

ARTICLE VIII
GENERAL COVENANTS

The Company covenants as follows:

SECTION 1. The Company will duly and punctually pay or cause to be paid the principal of, premium if any and interest on the Bonds at the times and at the place or places and in the manner and to the extent specified therein and in the coupons.

SECTION 2. The Company will maintain in the City of Chicago, State of Illinois, an office or agency where payment of the principal of, premium if any and interest on Bonds may be made, where notices, presentations and demands to or upon the Company in respect of Bonds or coupons or in respect of the Mortgage may be given or made and where Bonds may be registered, transferred and exchanged. The Company will also maintain a similar office or agency in each other city where the principal of an interest on any of the Bonds is payable, as provided in Article II. The Company will give to the Corporate Trustee notice of the location of all such offices or agencies and of any change of location thereof. In case the Company shall fail to maintain any such office or agency or shall fail to give notice of the location or of any change in the location thereof, notices, presentations and demands may be given or made at the principal office of the Corporate Trustee.

If the Company shall appoint a paying agent other than the Corporate Trustee, it will cause such paying agent to execute and deliver to the Corporate Trustee an instrument in which such agent shall agree with the Corporate Trustee, subject to the provisions of this Section 2:

(a) that it will hold all sums held by it as such agent for the payment of the principal of, premium if any or

interest on any of the Bonds (whether such sums have been paid to it by or on behalf of the Company or any other obligor on the Bonds) in trust for the benefit of the holders of such Bonds at the coupons for such interest, as the case may be and

(b) that it will give to the Corporate Trustee notice of any failure by the Company or by any other obligor on such Bonds to make any payment of the principal of, premium if any or interest on such Bonds when the same shall be due and payable which shall come to its notice or knowledge as such paying agent.

If the Company shall act as its own paying agent in respect of the Bonds of any series, it will, on or before each due date of the principal of, premium if any or interest on such Bonds, set aside, accumulate and hold in trust for the benefit of the holders of such Bonds or the appropriate coupons, as the case may be, a sum sufficient to pay such principal, premium and interest becoming due and will notify the Corporate Trustee of any failure to do such action.

The Company may, at any time, for the purpose of obtaining a release or satisfaction of the Mortgage or for any other reason, pay or cause to be paid to the Corporate Trustee all sums held in trust by it or by any paying agent pursuant to this Section 2, such sums thereafter to be held by the Corporate Trustee upon the same trusts as in this Section 2 provided.

The agreement to hold sums in trust as provided in this Section 2 is subject to the provisions of Section of Article XVII.

SECTION 3. The Company will execute and deliver, or will cause to be executed and delivered, all such further deeds, mortgages, assignments and transfers as may be required for the better mortgaging, assigning and confirming to the

Trustees of the property hereby mortgaged, conveyed or assigned, or intended so to be, or which the Company may hereafter become bound to convey or assign to the Trustee.

The Company will deliver to the Corporate Trustee on or before April 1 in each year, beginning with the year 1949, an Officers' Certificate setting forth in reasonable detail a description of any substantial items of additional real and personal property, estate, rights and franchises acquired within the previous calendar year and an Opinion of Counsel stating either (a) that no supplemental indenture is necessary to subject to the lien of the Mortgage the items of property set forth in such Officers' Certificate which are intended by the granting clauses or other provisions of the Mortgage to be subjected to the lien hereof, or (b) that a supplemental indenture is necessary for the purpose and that the supplemental indenture delivered to the Corporate Trustee with such Officers' Certificate and Opinion of Counsel is sufficient for that purpose and has been recorded and filed in the proper jurisdictions.

SECTION 4. The Company owns and is lawfully possessed of the lines of railroad, property and franchises referred to in the granting clauses hereof, and is duly authorized to operate and does operate said lines of railroad, and covenants and agrees to execute any and all instruments and do any and all acts or things necessary or proper to perfect its title to the same or any thereof, and, subject to the provisions of Article XI hereof, to take all steps and do all acts necessary to continue and maintain its corporate existence and authority to operate its lines of railroad.

SECTION 5. The Company, from time to time as they shall become due, will make, or cause to be made, all payments required to be made under and by the terms of any Equipment Obligation, including those described in the granting

clauses hereof, and will do or cause to be done all such further acts as may be necessary to assure to the Company the use of the Equipment to which such Equipment Obligation relates and the ultimate acquisition of complete title thereto.

Nothing contained in this Section 5 or in any other provision of the Mortgage, express or implied, is intended or shall be construed to limit the right or power of the Company, which is hereby expressly reserved, to extend, prior to the maturity of any Equipment Obligation, the balance of the rental or other payments remaining to be paid thereunder or secured thereby or to refinance the same by entering into a new Equipment Obligation.

SECTION 6. The Company will well and truly pay and discharge or cause to be paid and discharged upon presentation thereof for payment when due the principal of all obligations having a lien on the mortgaged property or any part thereof prior to the lien of the Mortgage; and until paid or discharged at maturity of otherwise it will pay or cause to be paid the interest payable thereon at the time and at the place or places set forth therein or in the coupons attached thereto; and it will prevent any default or other thing from happening whereby the right might arise to enforce by foreclosure or otherwise any such obligations; provided, however, that the Company may extend or renew any such obligations.

In all cases in which, pursuant to the requirements of any mortgage or other instrument constituting a lien prior to the lien of the Mortgage, cash, securities, obligations or rights which would otherwise be required to be deposited with the Corporate Trustee are deposited with the trustee or mortgagor under such mortgage or other instrument, the Company will forthwith, upon the discharge and cancellation of such mortgage or other instrument (subject to the obligation