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visions shall be approved by the Interstate Commerce Commission or other governmental body having jurisdiction of the consolidation, merger, conveyance or lease, and, unless such Commission or other governmental body shall find that no material alteration of the rights of the Bondholders is thereby effected and shall so determine, they shall also be consented to or approved by the holders of two-thirds in principal amount of the Outstanding Bonds, in the manner provided in Article XIII.

Section 2. In the event that under the provisions of Section 1 of this Article XII there shall be a consolidation or merger of the Company with or into, or a conveyance by the Company of all or substantially all of the mortgaged property to, a successor corporation, then the successor corporation shall if it shall have been a Railroad Subsidiary immediately prior thereto, and may but need not if it shall not have been a Railroad Subsidiary immediately prior thereto, make an express grant to the Trustee of its property and franchises as required by subsection (d) of Section 1 of this Article XII, and in the absence of such express grant by any such successor corporation (except a Railroad Subsidiary), the Mortgage shall not by reason of such consolidation, merger or conveyance constitute and become a lien upon, and the term "mortgaged property" as herein used shall not include or comprise:

(1) Any property or franchise which, prior to such consolidation, merger or conveyance, was owned by any corporation with or into which the Company or any successor corporation may be consolidated or merged or to which the Company or any successor corporation may make any such conveyance, or any property or franchises which theretofore may have been acquired by the Company or any successor corporation and which prior to such consolidation, merger or conveyance were not subject to the lien of the Mortgage; or

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(4) all betterments, extensions, improvements and additions of, to, upon and for the property, rights and franchises subject to the lien of the Mortgage;

(5) all repairs, renewals, replacements, substitutions and alterations of, to, upon and for such property, rights and franchises;

(6) all property, rights and franchises thereafter acquired pursuant to any covenant herein contained which may be purchased, constructed or otherwise acquired by such successor corporation from and after the date of such consolidation, merger or conveyance, as the case may be; and

(7) all other property of every kind and description, whether real, personal or mixed, whether tangible or intangible, and whether consisting of present or future interests, thereafter constructed or acquired by such successor corporation which is appurtenant to or used in connection with any property acquired by the issuance of Bonds, First Mortgage Bonds or Prior Lien Bonds or acquired with cash then or at any time thereafter held by the Corporate Trustee or by the corporate trustee under the First Mortgage or under any mortgage securing Prior Lien Bonds or acquired in exchange for property released from the lien of the Mortgage, the First Mortgage or any Prior Lien;

(8) A covenant on the part of such successor corporation that all property and franchises thereafter acquired by it and necessary to the full and complete performance of any covenant herein contained relating to the deposit of securities, to the maintenance and upkeep of the mortgaged property, to the supply of adequate and efficient equipment to the lines of railroad included therein, to the making of all needed and proper repairs, renewals, replacements, substitutions and alterations and to the preservation and keeping in full effect of all rights, franchises and privileges subject to the lien hereof, or of any

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(ii) Any property or franchise which may be purchased, constructed or otherwise acquired by any successor corporation after the date of any such consolidation, merger or conveyance, excepting only the property, rights and franchises referred to in subsections (a) and (b) of this Section 2, which, as and when purchased, constructed, or otherwise acquired by such successor corporation, shall be and become subject to the lien of the Mortgage.

Any supplemental indenture provided for in Section 1 of this Article XII which, by reason of the provisions of this Section 2, is not required to contain an express grant by the successor corporation of all of its property and franchises pursuant to subsection (d) of said Section 1, shall contain:

(a) A grant by such successor corporation confirming the lien of the Mortgage upon the mortgaged property, and subjecting to the lien and operation hereof, as fully as though such consolidation, merger or conveyance had not taken place and the same had been acquired or made by the Company;

(1) all property, rights and franchises thereafter constructed or acquired which shall be appurtenant or incident to any property that is subject to the lien of the Mortgage at the time of such consolidation, merger or conveyance;

(2) all property, rights and franchises thereafter constructed or acquired in whole or in part by the issuance of Bonds, First Mortgage Bonds or Prior Lien Bonds;

(3) all property, rights and franchises thereafter constructed or acquired with cash then or at any time thereafter held by the Corporate Trustee or by the corporate trustee under the First Mortgage or under any mortgage securing Prior Lien Bonds or in exchange for property released from the lien thereof, or the acquisition or construction of which has been or shall be made the basis for the withdrawal of cash or the issuance of Bonds or First Mortgage Bonds;

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other covenant herein, shall be conclusively deemed, and taken to be acquired by it in performance of such covenant and to have become subject to the lien of the Mortgage; and

(c) A covenant by such successor corporation to keep the mortgaged property, so far as practicable, readily identifiable, and a stipulation that the Trustee, by accepting or joining in such supplemental indenture, shall not be deemed implicitly to have waived any rights they would otherwise have had.

Section 3. Nothing contained in the Mortgage or in any Bond shall prevent the Company from merging into itself or acquiring by conveyance all or any part of the property of any other corporation; and the properties so acquired by the Company shall become subject to the lien of the Mortgage to the extent provided in the granting clauses of the Mortgage, subject only to the First Mortgage and to such encumbrances and purchase money liens as shall exist or be created at the time of such merger or acquisition.

Section 4. In case the Company shall be consolidated with or merged into or shall make a conveyance to any other corporation as permitted and upon the terms provided in Section 1 of this Article XII, the successor corporation, upon executing and delivering to the Trustee, and causing to be recorded, the supplemental indenture provided for in Section 1 of this Article XII, shall succeed to and be substituted for the Company with the same force and effect as if it had been named in and had executed the Mortgage as the party of the first part hereof, and shall have and possess and may exercise, subject to the terms and conditions of the Mortgage, each and every power, authority and right herein reserved to or conferred upon the Company; and thereupon such successor corporation may cause to be signed and may issue, either in its