

tatory 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 the First Mortgage or 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 prop-

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 consequence thereof the excess of the aggregate principal amount of all 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, First Mortgage Bonds (exclusive of Emergency First 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 20 days prior to the delivery thereof to the Corporate Trustee, stating the circumstances of such deposit and the source of the monies 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.

erty 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.

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 the First Mortgage or 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. Except as provided in Section 13 of Article X, as and when there shall be delivered to the Corporate Trustee under the First Mortgage pursuant to any provision thereof, any report, statement, certificate, opinion, copy

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 such 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 1 of Article V accumulated from and after January 1, 1948, or contrary to the provisions of Section 6 of Article VI.

Section 24. The Company covenants that all funds made available to it after January 1, 1948, from all or any of the following sources shall, unless deposited with the Corporate Trustee or with the corporate trustee under a Prior Lien, Equipment Obligation or Permitted Encumbrance, be applied only to provide for the Cost of Additions and Betterments not theretofore Bonded; (i) proceeds of insurance on the mortgaged property not used for restoration or repairs, (ii) proceeds from salvage recovered from mortgaged property retired, (iii) proceeds from sales of mortgaged property sold in accordance with the provisions of Article X, and (iv) funds made available by charges to operating expenses representing the service value of any non-depreciable road property retired and not replaced, to the extent that such funds have been deducted from the remaining Available Net Income, if any, in accordance with Section 1 of Article V.

Section 25. So long as interest on the Bonds of Series A remains outstanding, interest on the Company will, on or before March 15 of each year, beginning with the year 1949, publish a notice stating the amount of interest payable on the Bonds of Series A or that no interest is payable on the Bonds of Series A on the next succeeding interest payment date, once in a Daily Newspaper in the City of Chicago, State of Illinois, and once in a Daily Newspaper in the Borough of Manhattan,