

houses, engine houses, freight houses, machine shops and other shops, turntables, fuel stations, water stations, signals, interlocking plants, telegraph, telephone and other communication facilities, fences, docks, structures and fixtures, and all other things of whatsoever kind appurtenant to any of the Company's lines of railroad or other real property subject to the lien of this Indenture. Nothing in this Granting Clause SECOND contained shall be deemed to subject to the lien of this Indenture (i) any lands, or any interests therein, not now used, or hereafter used, by the Company in railroad transportation service or (ii) any lands adjacent to lines of railroad, or any interests therein, now used, or hereafter acquired for use, by the Company for industrial purposes and not now used, or hereafter used, in railroad transportation service.

THIRD: All rights to the use of any and all telegraph, telephone and other communication facilities along the Company's lines of railroad subject to the lien of this Indenture, as they may be used from time to time or may be subject to use by the Company.

FOURTH: All right, title and interest of the Company in and to all Equipment, machinery, tools, implements, materials and supplies used or useful in the business of railroad transportation and assigned for use on or appurtenant to the Company's lines of railroad subject to the lien of this Indenture, now or hereafter owned by, or the title to which is vested in, the Company, and all right, title and interest of the Company in and to any and all such Equipment leased to or possessed by the Company under any equipment trust agreement, conditional sale agreement, lease, chattel mortgage or security agreement.

FIFTH: The shares of capital stock owned by the Company and pledged with or assigned to the Corporate Trustee which are described in Exhibit B which is annexed hereto and made a part hereof.

SIXTH: \$71,819,000 principal amount of Seaboard Air Line Railroad Company First Mortgage 6% Bonds, Series Y, due April 1, 1998, and \$22,784,000 principal amount of Atlantic Coast Line Railroad Company First Mortgage 5% Bonds, Series X, due August 1, 2002.

SEVENTH: Any and all additions, betterments and improvements hereafter acquired or constructed to or upon or appurtenant to any of the Company's lines of railroad subject to the lien of this Indenture, or to or upon