

Article V
Sections 1, 2 and 3

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service value of nondepreciable bond property retired and not replaced, may be applied (without restriction as to the year of application) as the Board of Directors may determine to the payment of dividends on the several classes of capital stock of the Company in the order of their preferences, or to any other proper corporate purposes.

No Contingent Interest shall be required to be paid under any provision of this Section 1 if the amount so to be paid would be less than $\frac{1}{4}$ of 1% on each \$100 of the principal amount of any Contingent Interest bearing obligation, and all payments of Contingent Interest shall be made in multiples of one cent for each \$100 of the principal amount of such obligation. Any excess available for interest not paid because of this provision shall be retained by the Company and added to the amount available for such interest in the succeeding income period or periods.

Section 2. If Bonds of any series subsequent to Series A shall be issued and any or all of the interest thereon shall be Contingent Interest, such Contingent Interest and the unpaid accumulations thereof shall have such place in the order of priority in the application of Available Net Income, subsequent to subsection (c) of Section 1 of this Article V, as shall be provided in the supplemental indenture creating such series.

Section 3. If General Mortgage Bonds of series subsequent to Series A shall be issued and the bonds of subsequent series shall bear interest at different rates but without priority as to payment among such series, and if the amount of Available Net Income applicable to the payment of the currently payable Contingent Interest on all of the bonds of such subsequent series is insufficient for the payment thereof in full, including any then unpaid accumulations of interest that shall have accrued thereon, the amount of such Available

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Sections 4 and 5

Net Income applicable to such payment under subsection (c) of Section 1 of this Article V shall be apportioned among the bonds of such subsequent series in accordance with the supplemental indentures creating such series.

Section 4. If the Contingent Interest on the Bonds of any series shall become Fixed Interest or if the obligation of the Company on the General Mortgage Bonds shall cease to be an obligation of the Company, either through payment or satisfaction in full, or if for any other reason the indenture securing or providing for such obligation shall be terminated and released, whether by refunding or otherwise, the requirement to apply Available Net Income for such interest or obligation in the order provided by Section 1 of this Article V shall cease and the amount of Available Net Income otherwise required to be applied thereto, after meeting all remaining requirements, if any, of like priority, shall be applied thereafter to the remaining purposes in the order of priority specified.

Section 5. On or before March 15 of each year, beginning with the year 1949, the Company shall file with the Corporate Trustee a Certified Resolution determining the Available Net Income for the preceding calendar year, and a report signed by the President or a Vice President, and by the Chief Accounting Officer, of the Company, showing the calculations in reasonable detail of the amount of Available Net Income for the preceding calendar year and the application thereof made or to be made by the Company pursuant to the provisions of Section 1 of this Article V.

In determining Available Net Income for any year the members of the Board of Directors may rely upon and shall be fully protected in relying upon any statement signed by the Chief Accounting Officer as to any facts set forth therein and upon advice of counsel as to the meaning and application of any provision of the Mortgage.

Article V
Sections 6, 7 and 8

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If the holders of not less than 25% in principal amount of the Outstanding Bonds shall have questioned the correctness of any such report by a notice in writing addressed to the Corporate Trustee and signed by such holders, the Corporate Trustee shall request the Company to have the accounts of the Company for the year in question (and for prior or subsequent years) audited so far as necessary to check the correctness of such report, at the expense of the Company, by a firm of certified public accountants selected by the Board of Directors and approved by the Corporate Trustee, unless an audit shall have theretofore been made or is then being made pursuant to similar provisions in another indenture securing obligations of the Company or pursuant to the voluntary action of the Company. The Company agrees that it will comply with such request for an audit. Any such audit shall, promptly after its completion, be filed with the Corporate Trustee and shall be open to inspection at all reasonable times by the holders of the Bonds.

Section 6. The Company, in the discretion of the Board of Directors, may pay any Contingent Interest which has accumulated on the Bonds or General Mortgage Bonds out of any funds lawfully available therefor although there be no Available Net Income applicable thereto, provided (i) such payments are made in the order of priority provided in this Article V, and (ii) all payments having a priority senior hereto out of Available Net Income for the preceding calendar year have been paid in full.

Section 7. The provisions of this Article V are hereby made expressly subject to each and all of the remedies of the Trustee or the Bondholders as set forth in Article XV and the operation of the provisions of this Article V shall be suspended during the continuance of either of the Events or Default specified in clause (f) or clause (g) of Section 2 of Article XV.

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Article VI
Section 1

ARTICLE VI
CAPITAL FUND

Section 1. The Company covenants that it will create and maintain a fund to be known as the "Capital Fund", that on or before April 1, 1948, it will pay into the Capital Fund the sum of \$3,000,000 in cash and that on or before April 1 in each year, beginning with the year 1949, and continuing as long as any Bonds are outstanding under the Mortgage, but subject to the provisions of Section 8 of this Article VI, it will pay into the Capital Fund in cash:

(a) Such amounts as the Company shall charge to operating expenses in respect of the next preceding calendar year for depreciation and retirement of trackway and structures, which shall be not less than the amounts required thereby by the Interstate Commerce Commission or other public regulatory body having jurisdiction or, if no specific amount or rate of depreciation or retirement is so required, then such reasonable amount therefor as shall be established by the Board of Directors within the maximum amount or rate permitted by such Commission or other public regulatory body.

(b) In any year in which the amounts payable into the Fund under the foregoing subsection (a) shall be less than \$3,000,000, such additional amounts as shall be necessary to increase the amounts payable into the Fund in such year to an amount equal to 2% of the railway operating revenues of the Company for such next preceding calendar year, determined in accordance with the Uniform System of Accounts, or \$2,000,000, whichever is less, but only to the extent that the Available Net Income for such next preceding calendar year, applicable thereto in accordance with the provisions of subsection (c) of Section 1 of Article V is adequate for such purposes.

(c) In any year in which the aggregate amounts payable into the Fund under the foregoing subsections (a)