

State of Texas; describe and state the amount of all outstanding Securities of such corporation; and state that such corporation is a Railroad Subsidiary;

(d) All Securities described in the Officers' Certificate required by subsection (c) above; and all such instruments, if any, as in the Opinion of Counsel furnished pursuant to subsection (c) below may be stated to be necessary or advisable to subject such Securities to the lien of the Mortgage; and

(e) An opinion of Counsel that all Securities of such Railroad Subsidiary required to be pledged and deposited with the Corporate Trustee by subsection (d) above are subject to the lien of the First Mortgage (so long as it shall remain a lien on the mortgaged property) and to the lien of the Mortgage or will become subject to such liens upon delivery thereof or delivery of the instruments, if any, specified in said Opinion of Counsel; that the Company has valid title to such Securities and the right to own and pledge the same, free from any other lien; that such Securities have been duly authorized by all corporate authority required under the laws of the State of Texas, the charter (or other document of organization) and the by-laws of such Railroad Subsidiary; that no authorization by any commission or governmental authority is required by law for the issue of such Securities or for the valid ownership thereof by the Company or the pledge thereof as provided in this Section 8 except such authorization as shall be specified in said Opinion of Counsel, and which shall be evidenced by copies of the orders or certificates so specified, appropriately certified; that all bonds, if any, of such Railroad Subsidiary included in such Securities are valid obligations thereof and are secured by a valid general lien on all or substantially all of the physical property of such Railroad Subsidiary; that all Stocks included in such Securities are fully paid and non-assessable; and that the Company's title to the property a release of which is requested has been conveyed to and is then vested in the Railroad Subsidiary referred to in said Officers' Certificate.

by the Company with the provisions of Section 3 of this Article X except clause (c) (5) of Part B of said Section 3, if the Trustees in their discretion shall deem that such release will not adversely affect the interests of the Bondholders, or if the holders of a majority in principal amount of the Outstanding Bonds shall request the Trustees so to do.

SECTION 10. In no event shall any purchaser of purchasers of any part of the mortgaged property sold or disposed of under any provisions of this Article X be required to ascertain the authority of the Corporate Trustee or the Trustees, as the case may be, to execute any release, to see to the application of the purchase money or to inquire as to any facts required by the provisions hereof for the exercise of such authority.

SECTION 11. Notwithstanding any of the provisions of the Mortgage, the Trustees shall release, either before or after an Event of Default shall have occurred, the lien of the Mortgage as to any property or properties or part or parts thereof at any time subject thereto, and cause such property or properties to revert to the Company free and clear of such lien; provided, however, that, prior to the release of any such property under this Section 11, there shall have been delivered to the Corporate Trustee in each case:

(a) a request (evidenced as provided in Section 1 of Article XIII) of the holders of not less than 75% in aggregate principal amount of all Outstanding Bonds, to release the property in question and the selection and designation by such holders of the independent railroad expert referred to in subsection (c) below; or

(b) the record showing that the holders of not less than 85% in aggregate principal amount of all Outstanding Bonds represented at a Bondholders' Meeting, called and conducted pursuant to Article XIV hereof, at which not less than 50% in aggregate principal amount of all

All Securities described and specified in the Officers' Certificate required by subsection (c) above shall be deemed to be Bonds.

The Company covenants that it will acquire upon issuance and forthwith upon acquisition will deposit and pledge with the Corporate Trustee all Securities thereafter issued by such Railroad Subsidiary, without prejudice to the Company's right to the authentication and delivery of Bonds for the purpose of acquiring such said Securities as shall be Railroad Subsidiary Bonds, to the extent and upon the conditions provided in Section 5 of Article III, provided that the unretired physical property of such Railroad Subsidiary used as a basis for determining the amount of Bonds issuable under said Section 5 shall not include any property so conveyed by the Company to such Railroad Subsidiary.

So long as the First Mortgage shall remain a lien on the mortgaged property the deposit and pledge by the Company of the Securities of such Railroad Subsidiary, either upon an Application for release as aforesaid or thereafter, with the corporate trustee of the First Mortgage pursuant to the provisions of Section 8 of Article X of the First Mortgage, as evidenced by a statement of the corporate trustee of the First Mortgage certifying to such deposit and pledge filed with the Corporate Trustee, shall constitute compliance by the Company with the provisions of this Section 8 respecting the deposit and pledge of such Securities.

SECTION 9. The Trustees shall not be required under any of the provisions of this Article X to release any part of the property subject to the lien of the Mortgage from the lien hereof at any time when an Event of Default shall have occurred and be continuing; but, notwithstanding any such Event of Default, the Trustees may do so upon compliance

Outstanding Bonds were represented, requested the release of the property in question and selected and designated the independent railroad expert referred to in subsection (c) below; and

(c) in either case, a report of the independent railroad expert selected and designated pursuant to either subsection (a) or subsection (b) above, to the effect that such property is no longer of value to the holders of Outstanding Bonds and that, in his opinion, a proper allocation of revenues and expenses thereto then shown, and in the future may reasonably be expected to show, a loss.

SECTION 12. Notwithstanding any of the provisions of the Mortgage, until the First Mortgage shall be satisfied or released, no release of property from the lien of the Mortgage, other than release of property pursuant to Section 11 of this Article X, shall be effective unless such property shall have been, or shall at the same time be, released from the lien of the First Mortgage.

SECTION 13. Whenever there shall be delivered to the Corporate Trustee hereunder a copy of an instrument of release certified by the corporate trustee under the First Mortgage to be a true copy of an instrument of release executed and delivered by it and an Opinion of Counsel stating that the property described in said instrument of release was, at the time of such release subject to the lien of the First Mortgage and that said instrument of release has been executed and delivered in conformity with the provisions of the First Mortgage, the Corporate Trustee shall, on the written request of the Company, thereupon release from the Mortgage the property described in said instrument of release without compliance with the requirements of Section 2 or Section 3 of this Article X.