

The Railway Company shall not and will not create or suffer to be created, while any of the first and refunding mortgage bonds are outstanding, any mortgage, pledge or other lien or charge subsequent to the lien of this indenture, upon the mortgaged and pledged premises or any part thereof.

SEC. 4. The Railway Company shall not and will not suffer or permit any default wherefor any lessor may terminate any lease of any railways, franchises or property now existing or hereafter made to the Railway Company and subject to the lien of this indenture. In case and whenever default shall be made in paying any sum stipulated to be paid in any such present or future lease, the Trustees, without affecting any of their rights hereunder, from time to time, in their discretion, may themselves pay any sum so in default, and thereupon shall have, and forthwith may assert, a lien for such advances upon the mortgaged and pledged premises and the proceeds thereof, which lien shall be entitled to priority in rank and to priority in payment from the income and profits of the mortgaged and pledged premises over the first and refunding mortgage bonds.

The Railway Company will not voluntarily create, or suffer to be created, any debt, lien or charge which would be prior to the lien of this indenture upon the mortgaged and pledged premises, or any part thereof, or upon the income thereof (except that the Railway Company may issue or cause to be issued further bonds as therein authorized and to the extent limited and subject to the restrictions set forth in section 3 of this Article, under said General Gold Bond Mortgage of the Railway Company, said Consolidated First Mortgage of the Burlington, Cedar Rapids and Northern Railway Company of Iowa, and said Consolidated Mortgage of the Choctaw, Oklahoma and Gulf Railroad Company); and, within three months after the same shall accrue, it will pay or cause to be discharged, or will make adequate provision to

satisfy and discharge, all lawful claims and demands of mechanics, laborers and others which, if unpaid, might by law be given precedence to this indenture as a lien or charge upon the mortgaged and pledged premises or any part thereof, or the income thereof; provided, that nothing in this section contained shall require the Railway Company to pay any such debt, lien or charge so long as it shall in good faith contest the validity thereof.

SEC. 5. The Railway Company from time to time will pay and discharge or cause to be paid and discharged, all taxes, assessments and governmental charges (the lien whereof would be prior to the lien hereof) lawfully imposed upon the mortgaged and pledged premises, or upon any part thereof, or upon the income and profits thereof, and also all taxes, assessments and governmental charges lawfully imposed upon the lien or interest of the Trustees in respect of such premises or income, so that the lien and priority of this indenture shall be fully preserved at the cost of the Railway Company without expense to the Trustees or the bondholders; provided, however, that the Railway Company shall have the right to contest any such tax, assessment or charge, and, pending such contest, may delay or defer the payment thereof.

SEC. 6. The Railway Company will not sanction or permit any issue of additional shares of the capital stock of any company of whose capital stock the greater part shall be pledged and delivered hereunder, or (except as herein otherwise provided) the issue of any bonds by any such company or the creation of any mortgage or other lien upon the railroad or property of any such company, unless simultaneously there shall be made effective provision that such indebtedness and the evidences thereof, and such bonds issued and such mortgage or other lien, and all such additional stock (or such part of such additional stock as shall be proportionate to the part of such

entire issued capital stock previously subject to this indenture), forthwith, upon the issue or creation thereof, shall be delivered to, and be pledged with the Trustees hereunder, and shall be subject to all the trusts of this indenture; and all such additional stock shall be fully paid and non-assessable.

Except as herein otherwise expressly provided, the Railway Company will not, unless with the consent of the Trustees, sanction or permit any company of whose capital stock the greater part shall be pledged hereunder, to sell or otherwise to dispose of its railroad or property, or any part thereof, except to the Railway Company, or to some other company of whose capital stock the greater part shall then be owned by the Railway Company and be pledged hereunder; provided, however, that The St. Louis, Rock Island Terminal Railway Company may at any time, and from time to time, sell or otherwise dispose of any and all real estate owned by it in Block 69 and in Block 71 East in the City of St. Louis, State of Missouri. In case of the sale of any such real estate in either of said last mentioned blocks, the proceeds and avails thereof shall forthwith be paid over to the Trustees, and shall, from time to time, be paid over by the Trustees to the Railway Company, to reimburse it for expenditures made for any of the purposes for which bonds or their proceeds may be used under section 6 of Article One hereof, upon certificates of such expenditures signed by the President or a Vice-President or the Chief Engineer, and by the Comptroller or Auditor or Treasurer of the Railway Company, and otherwise subject to the provisions and restrictions of said section. Such certificates shall be in the form required by section 6 of Article One hereof, and shall be full protection to the Trustees for their action on the faith thereof.

Except as herein otherwise expressly provided, the Railway Company will not, unless with the consent of the Trustees, sanction or permit any company of whose capital stock the greater part shall be pledged hereunder, to lease its railway or

property, or any part thereof, except to the Railway Company, or to some other company of whose capital stock the greater part shall then be owned by the Railway Company, and be pledged hereunder, nor unless such lease be upon the condition that it shall terminate at the election of the Trustees by entry or otherwise in case default shall be made and shall continue as provided in section 2 of Article Six hereof, and at the election of the purchaser in case of a sale of the property subject to this indenture.

Nothing in this indenture expressed or implied shall prevent any company of whose capital stock the greater part is pledged hereunder, from acquiring additional property, or from mortgaging or pledging any such additional property to secure obligations to be issued by such company. A certificate signed by the President or a Vice-President or the Chief Engineer, and by the Comptroller or Auditor or Treasurer of the Railway Company, specifying such additional property acquired by any such company, may be received by the Trustees as conclusive evidence of the truth of the facts therein set forth, and shall be full warrant and protection to the Trustees for their action on the faith thereof.

SEC. 7. Any and all claims and indebtedness which the Railway Company now has or hereafter may acquire against any other company of whose capital stock the greater part shall be pledged hereunder, shall on the acquisition thereof by the Railway Company (subject to the provisions in respect thereof in this indenture contained) be and become subject to this indenture, and upon the happening of any of the events contemplated and described in the first paragraph of section 2 of Article Five of this indenture, the Railway Company, on the written request of the Trustees, will execute to the Trustees appropriate assignments thereof.