

the outstanding old bonds, and will not cause or suffer the same to be extended or renewed; and as soon as (in the judgement of the Railroad Company) practicable, after all of said old bonds shall have been paid it will cause said First Mortgage, dated July 1, 1897, between the Railroad Company and The Mercantile Trust Company, to be canceled and discharged of record; but no holder of any of the old bonds shall be entitled to the benefit of the lien of, or to any rights under this indenture.

Section 4. The Railroad Company covenants and agrees that this indenture is and always will be kept a first lien upon all the railroads described or mentioned in the granting clauses hereof now owned by the Railroad Company and upon all renewals and replacements thereof; and that it will not voluntarily create or suffer to be created or to arise any lien or charge having priority to, or preference over, the lien of these presents upon the mortgaged railroads, or any part thereof, or upon the income thereof; and, that within three months after the same shall accrue, it will pay, or cause to be discharged, or will make adequate provision for the satisfaction or discharge, of 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 premises or any part thereof, or the income thereof; and the Railroad Company further covenants and agrees that, in the event it should make the conveyance provided for in Section 2 of Article Second hereof, this indenture is and always will be kept a first lien upon all the railroads and appurtenances so conveyed and upon all renewals and replacements of such railroads and appurtenances, subject, only, as aforesaid to the lien of the said First Mortgage, dated July 1, 1897, between the Railroad Company and The Mercantile Trust Company; and the Railroad Company further covenants and agrees that in any event, and whether or not said conveyance provided for in Section 2 in Article Second hereof shall be made, it will not voluntarily create or suffer to be created any lien except the lien of said First Mortgage, dated July 1, 1897, upon the railroads or appurtenances thereby mortgaged, until said railroads and appurtenances shall by good and sufficient deed have been subjected to the lien of this indenture as a first lien second only to the lien of said First Mortgage, dated July 1, 1897. And the Railroad Company further covenants and agrees that all railroads, branches or extensions against the acquisition or construction of which any of the bonds hereby secured shall be issued, as provided in Section 4 of Article Second hereof, shall, at the time of such issue, be free from any mortgage or lien prior to the lien of this indenture, and that this indenture shall then be and shall continue to be a first lien thereon; and the Railroad Company further covenants and agrees that all additional main tracks constructed or under construction in double tracking any of the lines of railroad then subject to this indenture and all engines, cars or other rolling stock or equipment, terminals, real estate, structures, additions, improvements, betterments and other property against the acquisition or construction of which any of the bonds hereby secured shall be issued, as provided in said Section 4 of Article Second hereof, shall, at the time of such issue, be free from any mortgage or lien prior to the lien of this indenture, unless it be the lien of the said First Mortgage, dated July 1, 1897, and that this indenture shall then be and continue to be such lien thereon.

Section 5. The Railroad Company covenants and agrees that, from time to time, it will pay and discharge all taxes, assessments and governmental charges lawfully imposed upon the lines of railroad and other premises and property hereby mortgaged, 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 Trustee and the bondholders in, to or in respect of such premises, property or income, the lien of which would be prior to the lien hereof, so that, in so far as it may be lawful, the priority of this indenture shall be fully preserved in respect of such properties at the cost of the Railroad Company without expense to the Trustee or the bondholders; provided, however, that nothing contained in this Section 5 shall require the Railroad Company to pay any such tax, assessment, or charge, so long as the Railroad Company in good faith and by appropriate legal proceedings shall contest the validity thereof, and that nothing in said bonds or in this indenture contained shall obligate or be deemed to obligate the Railroad Company to pay any tax, assessment or other governmental charge, the agreement to pay which or the payment of which would be contrary to law, or would result in the forfeiture of any right or interest secured to any of said bondholders by the terms of said bonds of this indenture.

Section 6. The Railroad Company covenants and agrees that it will at all times, until the payment of the principal of the bonds secured hereby, either keep an agency in the Borough of Manhattan, in the City and State of New York, and also in the City of London, England, where any of such bonds may be presented for payment and where notices and demands in respect of said bonds and coupons may be served, or designate, by written notice to the Trustee or by advertisement, a bank or trust company in each of said cities for such purposes. In default of any such agency or any such designation, presentation and demand may be made and notices served at the office of the Trustee.

Section 7. The Railroad Company covenants and agrees that it will not issue, negotiate, sell or dispose of any bond hereby secured, in any manner other than in accordance with the provisions of this indenture, and the agreements in that behalf herein contained.

Section 8. The Railroad Company covenants and agrees that, except as otherwise in this indenture expressly provided, it will at all times, until the payment of the principal of the bonds secured hereby, continue, maintain, extend and renew its corporate existence for the all the purposes of this indenture, and, maintain, keep and repair, equip and operate, or cause to be maintained, kept in repair, equipped and operated, the lines of railroads and other property now or at any time subject to the lien of this indenture.

Section 9. The Railroad Company covenants and agrees that whenever required by the Trustee, it will grant, convey, confirm, assign, transfer and set over unto the Trustee, upon and subject to the uses and trusts in this indenture set forth, the estate, right, title and interest of the Railroad Company, in, or to, all real and personal estate, corporate rights and franchises which, in any way or manner, it shall require