

Article VIII
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erty, or any part thereof, prior to or on a parity with the lien of the Mortgage unless the obligations representing such increase are forthwith deposited and pledged with the Corporate Trustee to be held subject to the provisions of Article IX.

Section 15. The Company will maintain a record of all Equipment and will furnish to the Corporate Trustee at least once in each period of two years following the date of the execution and delivery of the Mortgage a statement of the number of units by classes of said Equipment, and showing separately the Equipment that is held under or subject to Equipment Obligations, and specifying the amount and maturities of all such Equipment Obligations.

Section 16. The Company will cause the Mortgage and every supplemental indenture or instrument purporting to create a lien upon the mortgaged property to secure the Bonds, to be recorded and filed and re-recorded and re-filed to the extent necessary to make effective and maintain the lien intended to be created thereby, and will, on or before April 1 in each year, beginning with the year 1949, furnish to the Corporate Trustee an Opinion of Counsel stating either that in the opinion of such counsel the Mortgage and all supplemental indentures or other instruments supplemental thereto have been properly recorded and filed and re-recorded and re-filed, as the case may be, so as to make effective and maintain the lien intended to be created thereby, or that in the opinion of such counsel no such action is necessary to make such lien effective and to maintain the same.

Section 17. The Company will cause all of the property, at any time subject to the lien of the Mortgage, which is of a character usually insured by railroad companies, to be kept insured in such manner and to such extent as is customary and usual in the operation of railroad companies in the territory served by the Company. On or before April 1,

1948, and on or before April 1 in each year thereafter, and at any other time upon the request of the Corporate Trustee, the Company will furnish to the Corporate Trustee an Officers' Certificate stating in general the character and extent of the insurance then maintained by the Company and stating that the same complies in all respects with the requirements of this Section 17.

If the proceeds from any insurance on the mortgaged property shall exceed the sum of \$50,000 in respect of any one loss, such proceeds shall, subject to the requirements of any Prior Lien, Permitted Encumbrance, or Equipment Obligation on such property, be paid by the Company to the Corporate Trustee, accompanied by an Officers' Certificate as required by Section 21 of this Article VIII, and shall be set apart and held in trust by the Corporate Trustee and applied, pursuant to the written request of the Company (if an Event of Default shall not have occurred and be continuing), to the repair, restoration or replacement of the property damaged or destroyed. The written request of the Company, signed as in the case of an Officers' Certificate, shall set forth the nature of such repairs, restorations or replacements and the cost thereof, and shall be accompanied by an Opinion of Counsel that the same are or will become subject to the lien of the Mortgage as hereinafter in this Section 17 provided. Such request and Opinion of Counsel shall constitute a sufficient warrant and direction to the Corporate Trustee for the expenditure of said proceeds in accordance with such request.

Any proceeds from insurance paid over to the Corporate Trustee, pursuant to this Section 17, which have not been applied to the repair, restoration or replacement of the property damaged or destroyed within two years after such payment, shall thereafter be held and disposed of by the Corporate Trustee as in the case of moneys deposited upon the release of mortgaged property as provided in Section 7 of Article X.

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If the proceeds from any insurance on the mortgaged property shall be \$50,000 or less in respect of any one loss, such proceeds shall be applied by the Company to the repair, restoration or replacement of the property damaged or destroyed or to the acquisition or construction of Additions and Betterments. Any property acquired by the Company out of the proceeds of insurance as aforesaid and any and all repairs, restorations, replacements, Additions and Betterments acquired or constructed out of such proceeds, subject to the requirements of any Prior Lien, Permitted Encumbrance or Equipment Obligation on the property with respect to which such insurance was collected, shall become and be subject to the Mortgage as fully as though specifically mortgaged or assigned hereby, but, in the case of property repaired or restored, only in the same manner and to the same extent as the property damaged or destroyed with respect to which such insurance was collected.

Section 18. The Company will permit the Corporate Trustee, through its agents, to inspect the mortgaged property, or any portion thereof at any time and from time to time, and will comply with all reasonable requests of the Corporate Trustee to furnish such information as the Company may have with respect to the mortgaged property.

Section 19. As and when there shall be delivered to the corporate trustee under the General Mortgage pursuant to any provision thereof, any report, statement, certificate, opinion, copy of resolution, deed, conveyance, assignment or other document or proof, the Company will deliver a counterpart thereof to the Corporate Trustee, unless the same document or proof has been delivered to the Corporate Trustee pursuant to the provisions of the Mortgage.

Section 20. The Company will not pledge or hypothecate any Bonds to secure any indebtedness created, assumed or guaranteed, directly or indirectly, by the Company if in

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consequence thereof the excess of the aggregate principal amount of all Bonds (exclusive of Emergency Bonds) pledged or hypothecated by the Company over the aggregate principal amount of all indebtedness secured thereby would exceed 10% of the aggregate principal amount of all such Bonds then outstanding and pledged or hypothecated by the Company.

The Company will not pledge or hypothecate any Bonds (exclusive of Emergency Bonds), General Mortgage Bonds or other obligations of the Company, if in consequence thereof the aggregate amount of all such bonds and obligations of the Company pledged or hypothecated by it would exceed 200% of the aggregate principal amount of all indebtedness secured by such pledges or hypothecations.

Section 21. Whenever the Company shall deposit with the Corporate Trustee the proceeds of any insurance as provided in Section 17 of this Article VIII, such deposit shall be accompanied by an Officers' Certificate, dated not more than 30 days prior to the delivery thereof to the Corporate Trustee, stating the circumstances of such deposit and the source of the moneys then being deposited.

Section 22. The Company will deliver to the Corporate Trustee at the time of the distribution thereof a copy of each annual report and financial statement distributed by the Company to its shareholders, beginning with the annual report for the year 1948.

Section 23. The Company will not pay any dividend on the shares of any class of its capital stock, or purchase, or otherwise acquire any of its shares, except out of the funds legally available therefor on January 1, 1948, under the laws of the State of Delaware and out of Available Net Income applicable to such purposes under the provisions of Section

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