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franchises in the State of Kansas unless it shall receive in payment and consideration therefor the fair and adequate value thereof, and that in the event of such sale, conveyance or disposal, substantially as an entirety, any cash, shares of capital stock or other securities received by the Telephone Company as consideration therefor shall forthwith become subject to the lien of this indenture and shall be deposited with the Corporate Trustee. The Corporate Trustee may accept as conclusive evidence of the fair and adequate value aforesaid a certificate of the Telephone Company verified by its President or a Vice President and by its Treasurer or an Assistant Treasurer, or chief accounting officer. Any cash so deposited with the Corporate Trustee, shall be disposed of by it in the manner provided in Section 4 of Article Eighth hereof.

Mortgage of
property in
Kansas.

The telephone Company covenants that it will not mortgage its property, rights, privileges and franchises in the State of Kansas; provided, however, that it may at any time upon obtaining such authorization as may be required by law, by an appropriate instrument or instruments satisfactory in form to the Corporate Trustee, subject to the lien of this indenture its property, rights, privileges, and franchises in said State of Kansas, and if such property, rights, privileges and franchises shall be so subjected to such lien, then and thereafter any and all additions to, or extensions, betterments or improvements of such property made or acquired subsequent to the date of this indenture shall be considered as property acquired by the Telephone Company subsequent to the date of this indenture for the purpose of the authentication and delivery of additional bonds under the provisions of Section 5 of Article Second hereof.

Consolidation,
etc., not pro-
hibited.

Section 2. Nothing contained in this indenture shall prevent any consolidation or merger of the Telephone Company with or into any other corporation or corporations, or any conveyance, or transfer, or lease, subject to the continuing lien of this indenture, of all, or any part of the mortgaged property, rights, privileges and franchises to any corporation lawfully entitled to acquire or lease and operate the same, provided, however, that such consolidation, merger, conveyance, transfer or lease shall be upon such terms as fully to preserve and in no respect to impair the lien and security of this indenture, or any of the rights or powers of the Trustees, or either of them, or of the holders of the indebtedness hereby secured; and provided, further, that any such lease shall be made expressly subject to immediate termination by the Telephone Company or by the Corporate Trustee at any time during the continuation of a default hereunder, and also by the purchaser of the property so leased at any sale thereof, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided, further, that upon any such consolidation, merger, conveyance or transfer the due and punctual payment of the principal and interest of all of said bonds according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this indenture to

provided success
or assumes pay-
ment of bonds.