

the pledged shares in respect of which such stock dividend was paid shall be an amount equal to the cost to the Company of such pledged shares, (c) the cost to the Company of any bonds, notes or other evidences of indebtedness of any controlled corporation pledged hereunder shall be reduced by an amount equal to all sums paid to or received by the Corporate Trustee and retained by it pursuant to the provisions of Section 9.06 hereof representing payments on account of the principal of or interest on such bonds, notes or other evidences of indebtedness, and (d) the cost to the Company of any shares of stock of any controlled corporation pledged hereunder shall be reduced by an amount equal to all cash dividends or other moneys received by the Corporate Trustee representing distributions or payments on or in respect of such pledged shares made otherwise than out of net earnings or earned surplus and/or by an amount equal to all sums paid by the Company to the Corporate Trustee representing the proceeds of the sale or other disposition of subscription privileges accruing in respect of such pledged shares or representing the market price of subscription privileges so accruing which have been exercised by the Company.

Any cash so deposited may be paid out or applied by the Corporate Trustee at any time or from time to time pursuant to the provisions of Section 4.06, provided that if the application of the Company pursuant to subdivision (a) of this Section shall have stated that the securities in respect of which such cash was deposited had been or simultaneously with the release thereof were being sold or otherwise disposed of by the Company or any subsequent certificate of the Company filed with the Corporate Trustee shall state that such securities have been subsequently so sold or disposed of or have been paid or redeemed by the issuer thereof, then the Company shall be entitled to have not exceeding one-half of such cash applied by the Corporate Trustee in satisfaction of all or part of any subsequent sinking fund requirement on any one or more series of bonds issued hereunder, as shall be directed at any time or from time to time in an application or applications of the Company filed with the Corporate Trustee.

SECTION 8.04. In the event of the release of property other than stocks or other securities, there may be substituted for all or part of