

City and State of New York. A copy of such notice shall be mailed by or on behalf of the Company to all registered holders of coupon Bonds registered as to principal and of registered Bonds without coupons, at their last addresses as they shall appear upon the bond registry books.

**Section 26.** The Company will surrender to the Corporate Trustee forthwith upon receipt by the Company all Bonds of Series A held by The First National Bank of Chicago, as Bond Scrip Agent, at the close of business on January 2, 1949, and cancelled by the Bond Scrip Agent pursuant to the provisions of the Bond Scrip Agreement dated as of January 1, 1948, entered into between the Company and said Bond Scrip Agent.

**Section 27.** The Company will deposit and pledge with the Corporate Trustee, within 10 days after receipt thereof by the Company, all cash, Securities or interests therein which may be received by the Company at any time hereafter in payment or satisfaction of or in exchange or substitution for the judgment described in granting clause SEVENTEENTH of the Mortgage. All moneys so received by the Corporate Trustee shall be held and disposed of by it as in the case of each deposited upon the release of property subject to the lien of the Mortgage as provided in Article X; and all Securities and interests therein so received by the Corporate Trustee shall be deemed to be Bonded.

So long as the First Mortgage remains a lien on the mortgaged property, the requirements of this Section 27 shall be deemed to require the pledge and deposit of such cash, Securities and interests therein with the corporate trustee under the First Mortgage subject to the terms thereof, instead of with the Corporate Trustee, and the filing with the Corporate Trustee of a statement of the corporate trustee under the First Mortgage certifying to such pledge and deposit.

(a) The Company shall be entitled to collect and retain for its own use all earned cash dividends which may be declared on any Stock deposited and pledged hereunder and all sums which may become due and payable under and on any Debt Securities so deposited and pledged; and the Corporate Trustee, upon the written request of the Company, shall deliver to the Company necessary and suitable assignments and orders for the payment to it or upon its order of all such earned cash dividends and shall deliver to it all coupons pertaining to any such Debt Securities, or suitable assignments and orders for the payment to it or upon its order of all such interest, as and when such coupons or interest shall become due and payable or at any time within 30 days prior thereto; the Corporate Trustee, upon the written request of the Company, shall pay over to the Company all sums which may be received by the Corporate Trustee representing interest and earned cash dividends; and the Corporate Trustee, upon written notice from the Company that any installment of interest has been paid on any Debt Security payable to bearer but without interest coupons, shall note or permit to be noted thereon the fact of such payment.

(b) The Corporate Trustee (except with consent of the Company or as otherwise expressly authorized by the Mortgage) shall not be entitled to enforce payment of the interest on any Debt Security deposited and pledged hereunder, or to enforce any provision of or exercise any right under any mortgage or other instrument pursuant to which such Debt Security was issued or by which the same is secured;

provided, however, and it is hereby declared and agreed that, except as in the Mortgage otherwise expressly provided:

(1) The Company shall not be entitled to collect and the Corporate Trustee shall not pay over to the Company, and if collected by the Company it shall forthwith pay over to the Corporate Trustee, with respect to any Securities deposited and pledged or required to be deposited

# ARTICLE IX PLEDGED SECURITIES

**Section 1.** Securities deposited and pledged under the Mortgage, if not already in bearer form, or issued in the name of the Corporate Trustee, shall be duly endorsed in blank for transfer or accompanied by appropriate instruments of assignment and transfer in blank. Any Securities deposited and pledged under the Mortgage may if the Corporate Trustee so determines, and shall if the Company so requests, be registered in the name of the Corporate Trustee or its nominee or be stamped by the Corporate Trustee with an appropriate legend to the effect that the same are held in trust for the purposes declared in the Mortgage. The Corporate Trustee shall not be obligated to examine or pass upon the validity or genuineness of any Securities and their accompanying assignments tendered for deposit and pledge with it, including any mentioned and described in the granting clauses hereof, and the Corporate Trustee shall be entitled to rely upon Opinions of Counsel that any Securities so deposited and pledged are genuine and valid and what they purport to be add that any endorsements or assignments thereof are effective, genuine and valid.

All Debt Securities deposited and pledged under the Mortgage may be in temporary or definitive form, and shall be accompanied by all appropriate coupons appertaining thereto, if any, and, if susceptible of registration as to principal or interest, may if the Corporate Trustee so determines, and shall if the Company so requests, be registered, or exchanged for Debt Securities issued, in the name of the Corporate Trustee or its nominee.

**Section 2.** Unless and until an Event of Default shall have occurred and be continuing, and except as in the Mortgage otherwise expressly provided:

and pledged hereunder, (i) the principal, in whole or in part, of any Debt Security; (ii) any interest on any Debt 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 by 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 Subsidiary 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.