

deducting all operating ex-
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penses and fixed charges, including any such operating expenses, reasonable charges for maintenance and depreciation.

Covenant to conduct business and maintain property. Section 6. The Company, that the business of the Company will be continuously carried on and conducted in an efficient manner; that all property, plants, appliances, rolling stock and equipment of the Company useful in the carrying on of its business, will be maintained in good physical condition and a state of high operating efficiency and if worn out or injured will be replaced by other property, suitable to the business of the Company, and of at least equal value; that it now has complete and lawful authority and privilege to maintain and operate its entire lines of railway, and properties, and will continuously have and enjoy the authority and privilege so to maintain and operate its lines of railway and properties as they now exist or they may hereafter exist or be extended and that no existing rights, franchises or privileges of the Company will be allowed to lapse or be forfeited so long as the same shall be necessary for the carrying on of the business of the Company.

Covenant to keep proper books and furnish statements. Section 7. The Company covenants that proper books of record and account will be kept, in which full, true and perfect entries will be made, of all dealings or transactions of, or in relation to, the lines of railway, properties, business and affairs of the Company; that at least once a month, and as often as the Trustee may reasonably request, there will be furnished to said Trustee, on blanks to be provided for the purpose, statements in full detail showing accurately all earnings and expenses, from, of or in connection with the lines of railway, properties, financial condition, earnings and expenses of the Company as said Trustee may from time to time request.

Restrictions upon sale or lease of property. (p.17) Section 8. That Company covenants that no sale or lease of the mortgaged property or any part thereof (except under and subject to the provisions of Article Five of this indenture), and no consolidation or merger to which the Company shall be a party, shall be made or entered into after the delivery of this indenture unless and until in each instance there shall have been delivered to the Trustee, an opinion of counsel, selected or approved by said Trustee, certifying that in the opinion of such counsel such sale, lease, consolidation or merger will not in any manner diminish or impair the lien or security of this indenture or the value of such security or any rights or powers of the Trustee or the bondholders hereunder.

Covenant to insure. Section 9. The Company covenants that it will at all times after the delivery of this indenture, keep insured such of the properties, buildings, stations, machinery, equipment and apparatus of the Company, as are usually insured by companies operating like properties, to the reasonable insurable value thereof, in responsible companies, against destruction or damage by fire or other accident against which insurance is usually carried by companies operating like properties; that all policies for such insurance shall be so drawn as to make any losses thereunder payable to the First Trust and Savings Bank, Trustee, under said first mortgage and in default thereof to Commerce Trust Company of Kansas City, Missouri, Trustee; provided however, that, in case of any hereafter acquired property so insured, if such property is covered by any mortgage or other instrument the lien of which thereon shall be prior to that of this indenture, the losses under the policies for such insurance, until the final satisfaction and release of such prior mortgage or other instrument, may be made payable to and such policies may be deposited with the mortgagee or other instrument; the Company hereby agreeing that upon such satisfaction or release of such prior mortgage or other instrument, and of said first mortgage, to First Trust and Savings Bank, Trustee, all losses under the policies for such insurance shall

(p.18) be made payable to Commerce Trust Company of Kansas City, Mo., Trustee, hereunder and any insurance moneys then in the hands of the mortgagee or Trustee under any mortgage prior to this indenture shall forthwith be paid over to the Trustee hereunder. In case of any loss covered by any policy of insurance, any appraisal or adjustment of such loss and settlement and payment of indemnity thereof, which shall be agreed upon by the Company and any insurance company, and which shall be approved in writing by some person appointed by the Company and approved by the First Trust and Savings Bank, Trustee, or to Commerce Trust Company, Trustee, shall, upon the written request of the Company, be consented to and accepted by said Commerce Trust Company, Trustee. All insurance moneys received under any of the provisions of this Section, by the Commerce Trust Company, Trustee, shall be disposed of by said Trustee in accordance with the provisions of Article Six of this indenture.

ARTICLE THREE.

Redemption of bonds prior to maturity.

All or any of the bonds issued hereunder and secured hereby may, at the option of the Company, be redeemed from the holders thereof by the Company on any date appointed for the payment of interest thereon, at par and accrued interest. If the Company shall elect to redeem any of the bonds hereunder, it shall, at least thirty days prior to the interest date on which it is proposed to redeem said bonds notify the Trustee of the amount of bonds which the Company desires to redeem. Said Trustee shall thereupon draw by lot bonds to the amount specified, and shall certify to the Company the numbers of the bonds so drawn and the addresses of the holders of any registered bonds so drawn; provided, however, that no bonds shall be considered outstanding for the redemption or payment of which provision shall have been previously made. If all or any of the bonds so selected by the said Trustee belong to registered holders, the Company shall thereupon give twenty days'

Notice of Redemption.

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notice in writing, by mail, to such registered holders that said bonds are called for payment on the next interest day thereafter ensuing. If all or any of the bonds so drawn are unregistered, the Company shall publish a notice at least once a week, for three weeks in a newspaper published and of general circulation in the City of Kansas City, Missouri, that said bonds so selected are called for payment on the next ensuing interest day. The notices to be given hereunder shall contain the numbers