principal amount of the Outstanding Bonds, in the manner provided in Article XI.

SECTION 2. In the event that under the provisions of Section 1 of this Article X 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 Wholly Owned Railroad Subsidiary immediately prior thereto, and may but need not if it shall not have been such a Subsidiary immediately prior thereto, make an express grant to the Trustees of its property and franchises as required by subsection (d) of Section 1 of this Article X, and in the absence of such express grant by any such successor corporation (except a Wholly Owned 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:

(i) 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

(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 X 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 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 trustee 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;

(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 or 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 tangi-