corporation the Securities of which are so surrendered, and (ii) in the case of any Debt Securities so surrendered which are secured by a lien on the property of such corporation, the lien of the Mortgage resulting from such consolidation or merger is substantially equivalent to the lien securing such Debt Securities. The Company covenants that it will not use any property acquired from any corporation (if its Securities were theretofore Bonded) as a basis for the authentication and delivery of any Bonds, the release of any property, or the withdrawal, payment or application of any cash held by the Corporate Trustee, under any provision of the Mortgage.

SECTION 8. In case at any time

(a) any corporation, the Securities of which shall be deposited and pledged hereunder, shall be dissolved or liquidated, or

(b) all or any of the property of any such corporation shall be sold at any judicial sale, or

(c) any of the property covered by any mortgage securing any Debt Security deposited and pledged under the Mortgage shall be sold in foreclosure proceedings or other proceedings for the enforcement of such mortgage or the Debt Security thereby secured,

then, and in any such case, if the property of such dissolved or liquidating corporation or the property sold can be acquired by crediting on the Securities so pledged under the Mortgage any sum accruing or to be received thereon out of the proceeds of such property, and by paying not more than 10% of the price of such property in cash (or more than 10% if the Company or the holders of 25% in principal amount of the Outstanding Bonds shall so request), the Corporate Trustee in its discretion may, and if requested in writing by the Company or the holders of 25% in principal amount of the Outstanding Bonds and upon being provided with the amount of cash necessary therefor (whether such amount be more or

less than 10% of the price of such property) and security or indemnity satisfactory to it against any expense or liability on its part shall, purchase or cause to be purchased such property, either in the name or on behalf of the Corporate Trustee or of the Company or of purchasing trustees, as the Corporate Trustee may determine, and the Corporate Trustee shall use, or permit the Company to use, such Securities, so far as may be permissible to make payment for such property. In the event of any such purchase, the Corporate Trustee shall take such steps as it may deem proper to cause such property to be vested either in the Company and subjected to the direct lien of the Mortgage (in which event, if such Securities were theretofore Bonded, the Company covenants not to use any such property as a basis for the authentication and delivery of any Bonds, or the release of any property, or the withdrawal, payment or application of any cash held by the Corporate Trustee, under any provision of the Mortgage), or in some other corporation organized or to be organized with power to acquire and operate such property, in which event all Securities of such other corporation acquired directly or indirectly through such use of the pledged Securities shall be deposited and pledged under the Mortgage in the place and stead of the latter, and shall be held by the Corporate Trustee as part of the mortgaged property.

SECTION 9. The Company covenants that, except as permitted by clause (b) of Section 3 of this Article VIII, no Wholly Owned Railroad Subsidiary will increase the amount of its outstanding shares of Stock of any class unless after such increase all shares outstanding shall be pledged and deposited with the Corporate Trustee hereunder. In the event that the outstanding amount of any class of Stock of any Wholly Owned Railroad Subsidiary shall be reduced, the Corporate Trustee, upon the written request of the Company, shall surrender for cancellation the certificates evidencing such part of the shares of such class of Stock so pledged