

Section 6. No bonds redeemed or purchased by the Trustee for, or delivered to the Trustee by, the Company under the provisions of this Article shall be used as the basis for the issue of bonds under Article Five hereof, or be delivered or deposited with the Trustee for the purposes of any sinking fund or as an offset against a "maintenance deficit" or be credited under any other requirement hereof, and all such bonds, together with the coupons, if any, pertaining thereto, shall be cancelled and delivered to or upon the "order of the Company" and shall not be re-issued.

ARTICLE TWELVE.

Consolidations, mergers and sales.

Section 1. Nothing in this Indenture contained shall prevent any lawful consolidation or merger of the Company with or into any other corporation, or any conveyance or transfer, subject to the lien of this Indenture, ^{of} all, or substantially all, the "mortgaged property", as an entirety, to any corporation lawfully entitled to acquire and operate the same; provided, however, and the Company covenants and agrees, that such consolidation, merger, conveyance or transfer shall be upon such terms as in no respect to impair the lien of this Indenture upon the property then subject thereto, or any of the rights or powers of the Trustees or the bondholders hereunder; and provided further that the property of the successor corporation with which the Company shall consolidate or merge or to which all of the "mortgaged property" shall be conveyed as an entirety, shall not be subject to any lien (other than "permitted encumbrances") which after such consolidation, merger or conveyance will be equal or prior to the lien of this Indenture on the property owned by such other corporation, unless the amount of obligations outstanding under and secured by such equal or prior lien shall not exceed sixty per cent (60%) (or sixty-six and two-thirds per cent (66 2/3%) under certain conditions hereinafter stated) of the fair value of the property of such successor corporation, as evidenced by an "independent engineer's certificate" filed with the Trustee, and unless the net operating earnings (determined in the manner provided in Article One hereof for "net operating earnings" of the Company and verified by certified public accountants), derived from the operation of the property of such other corporation, during a period of twelve consecutive calendar months ending within ninety (90) days next preceding the date of such consolidation, merger or conveyance, shall have been at least two (2) times the annual interest charges, as verified by such accountants, on all obligations outstanding under and secured by such equal or prior lien at the time of such consolidation, merger or conveyance, except obligations for the payment or redemption of which the necessary funds shall have been deposited with the Trustee under the mortgage creating such equal or prior lien, or with the Trustee hereunder, together with instructions to apply such funds to the payment or redemption of such obligations (but subject ^{to} any applicable clause in such mortgage providing for the return of any unclaimed moneys to the Company or such other corporation, as the case may be, depositing such funds); and provided further that such successor corporation shall execute and deliver to the Trustees an indenture satisfactory to them which shall provide:

(1) that such successor corporation shall assume the due and punctual payment of the principal and interest of all the bonds issued hereunder and the performance of all of the covenants and conditions on the part of the Company contained in this Indenture; and

(2) that all property (other than property of the nature of that excluded by the granting clauses hereof) thereafter acquired or constructed by such successor corporation in the territory theretofore served by the Company and all property (other than property of the nature of that excluded by the granting clauses hereof) forming an integral part of, or essential to the use or operation of, any property subject to the lien of this Indenture