

## Article IX

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any Railroad Subsidiary owned by the Company and other railroad corporations that such Railroad Subsidiary would no longer be qualified as such.

(4) No such substitution shall be made if the substituted Securities are of an issue junior to the Securities to be retired.

(5) In each such case the Corporate Trustee shall be furnished with the following:

(A) An Officers' Certificate stating in substance as follows: (i) the Securities (briefly described) to be renewed, extended or retired and the terms of such renewal, extension or retirement; (ii) the Securities (briefly described), if any, to be issued in substitution; (iii) that the renewal, extension or substitution will be to the benefit and advantage of the Company and will not be detrimental to the interest or security of the Bondholders; (iv) whether the Securities to be renewed or extended or for which new Securities are to be substituted are Securities of a Railroad Subsidiary; (v) that if such new Securities are to be substituted for Securities of a Railroad Subsidiary such substitution will not so reduce the number of shares of voting Stock of such Railroad Subsidiary then owned by the Company and other railroad corporations that such Railroad Subsidiary would no longer be qualified as such; (vi) that the Securities, if any, to be issued in substitution will not be junior to the Securities to be retired; and (vii) that no Event of Default has occurred and is continuing; and

(B) An Opinion of Counsel that such renewal, extension or substitution is in accordance with the provisions of the Mortgage and that any Securities to be renewed or extended will, upon such renewal or extension, and any new Securities to be issued will, upon the issue and delivery thereof to the Company, be validly issued and outstanding and what they purport to be and validly owned by the Company; that whatever consent,

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authorization or approval on the part of any governmental authority is requisite for such ownership and pledge have been obtained; that all shares of Stock, if any, included in such Securities are fully paid and non-assessable; and that upon the deposit and pledge of said Securities hereunder the Mortgage will constitute a valid, enforceable and direct lien thereon, free and clear of liens prior thereto.

Upon receipt of the instruments specified in clauses (A) and (B), and a Certified Resolution requesting any such extension, renewal or substitution, the Corporate Trustee shall permit the same and take any other action necessary to effect any such extension, renewal or substitution.

Section 6. The Corporate Trustee may sell, assign, transfer and deliver so many shares of the Stock of any corporation whose Stock is deposited and pledged under the Mortgage as may be necessary to qualify persons to act as directors of, or in any other official relation to, such corporation. In every such case the Company shall make such arrangements with the Corporate Trustee as shall be deemed necessary by the Corporate Trustee for the protection of the trust hereunder.

Section 7. In case a corporation any of the Securities of which shall be deposited and pledged under the Mortgage shall be consolidated with or merged into, or shall convey all or substantially all of its properties to, the Company, the Securities of such corporation that are deposited and pledged under the Mortgage shall be surrendered to the consolidated corporation or to the Company, as the case may be, but only if, as evidenced by an Opinion of Counsel furnished to the Corporate Trustee, (a) by virtue of such consolidation or merger and the application of the provisions of Article XI the lien of the Mortgage has extended to the property of such

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corporation the Securities of which are so surrendered, and (b) in the case of any Debt Securities so surrendered which are secured by a lien on the property of such corporation, the lien of the Mortgage resulting from such consolidation or merger is substantially equivalent to the lien securing such Debt Securities.

Section 8. In case at any time

(a) any corporation, the Securities of which shall be deposited and pledged hereunder, shall be dissolved or liquidated, or

(b) all or any of the property of any such corporation shall be sold at any judicial sale, or

(c) any of the property covered by any mortgage securing any Debt Security deposited and pledged under the Mortgage shall be sold in foreclosure proceedings or other proceedings for the enforcement of such mortgage or the Debt Security thereby secured,

then, and in any such case, if the property of such dissolved or liquidating corporation or the property sold can be acquired by crediting on the Securities so pledged under the Mortgage any sum accruing or to be received thereon out of the proceeds of such property; and by paying not more than 10% of the price of such property in cash (or more than 10% if the Company or the holders of 25% in principal amount of the Outstanding Bonds shall so request); the Corporate Trustee in its discretion may, and if requested in writing by the Company or the holders of 25% in principal amount of the Outstanding Bonds and upon being provided with the amount of cash necessary therefor (whether such amount be more or less than 10% of the price of such property) and security or indemnity satisfactory to it against any expense or liability on its part shall, purchase or cause to be purchased such property, either in the name or on behalf of the Corporate

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Trustee or of the Company or of purchasing trustees, as the Corporate Trustee may determine, and the Corporate Trustee shall use, or permit the Company to use, such Securities so far as may be permissible to make payment for such property. In the event of any such purchase, the Corporate Trustee shall take such steps as it may deem proper to cause such property either to be vested in the Company and subjected to the direct lien of the Mortgage or in some other corporation with power to acquire and operate such property. The Company covenants that, if such property is vested in some other corporation with power to acquire and operate such property, all Securities of such other corporation acquired directly or indirectly through such use of the pledged Securities will be deposited and pledged under the Mortgage.

Section 9. The Company may, unless an Event of Default shall have occurred and be continuing, sell the Securities of any corporation which are deposited and pledged under the Mortgage, except Prior Lien Bonds, but only upon and subject to the following conditions:

(a) All Securities of such corporation pledged hereunder shall be sold simultaneously.

(b) The Corporate Trustee shall be furnished with an Officers' Certificate setting forth:

(1) A description of the Securities to be disposed of by the Company, a statement that the Securities so described include all Securities of such corporation pledged hereunder and a statement as to whether or not such corporation is a Railroad Subsidiary.

(2) A brief statement of the price or consideration to be received by the Company (which consideration may be cash, or cash and purchase money obligations secured by a pledge of the Securities to be sold) and a statement that the amount of such consideration is not less than the fair value to the