

SEC. 4. The Railroad Company shall not and will not suffer or permit any default whereof any lessor may terminate any lease of any railways, franchises or property made to the Railroad Company or to any other company of whose capital stock the greater part of the amount then outstanding shall be then subject to this indenture (whether or not subject to prior liens), and which may be or become subject to the lien of this indenture. In case and whenever default shall be made in paying any sum stipulated to be paid in any such present or future lease, the Trustees without affecting any of their rights hereunder, from time to time, in their discretion, may themselves 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, which lien shall be entitled to priority in rank and to priority in payment from the income and profits of the trust estate over the gold bonds.

The Railroad Company will not voluntarily create or suffer to be created any debt, lien or charge which would be prior to the lien of this indenture upon the mortgaged premises, or any part thereof, or upon the income thereof. Nothing herein contained shall prevent the issuance by the Railroad Company of further Refunding bonds, as therein authorized, under its Refunding Mortgage, or the issuance of further bonds as therein authorized, under the Refunding Mortgage of The Kansas City, Fort Scott and Memphis Railway Company, and under the General Mortgage of the Kansas City, Memphis and Birmingham Railroad Company. Any and all such bonds so issued may be sold or otherwise disposed of, and their proceeds applied to the several purposes to which the same may lawfully be applied, anything in this indenture to the contrary notwithstanding. And, within three months after the same shall accrue, the Railroad Company will pay or cause to be discharged, or will make adequate provision to satisfy and discharge 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; *provided*, that nothing in this section contained shall require the Railroad Company to pay any such debt, lien or charge so long as it shall, in good faith, contest the validity thereof.

SEC. 5. The Railroad Company from time to time will pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges (the lien whereof would be prior to the lien hereof) lawfully imposed upon the trust estate, or upon any part thereof, or upon the income or profits thereof, and also all taxes, assessments and governmental charges lawfully imposed upon the lien or interest of the Trustees in respect of such premises or income, so that the lien and priority of this indenture shall be fully preserved at the cost of the Railroad Company without expense to the Trustees or the bondholders; *provided*, however, that the Railroad Company shall have the right to, contest any such tax, assessment or charge, and, pending such contest, may delay or defer the payment thereof.

SEC. 6. The Railroad Company will pay or cause to be paid the interest on all the underlying securities and equipment trust notes not held by the Trustees hereunder, as and when such interest shall become payable; and when due it will pay or cause to be paid the principal of said underlying securities or cause the same to be acquired and pledged under this indenture.

SEC. 7. Upon the discharge of any indenture under which they may be pledged, assigned or held and to which they may be subject, the shares of stock and bonds assigned to the Trustees by the granting clauses of this indenture, or by the terms hereof becoming subject to the lien of this indenture, shall forthwith be assigned and delivered to the Trustees to be

held and disposed of by the Trustees, subject in all respects to the lien and operation of this indenture, as security for the payment of the gold bonds.

SEC. 8. The Railroad Company shall and will, at all times, keep insured its rolling stock, tools and machinery, its boats, ferries, buildings and all other structures erected or to be erected on the mortgaged premises, and all other property provided for use in connection with the railways and premises at any time subject to the lien of this indenture usually insured by railway companies, and in the same manner and to the same extent.

SEC. 9. The Railroad Company shall and will diligently preserve all the rights and franchises to it granted and upon it conferred, and shall and will at all times maintain, preserve and keep the same and every part thereof, and will at all times maintain, preserve and keep the rolling stock, fixtures and appurtenances and every part and parcel thereof, in good repair, working order and condition, and will at all times keep the railways, premises and estate subject to this indenture supplied with all necessary motive power, rolling stock and equipment, and shall and will, from time to time, thereto make all needful and proper repairs, renewals and replacements, useful and proper alterations, additions, betterments and improvements.

SEC. 10. The Railroad Company will not sanction or permit any issue of additional shares of the capital stock of any company of whose capital stock the greater part shall be pledged or assigned hereunder, or (except as herein otherwise provided) the issue of any bonds by any such company, or the creation of any mortgage or other lien upon the railroad or property of any such company, unless simultaneously there shall be made effective provision that such indebtedness and the evidences thereof, and such bonds issued and such mort-

gage or other lien, and all such additional stock (or such part of such additional stock as shall be proportionate to the part of such entire issued capital stock previously subject to this indenture), forthwith, upon the issue or creation thereof, shall be pledged with or assigned to the Trustees hereunder, subject, however, to the pledge thereof under any prior mortgage or deed of trust of the Railroad Company by its terms attaching thereto; and all such additional stock shall be fully paid and non-assessable.

Except as herein otherwise expressly provided, the Railroad Company will not, unless with the consent of the Trustees, sanction or permit any company of whose capital stock the greater part shall be pledged or assigned hereunder, to sell or otherwise dispose of its railroad or property or any part thereof, except to the Railroad Company or to some other company of whose capital stock the greater part shall then be owned by the Railroad Company and be pledged hereunder, whether or not subject to prior liens. Any such railroad or property so acquired by the Railroad Company shall *ipso facto* become subject to the lien of this indenture, and by proper instruments shall be conveyed to the Trustees, subject to any liens then existing thereon or, upon such conveyance, to attach thereto.

Except as herein otherwise expressly provided, the Railroad Company will not, unless with the consent of the Trustees, sanction or permit any company of whose capital stock the greater part shall be pledged or assigned hereunder, to lease its railroad or property, or any part thereof, except to the Railroad Company or to some other company of whose capital stock the greater part shall then be owned by the Railroad Company, and be pledged hereunder, nor unless such lease be upon the condition that it shall terminate at the election of the Trustees, by entry or otherwise, in case default shall be made and shall continue as provided in Section 4 of Article Five