

sale or lease of one to another; provided, however, that any such consolidation, merger, sale or lease shall be made only upon such terms as shall not in any manner impair or prejudice the value of the security hereunder, and that the portion of the capital stock of any such consolidated, merging or purchasing company (but never less than a majority thereof) issued for and in lieu of any stock previously pledged hereunder, shall always bear to the total capital stock of such consolidated, merging or purchasing company a proportionate relation at least as high as that borne by such previously pledged stock to the total capital stock of such constituent companies. Such portion of such stock of such consolidated, merging or purchasing company, and also any bonds or other securities issued or cash paid by such consolidated, merging or purchasing company in exchange for any stock theretofore held by the Trustee, shall be assigned or paid to and deposited with the Trustee, and shall become and be subject to the lien of this Indenture with the same force and effect as if expressly pledged hereunder; and the holders of the bonds secured by this Indenture shall always have and retain, in respect of such portion of such stock, bonds or other securities of such consolidated, merging or purchasing company, a lien as full and complete as that upon the stock and bonds of such constituent companies by reason of the pledge thereof hereunder. The Trustee may accept the certificate of counsel for and the President of the Mortgagor Company as conclusive evidence that the value of the security hereunder will not be prejudiced or impaired by any consolidation, merger, sale or lease proposed to be made under any of the provisions of this section. The Trustee may vote upon the deposited stocks, and may do any and all things proper to carry into effect the purposes of this section; and in order to facilitate any such consolidation or merger in whole or in part, the Trustee may transfer into the name of the Mortgagor Company, under such restrictions as it may deem sufficient for the protection of the holders of the bonds secured by this Indenture the shares of any company about to be so merged; but the certificates in the name of the Mortgagor Company shall be forthwith delivered to and held by the Trustee hereunder, and simultaneously the Mortgagor Company shall execute such instrument as the Trustee shall deem necessary in order to enable it to transfer such shares back into its own name, if at any time it shall deem such a course expedient for the protection of the holders of the bonds hereby secured.

Section 7. All moneys received by the Trustee under any of the provisions of this article, except as herein otherwise provided, shall be taken, set apart and held in trust by it and appropriated only as hereinafter set forth. The Trustee, at the request of the Mortgagor Company, shall apply any moneys held by it under the provisions of this article for the purchase or redemption of bonds in the same manner as provided in Article Five hereof for moneys in the Sinking Fund; or, upon the delivery to the Trustee of the affidavits, resolutions, deeds, conveyances, stocks and bonds and other obligations respectively which are required by Article One, Section 2 hereof to be delivered to the Trustee as conditions precedent to the certification and issue of reserved bonds thereunder to reimburse the Mortgagor Company for the actual cash cost of extensions, betterments and permanent improvements or the securities of other corporations, the Trustee, at the request of the Mortgagor Company, instead of reimbursing the Mortgagor Company by the issue of reserved bonds under the provisions of said Article One, Section 2 shall reimburse it by payment of any moneys that may be held by the Trustee under the provisions of this article, but the amount of such payments shall equal the full amount of such actual cash cost instead of eighty-five per cent. thereof as provided in the case of reimbursement by the certification and issue of reserved bonds; Provided, however, that no moneys shall be paid to the Mortgagor Company hereunder to reimburse it for the actual cash cost of any extensions, betterments or