

EXECUTED COUNTERPART NO. 7

SECOND SUPPLEMENTAL AGREEMENT

BETWEEN

SOUTHERN RAILWAY COMPANY

AND

THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY

DATED AS OF NOVEMBER 1, 1943

A SECOND SUPPLEMENTAL AGREEMENT, executed as of this first day of November, 1943, by and between SOUTHERN RAILWAY COMPANY, a corporation created by and existing under the laws of the State of Virginia, hereinafter called "SOUTHERN", and THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY, a corporation created and existing under the laws of the States of Georgia, South Carolina, and North Carolina, hereinafter called "AIR LINE COMPANY":

WITNESSETH THAT:

(1) WHEREAS, under an Agreement entered into on March 26, 1881, between the Richmond and Danville Railroad Company and the Air Line Company, and under a Supplemental Agreement thereto dated June 30, 1914, between Southern and the Air Line Company, Southern now operates the property of the Air Line Company on the terms and conditions as set out in said Agreement and Supplemental Agreement; and

(2) WHEREAS, it is provided in Article Fifth of said Agreement of March 26, 1881, as follows:

"It being distinctly understood and agreed, and it is one of the conditions of this agreement, that the amount of bonds secured on the property of the Air Line Company, and the capital stock of said company, shall in no event be increased beyond the amount at present existing, except the same be subordinated to the present bonds and stock, the interest and dividends on which shall be paid before any interest or dividends shall be paid to the holders of any other stock or bonds, should the Air-Line Company, with the consent of the Richmond and Danville Railroad Company, hereafter determine to issue any other bonds or stock." and

(3) WHEREAS, prior to the execution and delivery of said Supplemental Agreement, dated June 30, 1914, there were outstanding Bonds of the Air Line Company in the principal amount of \$5,500,000, which were redeemed on July 1, 1914; and

(4) WHEREAS, \$20,000,000 principal amount of the Air Line Company's First Mortgage Bonds, due July 1, 1944, were issued and sold pursuant to said Supplemental Agreement of June 30, 1914, Article First of which reads as follows:

"First--The Air Line Company hereby agrees, from time to time, as and when requested by a duly certified resolution of the Board of Directors of Southern Railway Company, or its successor in interest, to issue and to sell, at such price or prices as may be approved by the Southern Company, its First Mortgage Thirty Year Gold Bonds to the amount of Twenty million dollars (\$20,000,000.00) par value, said bonds to bear interest at a rate of not less than