

pledged hereunder or under any indenture supplemental hereto; provided, however, that if, after such transfer and prior to the declaration of the maturity of the principal of the Bonds as provided in Section 2 of said Article Seven, such default shall have been remedied to the satisfaction of the Trustee or shall have been remedied and its consequences waived as provided in Section 2 of said Article Seven, the Trustee shall cause all such shares of stock which shall have been transferred into its name or into the name or names of its nominee or nominees, to be re-transferred into the name of the Company or into the name or names of the Company's nominee or nominees, the certificates for the shares so re-transferred to be endorsed in blank for transfer or accompanied by appropriate instruments of assignment and transfer and to be held by and in the custody of the Trustee as before such event of default occurred. Any provision of this Indenture to the contrary notwithstanding, the Trustee shall not be obligated at any time to accept a certificate for any shares of stock in any corporation or to cause or permit a transfer thereof to it if, in its opinion, such action will subject it to the risk of any liability or expense.

Section 2. The Trustee may (but need not) do whatever may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any corporation, any part of the capital stock whereof shall then be pledged hereunder, and for such purpose from time to time the Trustee may sell, assign, transfer and deliver or permit the Company to sell, assign, transfer and deliver, so many of the shares of stock of any such corporation as may be necessary to qualify persons to act as directors of or in any other official relation to such corporation. Unless some one or more of the events of default mentioned in Section 2 of Article Seven hereof shall have happened and shall be continuing, whenever the Company shall require shares to qualify directors or others to act in any official relation to any such corporation, in addition to (but not in lieu of) shares retained by the Company or previously transferred by the Trustee for any such purpose, and shall so request by an instrument in writing, signed by its President or a Vice-President or by its Treasurer or an Assistant Treasurer, stating that the Company has no shares of stock available for such purpose under its control, other than shares pledged hereunder, the Trustee shall transfer or cause to be transferred to the persons designated by the Company such number of shares then held by the Trustee hereunder as may be required, in addition to those originally retained or transferred for any such purpose; provided that no sale or transfer shall be made under any provision of this Section of shares of stock of any subsidiary company or of any controlled company (as *controlled company* is hereinafter in Section 3 of Article Fifteen defined) which shall reduce the amount of such stock held by the Trustee hereunder to less than the amount necessary to continue such company as a subsidiary company or a controlled company, as the case may be, unless the certificates for such shares be endorsed in blank by the persons to whom the same shall be transferred and be redelivered to the Trustee hereunder or some other effectual arrangement satisfactory to the Trustee shall be made whereby the lien of this Indenture upon the shares of stock so transferred and the remedies hereunder of the Trustee with respect thereto shall be maintained in all respects unimpaired.

Section 3. Unless some one or more of the events of default specified in Section 2 of Article Seven of this Indenture shall have happened and shall be continuing the Company

(1) may, at its election, release and discharge, in whole or in part, any and all claims for interest on any bonds or other obligations of any subsidiary company at any time pledged hereunder, when and after such interest becomes due;

(2) shall be entitled to receive all sums for interest on bonds or other obligations at any time pledged under this Indenture, which shall have been paid or collected out of net earnings or earned surplus, and the Trustee upon the written request of the President or a Vice-President or the Treasurer or an Assistant Treasurer of the Company shall deliver from time to time as directed in such written request, as they severally mature, the coupons for interest which the Company shall be entitled to receive on any coupon bond or other obligation in the possession of the Trustee, and from time to time upon like request shall execute and deliver as directed in such request suitable assignments and orders for the payment of interest which the Company shall be entitled to receive upon other bonds or obligations, if such assignments or orders shall be necessary to enable the Company to collect such interest; and upon delivery to the Trustee by the Company of evidence satisfactory to the Trustee that the interest on any bond or other obligation without coupons has been paid or released and discharged as hereinbefore in this Section provided, the Trustee shall endorse the fact of such payment or release and discharge on such bond or other obligation;

(3) shall be entitled to receive all cash dividends on shares of stock at any time pledged under this Indenture, which shall be paid or collected out of net earnings or earned surplus;

Provided, however, and it is hereby agreed that, except as in this Indenture otherwise expressly provided, the Company shall not be entitled

(a) to receive and the Trustee shall not pay over to the Company, except as provided in Section 7 of this Article, any sum paid or collected on account of the principal of any of the bonds or other obligations from time to time pledged under this Indenture;

(b) to receive and the Trustee shall not pay over to the Company, except as provided in Section 7 of this Article, any sum paid or collected on account of interest on any of the bonds or other obligations subject to this Indenture, which shall have been paid or collected out of the proceeds of any sale or condemnation of the property covered by any mortgage securing such bonds or other obligations or out of the proceeds of the sale of any other property of the corporation liable upon such bonds or other obligations in case of dissolution or liquidation of such corporation; it being intended that the Company shall be entitled to receive interest payments only if made out of net earnings or earned surplus;

(c) to receive any shares of stock issued in respect to any stock dividend paid upon any shares of stock pledged hereunder, and the Company covenants and agrees that certificates, properly endorsed in blank or accompanied by appropriate instruments of assignment and transfer, representing all shares so issued, shall promptly be deposited and pledged with the Trustee hereunder as security for the Bonds;

(d) to collect any coupon for interest or any claim or obligation pledged hereunder by legal proceedings or by enforcement of any security therefor, except with the written assent of the Trustee, or in any manner which the Trustee shall deem prejudicial to the trusts hereunder.

All coupons and other rights or claims to interest, whether or not evidenced by writing, on any bonds or other obligations and all rights to dividends on stock subject to this Indenture shall remain subject hereto, until actually paid to or released and discharged by the Company or, if an event of default exists, paid to the Trustee.

If any coupon delivered to the Company or if any claim for interest or for dividends shall not forthwith be paid or released and discharged, the Company shall return to the Trustee such coupon or the evidence of such claim or of the right of the Company to collect the same and, in case of the payment or release of any such coupon or claim, shall, upon demand of the Trustee, furnish satisfactory evidence of the cancellation, release and discharge thereof.

The Trustee may assume, until notified in writing to the contrary by the holders of at least ten per cent. in principal amount of the Bonds then outstanding, that all interest, dividends and other moneys received by it or by the Company from the trust estate were paid out of net earnings or earned surplus of the corporation paying the same.

Section 4. After some one or more of the events of default specified in Section 2 of Article Seven of this Indenture shall have happened and while the same shall be continuing, the right of the Company to release and discharge claims for interest or to receive interest or dividends, as provided in Section 3 of this Article, shall cease and determine and the Trustee, in addition to the other remedies herein provided, may revoke any assignments or orders theretofore delivered to the Company, as provided in Section 3 of this Article, and only the Trustee shall be entitled to collect or receive any dividends on any shares of stock and any sums payable for interest upon any bonds or other obligations at the time pledged under this Indenture; and the Company in such case hereby authorizes and directs all corporations, any shares of stock, bonds or other obligations of which are at the time subject to the lien of this Indenture, to make such payments to the Trustee. The Trustee shall apply any such sums received by it for the purposes and in the manner provided in Section 3 of Article Seven hereof in respect of the moneys referred to in said Section 3.

After every such default shall have been remedied and all its consequences shall have been waived as provided in Section 2 of Article Seven hereof, or, if prior to

the declaration of maturity of the principal of the Bonds, such event or events of default shall have been remedied to the satisfaction of the Trustee, the right of the Company to release and discharge such claims for interest and to receive and collect such dividends on such shares of stock and such interest on such bonds and other obligations and the duty of the Trustee to execute such assignments and orders shall revive and continue, as though no such default had taken place, and the Trustee shall pay over to the Company any such interest or dividends collected or received by the Trustee and then remaining unexpended in its hands.

Section 5. Anything in this Indenture to the contrary notwithstanding, the Company may consent to the reduction of the capital stock of any corporation, any shares of the capital stock whereof are at the time pledged hereunder, provided the proportion of all of the outstanding stock of such corporation owned by the Company and pledged hereunder, after such reduction, shall be as large as before such reduction was made, and in such event the Trustee shall release any of the shares of stock held by it hereunder necessary to accomplish any such reduction, upon receipt from the Company of (a) a certificate of the Company, signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer of the Company, stating that the proportion of all of the outstanding stock of such corporation owned by the Company, after such reduction, is or will be as large as before such reduction was made, and setting forth the amount and character of any payment or distribution applicable to such stock made or to be made by such corporation to the Company in connection with such reduction of capital stock or stating that no such payment was made or is to be made, and (b) all money so paid by such corporation to the Company and/or (c) if any property or assets, other than cash shall be transferred or conveyed by such corporation to the Company by reason of the ownership by the Company of stock of such corporation, all such instruments of assignment, transfer, conveyance, further assurance or otherwise and such evidence of the recording, registering and/or filing thereof as may be necessary or appropriate for the purpose of subjecting all such other property or assets to the lien and operation of this Indenture, and (d) an opinion of counsel satisfactory to the Trustee (who may be counsel for the Company) that the instruments provided for in clause (c) of this Section are sufficient for the purpose in said clause mentioned or that no such instrument is necessary for such purpose.

Section 6. Anything in this Indenture to the contrary notwithstanding, the Company may consent to the dissolution of any corporation, any shares of the capital stock whereof are at the time pledged hereunder, and for that purpose and in such event the Trustee shall release to the Company all shares of stock of such corporation held by it hereunder, upon the receipt from the Company of (a) a copy of a resolution of the Board of Directors of the Company, certified by the Secretary or an Assistant Secretary of the Company under its corporate seal, requesting the Trustee to release specified shares of stock under the provisions of this Section, and (b) a copy of the minutes of the meeting of the stockholders of the corporation dissolved or to be dissolved, certified by the Secretary or an Assistant Secretary of such corporation (or by those who were such officers immediately prior to such dissolution), setting forth their determination to dissolve such corporation or a copy of the consent of such stockholders to such dissolution, certified by the Secretary or an Assistant Secretary of such corporation, and/or other evidence deemed sufficient by the Trustee that such corporation has been dissolved or that the possession of such stock is required for use in connection with such dissolution proceedings and (c) all such instruments of assignment, transfer, conveyance, further assurance or otherwise and such evidence of the recording, registering and/or filing thereof as may be necessary or appropriate for the purpose of effectually subjecting to the lien and operation of this Indenture all property and assets of every kind and description (except in the case of the dissolution of any subsidiary company and the distribution in kind of its assets, current assets of such subsidiary company) in connection with such dissolution required to be transferred by such dissolving corporation to the Company as a stockholder thereof; and (d) an opinion of counsel satisfactory to the Trustee (who may be counsel for the Company) that the instruments provided for in clause (c) of this Section are sufficient for the purpose in said clause mentioned or that no such instrument is necessary for such purpose.

Section 7. Except as provided in Section 4 of this Article, all moneys received by the Trustee under any of the provisions of this Article shall be applied by the Trustee for any of the purposes and at the rate mentioned in Section 9 of Article Eight hereof, upon and subject to the restrictions in said Section 9 set forth with respect to the moneys therein referred to.

Section 8. All bonds and other obligations pledged hereunder shall be held, in the manner hereinbefore provided, by the Trustee as security for the Bonds upon the trusts herein declared and entitled to the full benefit of all liens, titles, rights and security under all mortgages, deeds of trust or other instruments or agreements securing or purporting to secure the same, and, except as otherwise expressly provided in this Indenture, the Trustee, as a purchaser thereof, shall be subrogated to and vested with all rights and liens to which the holders of such bonds or other obligations shall have been entitled at or immediately prior to the time of the pledge thereof hereunder; provided that, upon the demand of the Trustee or (if none of the events or default specified in Section 2 of Article Seven hereof shall have happened and shall be continuing) of the Company, such of said bonds or other obligations as shall become due and shall not be paid shall be renewed or extended, to a specified date not later than the date of maturity of any of the Bonds then outstanding, without impairment of the security therefor. The terms of any such renewal or extension may be endorsed upon any such bond or other obligation and shall include a statement to the effect that the same is renewed and the payment thereof extended to such specified future date.

Section 9. In case default shall be made in the payment of the principal of or interest on any of the bonds or other obligations which shall have been delivered to and shall be held by the Trustee hereunder, then and in any such case, the Trustee, without prejudice to its right to claim a default hereunder or to assert any right consequent upon such default, may, in its discretion, cause any action at law or suit in equity or other proceeding to be instituted and prosecuted to collect or enforce such bonds or other obligations or to foreclose or enforce the mortgage or trust or charge or agreement, by or under which such bonds or other obligations in default are secured or issued.

Section 10. It is understood and agreed that

(1) any bonds or other obligations at any time pledged hereunder may be renewed or extended, but without impairment of the security thereof, at the same or a higher rate of interest but not to a date later than the date of maturity of any of the Bonds;

(2) any bonds or other obligations at any time pledged hereunder may be exchanged by the Company for other bonds or obligations of the same issue, class, security and aggregate principal amount, but in different denominations;

(3) any bonds or other obligations of any subsidiary company at any time pledged hereunder may be exchanged by the Company for all other bonds or other obligations (maturing not later than the date of maturity of any of the Bonds) issued in place thereof or in substitution therefor, of any of the Bonds) issued in place thereof or in substitution therefor by such subsidiary company or a successor thereof, bearing the same or a higher rate of interest and secured by a lien or charge of higher or equal rank upon the same property or upon the same and other property; or, if such obligations be unsecured, they may be exchanged by the Company for all other obligations issued in place thereof or in substitution therefor, bearing the same or a higher rate of interest, for the enforcement of which resort may be had to the same property or to the same and other property;

(4) the Company may consent that, so far as may be permitted by law, all or any part of the shares of stock of any corporation at the time pledged hereunder having a par value be changed into shares having a higher or lower par value per share or into shares having no par value;

(5) any shares of stock or any bonds or other obligations pledged by the Company at any time hereunder may stand in the name of others than the Company so long as they are appropriately endorsed for transfer or accompanied by appropriate instruments of assignment and transfer.

The Trustee upon the written request of the Company, signed by its President or a Vice-President or by its Treasurer or an Assistant Treasurer, shall, so long as none of the events of default specified in Section 2 of Article Seven hereof shall have happened and shall be continuing, consent to any renewal, extension, exchange, substitution, transfer or change provided for in this Section and shall surrender to the Company or its nominee for cancellation any and all shares of stock or bonds or other obligations which it is desired to so renew, extend, exchange, substitute for or change, as the case may be.