

ARTICLE SEVEN.

Particular Covenants of the Company.

The Company covenants as follows:

SECTION 1. It will duly and punctually pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds, at the dates and place, and in the manner prescribed herein and in the Bonds, or in the coupons there-to belonging, according to the true intent and meaning thereof. When and as paid, all such Bonds, together with the appurtenant coupons, shall be cancelled and delivered to the Trustee. The coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company. The cancelled registered Bonds shall be returned by the Trustee to the bond registrar.

At all times until the payment of the principal of the Bonds issued hereunder, the Company will maintain an office or agency in the Borough of Manhattan, the City of New York, State of New York, where the Bonds and coupons may be presented for payment and where the Bonds may be presented for registration, transfer or exchange and where notices or demands in respect of the Bonds and coupons may be served. From time to time, the Company will give notice to the Trustee of the location of any such agency or agencies and of any change of location thereof, and in case the Company shall fail to maintain any such agency or shall fail to give such notice of any change thereof, presentation and demand may be made and notices may be served at the principal office of the Trustee. As used in this Indenture the term "bond registrar", or other equivalent term, shall be held and construed to mean the corporation or other person maintaining the office or agency selected as hereinabove provided where Bonds may be registered, and the term "registry books", or other equivalent term, shall be held and construed to mean the books kept by such bond registrar relating to the Bonds issued hereunder.

SECTION 2. Whenever required by the Trustee, the Company will grant, convey, confirm, assign, transfer and set over unto the Trustee the estate, right, title and interest of the Company in or to all real and personal estate, rights and franchises which the Company may hereafter acquire and which by the granting clauses of this Indenture are subjected to the lien of this Indenture or intended so to be, and it will also do, execute, acknowledge and deliver or it will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the trust estate hereby mortgaged, or intended so to be, as the Trustee shall reasonably require for better accomplishing the provisions and purposes of this Indenture, and for securing payment of the principal and interest of the Bonds intended to be hereby secured.

The Company is authorized to own and operate the lines of railroad as described in the granting clauses hereof, and covenants and agrees to execute any and all instruments and do any and all acts and things necessary or proper to perfect its title to the same or any thereof.

SECTION 3. The Company covenants that it will not voluntarily create or suffer to be created any lien or charge, having priority or preference over or equality with

the lien of this Indenture, upon the trust estate or upon any part thereof, or upon the income and profits thereof, and, within six months after the same shall accrue, it will pay, or cause to be discharged, or will make adequate provision for the satisfaction or discharge of, all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given precedence to this Indenture as a lien or charge upon the trust estate, or any part thereof, or the income thereof.

Nothing in this Section contained shall require the Company to acquire, pay or discharge any such claim, demand, debt, lien or charge, so long as the Company in good faith shall contest the validity or the amount thereof, unless in the opinion of the Trustee, in the case of any claim, demand, debt, lien or charge in excess of \$100,000, such action might jeopardize the interests of the bondholders.

The Company will deliver to the Trustee annually in the month of March in each year a certificate signed by its President or a Vice President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any such claims, demands, debts, liens or charges in excess of \$100,000 existing on January 1 of each year. The Trustee shall have no duty in respect of such certificates except to exhibit them on request to the holders of Bonds.

SECTION 4. The Company, from time to time, will pay and discharge before delinquent all taxes, assessments and governmental charges, the lien of which would be prior to the lien hereof, lawfully imposed upon the trust estate, or upon any part thereof, or upon the income and profits thereof, so that the lien and priority of this Indenture thereon shall be fully preserved at the cost of the Company without expense to the Trustee or to the bondholders in respect of such properties; and will also pay and discharge before delinquent all taxes, assessments and governmental charges lawfully imposed upon the interest of the Trustee in the trust estate.

Nothing contained in this Section shall require the Company to pay any such tax, assessment or charge so long as the Company in good faith shall contest the validity or amount thereof, unless in the opinion of the Trustee, in the case of any such tax, assessment or charge in excess of \$100,000, such action might jeopardize the interests of the bondholders.

The Company will deliver to the Trustee annually in the month of March in each year a certificate signed by its President or a Vice-President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any such taxes, assessments or charges in excess of \$100,000 existing on January 1 of each year. The Trustee shall have no duty in respect of such certificates except to exhibit them on request to the holders of Bonds.

SECTION 5. If default shall be made in paying any sum which in Section 3 or 4 of this Article the Company has covenanted to pay or discharge, the Trustee, without affecting any of its rights hereunder, from time to time in its discretion may, but shall not be under any duty to, pay any sum so in default, and thereupon shall have and forthwith may assert a lien for such advances upon the trust estate and the proceeds thereof prior to the lien of the Bonds issued hereunder. In case the sums so advanced shall amount at any one time to as much as \$300,000, the Trustee shall give notice of such advances and the purposes and amounts thereof by publication at least once in one newspaper printed in the English language and customarily published on each business day and of general