

Article IX  
Section 2

142

Security which shall have been paid out of the proceeds of any sale or condemnation of, or the proceeds of insurance on, the property covered by a mortgage or other lien securing such Debt Security, or out of the proceeds of sale of any property of the corporation liable upon such Debt Security in case of the dissolution, liquidation or winding up of such corporation, or out of any other proceeds of capital assets, it being the intent of the Mortgage that the Company shall be entitled to receive only interest paid out of revenues, rents, earnings, profits, or income; (iii) any amounts paid on redemption of any Security, other than on account of accrued interest or dividends payable to the Company under the provisions of the Mortgage; (iv) any liquidation dividends consequent upon the dissolution, or total or partial liquidation or winding up, or reduction of Stock, of any corporation; and (v) any other dividends, whether payable in Stock, cash or property, except only earned cash dividends;

(2) The Company shall not collect any such dividends, coupons or interest for legal proceedings or by the enforcement of any security therefor, except upon at least 30 days' prior written notice to the Corporate Trustee;

(3) Until actually paid, cancelled or discharged, each coupon or right to interest or dividends shall remain subject to the lien of the Mortgage, and the Company shall not sell, assign or transfer any such coupon or right to interest or dividends;

(4) The Company may release and discharge, in whole or in part, any and all claims for interest on any Railroad Subsidary Bonds deposited and pledged hereunder, when and as such interest becomes due; and

(5) The Corporate Trustee shall be entitled to assume that all such interest has been or will be paid out of revenues, rents, earnings, profits, or income and that all dividends paid in cash are or will be earned cash dividends, unless and until the Corporate Trustee is notified in writing to the contrary by the payor, its agent, the Company or one or more Bondholders.

Article IX  
Sections 3 and 4

144

ment (whether voluntary or involuntary) of the corporation issuing such Securities and deposit such Securities under such plan, and may make any exchange, substitution, cancellation or surrender of Securities required by any such plan and take such action with respect to Securities subject to the lien hereof as may be required by such plan for the accomplishment thereof. All new Securities issued and cash paid under any such plan in exchange for Securities previously deposited and pledged hereunder shall be deposited with the Corporate Trustee and held by it under and for the purposes expressed in the Mortgage.

## Section 4. In case at any time

(a) default shall be made in the payment of the principal of or interest on any Debt Security deposited and pledged hereunder, or

(b) default shall be made in any of the covenants, terms or conditions contained in any such Debt Security or the mortgage or other instrument securing the same or pursuant to which the same shall have been issued, or

(c) the right shall arise to enforce, by foreclosure or otherwise, any such mortgage or other instrument,

then, and in any such case, upon the written request of the Company delivered to the Corporate Trustee, accompanied by a Certified Resolution authorizing the same, and without such request if an Event of Default shall have occurred and be continuing, the Corporate Trustee, as the holder of such Debt Security, may in its discretion exercise all rights of the holder thereof and all rights under the mortgage or other instrument securing the same, or pursuant to which it was issued, and cause such proceedings as may be approved by counsel to be instituted and prosecuted in a court of competent jurisdiction to enforce the payment of the principal and interest on such Debt Security and the performance of the covenants, terms or conditions therein and in such mortgage

143

Article IX  
Section 3

Section 3. Unless and until an Event of Default shall have occurred and be continuing, the Company shall have the right to vote and give consents in respect of all Securities deposited and pledged hereunder for all purposes not contrary to the provisions of the Mortgage, or inconsistent therewith, and to consent to, ratify or waive notice of any and all meetings, with the same force and effect as though such Securities were not subject to the lien hereof; and the Corporate Trustee, in respect of Securities issued in its name or in the name of its nominee or nominees, shall upon the written request of the Company give suitable waivers of notice and consents and deliver to the Company, or to its nominee or nominees, suitable powers of attorney or proxies with or without power of substitution and either generally or for such one or more objects as such proxy shall specify. The Company covenants that it will not vote or permit to be voted or give or permit to be given any consent in respect of any such Securities for any purpose contrary to the provisions of the Mortgage or inconsistent therewith.

The Corporate Trustee, with the written consent of the Company delivered to the Corporate Trustee, accompanied by a Certified Resolution authorizing the same, and without such consent if an Event of Default shall have occurred and be continuing,

(a) may vote or give consents in respect of any Securities deposited and pledged hereunder and authorize such Securities to be voted and such consents to be given and may take such other action as to the Corporate Trustee, in its discretion, shall be advisable to protect the interests of the Corporate Trustee and of the Bondholders in respect of any Securities subject to the lien hereof; and

(b) may in respect of any such Securities join in or become party to any plan of reorganization or readjust-

145

Article IX  
Sections 4 and 5

or other instrument contained and the foreclosure or other enforcement of such mortgage or other instrument, or otherwise.

Section 5. Unless an Event of Default shall have occurred and be continuing, the following transactions may be carried out and consummated:

(a) The renewal or extension of any Debt Security deposited and pledged hereunder at the same or a lower or higher rate of interest;

(b) The renewal or extension of any mortgage or other lien or instrument securing any Debt Securities deposited and pledged hereunder; and

(c) The issue in substitution for any Securities of a Railroad Subsidary deposited and pledged hereunder of other Securities issued by the same Railroad Subsidary which, except in the case of common Stock, shall be of the same or a greater aggregate principal amount or liquidation value, shall be secured by the same or an equivalent or prior lien or entitle the holder to an equivalent or superior liquidation and dividend preference, and shall bear the same or a higher or lower rate of interest or preferred dividend;

subject, however, to the following terms and conditions:

(1) All Securities so renewed or extended (if replaced by new Securities) and all Securities for which new Securities are substituted shall be delivered by the Corporate Trustee to the corporation issuing the same solely for retirement.

(2) All Securities so issued in renewal, extension or substitution shall forthwith upon the issue thereof be deposited and pledged hereunder to the same extent and in the same manner as the Securities renewed or extended or for which they are substituted.

(3) No such substitution shall be made if it will so reduce the percentage of the number of shares of voting Stock of