

dents, 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.

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 of the First 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 seem advisable to protect the interests of the Corporate Trustee and of the Bond-

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 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 Subsidiary deposited and pledged hereunder of other Securities issued by the same Railroad Subsidiary 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:

- (i) 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;
- (ii) 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

holders 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 readjustment (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 or of 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

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 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 so to be renewed or extended will, upon such renewal or ex-