIONS OF THIS SECTION 29 IN RESPECT OF THE ACQUISITION OF THE STOCK OF A COMPANY THEN BECOMING A SUBSIDIARY COMPANY OR THE