

right has been so granted, and to appurtenant facilities, if any, as to which a right of use has been so granted, and

(2) there shall be filed with the Corporate Trustee a "Certified Resolution determining, and expressing the judgment of the Board of Directors, in the case of any such sale, exchange or other disposition, that the same is advantageous to the economical and efficient operation of the business of the Company, or, in the case of any such easement or trackage right agreement, that the terms thereof are reasonable and advantageous to the economical and efficient operation of the business of the Company and, in either case, that such transaction will not substantially impair the ability of the Company to handle the traffic of its transportation system subject only to the lien of the Mortgage and Permitted Encumbrances at or between the principal points served thereby nor impair the security or interests of the Bondholders.

In case an easement, over, or a trackage agreement providing for the use by another railroad of, any part of any line of railroad or in any bridge or terminal shall be granted by the Company for a longer period than the latest maturity of any of the Bonds then outstanding or not be subject to termination by the Trustees upon the occurrence or during the continuance of any Event of Default or by the purchaser of any property to which the same relates upon any sale thereof by virtue of the power of sale hereby conferred or under judicial proceedings, the Trustees shall, at the request of the Company and upon receiving the Opinion of Counsel and Certified Resolution with respect thereto as provided in this subdivision (b), execute and deliver a certificate or consent to the granting of such easement or trackage agreement.

Any principal point which is the terminus of any line of railroad of the Company subject for the lien of the Mortgage shall cease to be a principal point if, for any period of five successive years after the date of the Mort-

gage, traffic over the line, or a portion thereof serving such point designated as provided in the following sentence, has been such that the operation by the Company of such line or such designated portion, as the case may be, has been without profit during the whole of such period. Upon filing with the Corporate Trustee an Officers' Certificate designating any such principal point and the line serving such point, or a specified portion thereof, and showing facts with respect to traffic and operation of such line or such specified portion thereof, as the case may be, fulfilling to the satisfaction of the Corporate Trustee the requirements of this paragraph, together with a Certified Resolution expressing the judgment of the Board of Directors that the principal point described in said Certificate is in fact no longer a principal point in the operation of such lines of railroad, then said principal point shall no longer be deemed or treated as a principal point on such line for any purpose under the provisions of this Part B.

The provisions and limitations of this Part B shall govern any sale by the Company, pursuant to the provisions of Article IX, of the securities of any Railroad Subsidiary owning a connecting line of railroad or bridge which forms a part of the transportation system of the Company.

PART C. In case any line of railroad (including any leasehold, easement, trackage right or other interest therein) subject to the lien of the Mortgage is desired to be abandoned, prior to any such abandonment there shall be furnished to the Corporate Trustee, in addition to all other requirements of this Section 1, an Opinion of Counsel stating that any requisite approval of the Interstate Commerce Commission or other governmental authority having jurisdiction in the premises has been obtained for such abandonment and said Opinion of Counsel shall be accompanied by a certified copy of the order, if any, expressed to be so required.

SECTION 2. Except as hereinafter specifically provided in this Section 2, the Company while retaining in possession

of the mortgaged property may, without obtaining a release from, action by or giving notice to the Trustees and without other action or proceeding on the part of the Company hereunder:

(a) In the ordinary conduct of its business, sell, exchange or otherwise dispose of, free from the lien of the Mortgage, any office equipment, machinery, tools, furniture, materials and supplies and other chattels (except Equipment) which may have become obsolete, worn out, unserviceable or no longer required in the conduct of its business; provided the Company shall, within a reasonable time, replace the same with other property which shall become subject to the lien of the Mortgage and be of a value to the Company at least equal to the value of the property so disposed of;

(b) In the ordinary course of its business, sell, exchange or otherwise dispose of, free from the lien of the Mortgage, any Equipment which is no longer useful, any buildings, bridges, structures, industrial tracks, side tracks or yard tracks which it has been desirable in the conduct of its business to retire from use, and any land constituting abandoned right of way or station grounds, or industrial sites or other land (with or without improvements thereon) which is no longer useful to the Company, if the consideration received on any such sale or other disposition does not exceed \$10,000; provided that if the Company shall receive any cash or other consideration (other than property which may but need not have a similar substitutional use, and which shall become subject to the lien of the Mortgage) on any such sale or other disposition, it shall from time to time, but at intervals of not more than 90 days, deposit with the Corporate Trustee, or with the trustee or mortgagee of any Prior Lien or Permitted Encumbrance as permitted by the provisions of Section 4 of this Article X, an amount in cash equal to the cash so received and the fair value to the Company, in the opinion of the Engineer, of such other consideration; and

(c) Make any lease of any of the mortgaged property, other than its lines of railroad (including any leasehold, trackage right or other interest therein), bridges or terminals, or grant any easement, license or other right with respect to any of the mortgaged property, which does not interfere with the use and operation of its lines of railroad, bridges and terminals, provided such lease, easement, license or other right is subject to the continuing lien of the Mortgage.

On or before April 1, 1949, and on or before April 1 of each succeeding year, the Company shall file with the Corporate Trustee a report for the preceding calendar year signed as in the case of an Officers' Certificate and setting forth in reasonable detail a description of the property sold, exchanged or otherwise disposed of during the preceding calendar year under subsection (b) of this Section 2, the cash or other consideration received by the Company in connection with such sale, exchange or other disposition (showing separately, in the case of such other consideration, that which shall have become, and that which shall not have become, subject to the lien of the Mortgage), the total amount of consideration received during the preceding calendar year for property so sold, exchanged or otherwise disposed of, and the total amount thereof deposited with the trustee or mortgagee of any Prior Lien or Permitted Encumbrance as permitted by the provisions of Section 4 of this Article X.

Such report shall be accompanied by an Engineer's Certificate stating that the respective considerations received in all cases of sales, exchanges or other dispositions made under subsection (b) of this Section 2 represented the fair value to the Company of the property sold or otherwise disposed of and that in no case was the consideration received in any one sale or other disposition in excess of \$10,000 and stating the fair value to the Company of all such consideration other than cash.