

in exchange for an equal amount of refunding obligations of the same corporation. In case the Company shall at any time acquire by purchase, consolidation or otherwise, the entire property of any corporation, the stock or obligations, or both the stock and the obligations, of which corporation are pledged with the Corporate Trustee hereunder, the Trustees shall, upon request of the Company manifested by resolution of its Board of Directors, and as soon as the Trustees shall be satisfied that the entire outstanding mortgage indebtedness of such corporation is pledged hereunder, and that the property is subject to this mortgage as a first lien, subject only to any mortgage securing such pledged mortgage indebtedness, cancel all the obligations of such corporation then pledged hereunder and cause any mortgage securing the same to be released and shall then deliver to the Company such cancelled obligations and any stock of such corporation pledged with the Corporate Trustee hereunder. The proceeds of any and all sales or exchanges hereinbefore in this Article provided for, whether in the form of moneys or securities or other property, and all moneys which may be received as compensation for any of the mortgaged property taken by the exercise of the power of eminent domain (less the expenses of condemnation proceedings) shall be paid, delivered or conveyed to the Corporate Trustee. If and whenever requested so to do by resolution of the Board of Directors of the Company, the Corporate Trustee shall pay out and apply any moneys so received to the purchase by the Company of other property, real or personal, for use in its business, or to pay, or to reimburse the Company for, the cost of additions and extensions to, betterments of, or improvements upon, the mortgaged property, whether such property were purchased or such additions, extensions, betterments, or improvements were made or acquired before or after the date of any release, or the receipt by the Corporate Trustee of any moneys, under this Section; provided, however, that said moneys shall not be applied to make any payments or to reimburse the Company for any expenditures, for which bonds may have been certified under any provision of this mortgage. At the request of the Company all or any part of the money so received and all or any part of any condemnation money received by the Corporate Trustee, instead of being applied as aforesaid, may be used to purchase bonds issued and outstanding hereunder at a price satisfactory to the Corporate Trustee and the Company, but not exceeding for any bond the redemption price of said bond; and if bonds issued hereunder be not so purchased, then all or any part of such money may, at the request of the Company, be used for the redemption of bonds in accordance with the provisions of Section 5 of Article One hereof, or be invested by the Corporate Trustee in such securities as may for the time being be authorized by law in the State of New York for the investment of trust funds. Any such bonds or securities so purchased and any securities received as a part of the proceeds of any sale or exchange shall be held by the Corporate Trustee as security for the further protection of the bonds issued hereunder, and subject to the lien, terms, covenants and provisions of this mortgage, but such bonds or securities or any of them may be sold by the Corporate Trustee upon terms satisfactory to it and to the Company and the proceeds thereof may be invested in other like securities, or may be disposed of in any other manner hereinbefore authorized with respect to the proceeds of property released from the lien hereof; and at the request of the Company any such bonds or securities shall be so sold and the proceeds thereof invested in the purchase by the Company of other property, real or personal, approved by the Corporate Trustee (which shall thereby be subjected to the lien of this mortgage as a first lien thereon) or in additions, extensions, betterments or improvements to any of the mortgaged property