

that the relative interest and control of the company over the properties, securities or shares of stock involved in such transaction shall not be diminished by any such transaction, and in the case of merger or consolidation with or sale or conveyance to the Company or any subsidiary mortgagor company, the fixed property of such subsidiary company shall be subjected directly to the lien hereof, and provided, further, that no subsidiary company acquired hereafter on account of the acquisition of which any bonds have been issued hereunder pursuant to paragraph 3 of Section 5 of Article II hereof, or the company shall have received any credit on account of its obligation contained in Section II of Article V or its obligation contained in Article VII or shall have obtained the release or consent to the disposition of property pursuant to section 2 of Article IX or shall have received reimbursement from the trustee pursuant to Section 1 of Article X, may be merged or consolidated with or sell or convey any part of its property to the company or to any subsidiary mortgagor company unless there shall be subjected directly to the lien of this indenture assets equal in value to the value at which such securities were taken for any of such purposes, excluding for the purpose of computing the value of the assets so to be subjected any property, improvements, extensions or additions described in clauses (a), (b), (c), (d), (e), (f) and (g) of Section 5 of Article II, or any property used as the basis for the authentication of bonds hereunder to the extent that it has been so used.

SECTION 8. If at any time, unless some default described in clauses (a), (b) or (c) of Section 1 of Article XI hereof, or one of the Events of Default as defined in said Section 1 of Article XI, shall have occurred, and in either case be then continuing, (a) there shall be promulgated any plan for the reorganization of any subsidiary company the stock of which shall at the time be pledged hereunder or for the readjustment of the finances thereof, then, at the written request of the company, the trustee may deposit the certificates for the shares of stock or securities of such company, or any of them, under said plan and may become a party thereto; and in like manner, on like request, may make any exchange, substitution, cancellation, or surrender of securities and shares of stock required by any such reorganization or readjustment plan or for the purposes or the accomplishment of any merger, consolidation or sale authorized by this indenture; and may take such action with respect to said shares of stock and securities so pledged hereunder, required by such plan of reorganization or readjustment, or for the accomplishment of such merger, consolidation or sale, as fully and to all intents and purposes as though it were the owner of said shares of stock and securities or (b) there shall be promulgated any such plan for the reorganization of any subsidiary company the stock of which shall not be pledged hereunder, then on such request, the trustee may consent to such plan of reorganization; provided, however, that the relative interest and control represented by the shares of stock and securities so deposited shall not be diminished by such readjustment, reorganization, merger or consolidation, except with relation to the rights of parties (other than the company or any subsidiary company) who may have assisted in financing the reorganization on condition that they be given rights prior to or on a parity with those of the former parties in interest.

While and so long as some default described in clauses (a), (b) or (c) of Section 1 of Article XI hereof, or one of the Events of Default as defined in said Section 1 of Article XI, shall have occurred, and in either case be then continuing, the trustee may exercise such powers by this Section granted to it, in its discretion, with respect to the shares of capital stock and securities pledged hereunder and charged with