

of the Company, if any, to cause the same to be deposited under any other such mortgage or other instrument, cause to be deposited with the Corporate Trustee any and all such cash, securities, obligations or rights remaining at the time of such discharge and cancellation with the trustee or mortgagee of the mortgage or other instrument so discharged and cancelled. The Company hereby authorizes and directs the trustee of mortgage under each such mortgage or other instrument, upon such discharge and cancellation thereof, to deposit with the Corporate Trustee all such cash, securities, obligations or rights so remaining. The Company covenants to deliver a copy of the Mortgage to the trustee of mortgage under each such mortgage or other instrument and to furnish the Corporate Trustee with evidence of such delivery.

Section 7. The 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 of the Mortgage) lawfully imposed upon the mortgaged property 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 in respect of the mortgaged property or of the income thereof, so that the lien and priority of the Mortgage shall be fully preserved at the cost of the Company without expense to the Trustee or the Bondholders; provided, however, that the Company shall not be required to pay any such taxes, assessments or governmental charges (i) so long as in good faith the validity or the amount thereof shall be contested by appropriate legal proceedings, unless thereby, in the judgment of the Corporate Trustee, the security afforded by the Mortgage will be materially impaired or endangered, or (ii) on property it has abandoned pursuant to permission granted by the Interstate

or to arise, or allow to exist any other lien or charge having priority to, preference over or parity with the lien of the Mortgage upon the mortgaged property, of any part thereof, or upon the income thereof; and that, within six months after the same shall be payable, it will pay or cause to be discharged, or will make adequate provision for the satisfaction or discharge of, all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given precedence over the Mortgage as a lien or charge upon the mortgaged property or any part thereof, or the income thereof; provided, however, that the Company shall not be required to pay any such debt, lien or charge so long as it shall in good faith, by appropriate legal proceedings, contest the validity thereof or the amount thereof unless thereby, in the opinion of the Corporate Trustee, the interests of the Bondholders will be materially impaired or endangered.

Section 10. Subject to the provisions of Articles X and XI, and to the extent, needful and proper for the efficient and economic operation of its properties, the Company will at all times diligently maintain, preserve and keep all of the rights and franchises granted to it or conferred upon it, maintain, preserve and keep its railroads, fixtures and appurtenances subject to the lien of the Mortgage in good repair, working order and condition and from time to time make all needful and proper repairs thereto and renewals and replacements thereof, and keep the lines of railroad subject to the Mortgage supplied with Equipment, machinery, tools and other supplies, maintain the same in good order and condition, reasonable wear and tear excepted and from time to time make all needful and proper repairs thereto and renewals and replacements thereof.

Section 11. Subject to the terms and provisions of Articles X and XI, the Company will maintain its property, rights

Commerce Commission or other public regulatory body having jurisdiction in the premises, or (iii) on property it has abandoned where no public regulatory body has jurisdiction if the property abandoned is no longer necessary for the maintenance or operation of the lines of railroad subject to the lien of the Mortgage.

Section 8. The Company, from time to time as the same shall become due and payable, will observe and perform all of its obligations, and will pay and discharge all sums payable under or by virtue of any lease or trackage agreement held by it and subject to the lien of the Mortgage and which is reasonably necessary for the maintenance and operation of the lines of railroad subject to the lien of the Mortgage, and will not suffer or permit any default for which such lease or trackage agreement may be terminated, so that, subject to the provisions of Articles X and XI, the interest of the Company in all such leasehold estates or trackage agreements shall be preserved unimpaired as security for the Bonds and coupons hereby secured.

Nothing in this Section 8 contained shall require the Company to make any such payments or to observe and perform all of its obligations so long as the Company in good faith shall contest its liability for any such payments or its duty to observe any such obligations, unless in the opinion of the Corporate Trustee such action will materially impair or endanger the interests of the Bondholders.

Section 9. Subject to the provisions of Articles X and XI, the Company covenants and agrees that the Mortgage is and always will be kept a lien upon all of the mortgaged property, subject only to the liens prior thereto specified or referred to in the granting clauses hereof, and the right, charge, lien or title of Equipment Obligations, Permitted Encumbrances and Prior Liens, and that it will not create, or suffer to be created

and franchisees and continue the full enjoyment thereof so as to maintain the general continuity of its lines of railroad between the principal points served by it and the date of the execution and delivery of the Mortgage and from time to time thereafter.

Section 12. The Company will forthwith upon acquisition deposit and pledge with the Corporate Trustee, as further security for the Bonds, all Securities hereafter acquired by it except Special Securities and except Securities deposited with the trustee or mortgagee of any Prior Lien or required to be so deposited by the terms of such Prior Lien; and that upon cancellation or release of any Prior Lien, all such Securities then held by the trustee or mortgagee hereunder will be forthwith deposited and pledged with the Corporate Trustee unless then required to be deposited or pledged or held under another lien prior to the lien of the Mortgage.

Section 13. The Company will not procure the authentication and delivery of any Bonds hereunder, the release of any property hereunder or the withdrawal, payment or application of any cash held by the Corporate Trustee under any provision of the Mortgage, except upon compliance by the Company with the applicable provisions of the Mortgage.

The Company will apply the funds obtained through the issuance and sale, exchange or pledge of Emergency Bonds solely for the purposes or purposes specified in the Certified Resolution delivered to the Corporate Trustee with the Application for the authentication of such Emergency Bonds, pursuant to the provisions of Section 2 of Article III.

Section 14. The Company will not increase or permit to be increased in principal amount any of its obligations (other than Bonds, Equipment Obligations and Permitted Encumbrances) which are at the time of the making or assuming of such obligations secured by a lien on the mortgaged prop-