

(c) contingent obligations.

SECTION 5. The Company covenants and agrees that it will preserve and maintain its corporate existence and will carry on and conduct its business and affairs, and that it will at all times diligently preserve all the rights and franchises to it granted and upon it conferred, in so far as they shall continue to be advantageous to the Company, and shall and will at all times maintain, preserve and keep its rolling equipment and plants, including fixtures and appurtenances, and every part thereof, constituting the mortgaged premises, in good repair, working order and condition and equipped with suitable machinery and appliances, and will from time to time make all needful and proper repairs, renewals and replacements, so that at all times the value of the security for the bonds issued hereunder and efficiency of the property hereby mortgaged shall be fully preserved and maintained. The Company will mark or cause to be marked both sides of each of the cars, forming part of the trust estate (including after-acquired cars, which shall become subject to the lien of this Indenture), so as plainly to show that all right, title and interest of the Company in and to such cars has been assigned to the Trustee hereunder subject to the prior rights of the trustee under the First Mortgage of the Company. The Company will promptly pay and discharge all taxes, assessments and governmental charges lawfully levied or imposed upon it, as well as all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon its property; provided, however, that the Company shall have the right in good faith to contest any such tax, assessment, charge or claim and, pending such contest, to delay or refuse payment thereof, unless in the opinion of the Trustee property subject hereto shall thereby be in danger of being forfeited or lost. The Trustee shall be under no obligation to form or express any such opinion and shall not be liable to anyone for any action or non-action in such connection.

SECTION 6. The Company covenants and agrees that it will not voluntarily create or suffer to be created any debt, lien or charge which would be equal or prior to the lien of these presents upon the trust estate or any part thereof, or upon the income thereof (except the lien or charge of the Ten Year First Mortgage 7% Gold Bonds secured by the First Mortgage of the Company, and as otherwise permitted by this Indenture), and that within six months after the same shall accrue it will pay or cause to be paid, or will make adequate provision to satisfy and discharge, all lawful claims and demands which, if unpaid, might by law be given equality with or priority to this Indenture as a lien or charge upon such property or any part thereof or of the income thereof, and if any subsidiary company, defined (as the term "subsidiary company" as hereinafter shall (except as otherwise permitted by this Indenture) voluntarily create or suffer to be created any new lien or charge upon its property or income, or shall voluntarily create or suffer to be created any new indebtedness (other than indebtedness for the current expenses of such subsidiary maturing not more than six months from the date of its inception), the Company will cause the same to be vested in the Trustee or in the trustee of the First Mortgage of the Company, or will cause the same to be paid and discharged or will make adequate provision for the satisfaction and discharge thereof; provided that nothing in this Section shall require the Company to acquire or cause to be paid or discharged or make provision for any such debt, lien or charge so long as the validity thereof in good faith shall be promptly and expeditiously contested by legal or other proceedings, unless, in the opinion of the Trustee, property subject hereto shall thereby be in danger of being forfeited or lost. The Trustee shall be under no obligation to form or express any such opinion and shall not be liable to anyone for any action or non-action in such connection.

The terms "subsidiary" or "subsidiary company" as used in this Indenture, shall mean any company, more than 50% of the outstanding capital stock of which having absolute voting rights is at the time owned by the Company, either directly or through one or more other

490

COPIED BY  
S. J. J.