

under, and may be nominally issued and held in the treasury of the Company prior to pledge hereunder. Within six months after the same shall accrue the Company will pay, or cause to be discharged, or make adequate provision for the satisfaction and discharge of, all lawful claims and demands of suppliers, mechanics, laborers and others which if unpaid might by law be given priority over this Indenture as a lien or charge upon the trust estate or a part thereof, or on the income and profits thereof.

Nothing in this Indenture, expressed or implied, is intended or shall be construed to limit the right or power of the Company, which is hereby expressly reserved, to execute, or assume and perform the obligations of, any mortgage covering property not now owned by the Company, existing at the date of the acquisition of such property or created in connection with such acquisition, and in connection therewith to obligate itself to subject to such mortgage, as a lien thereon prior to the lien of this Indenture to the extent required by the provisions of such mortgage, any Equipment, machinery, tools and other implements, or equity therein, acquired by the Company after the creation or assumption of such mortgage, and necessary or appropriate for use in connection with the operation of the lines of railroad or other property subject to such mortgage.

SECTION 4.08. The Company will not permit any Pledged Subsidiary to issue any securities if the result of such issuance would be that the corporation issuing such securities would cease to be a Pledged Subsidiary.

SECTION 4.09. No covenant in Section 4.03, 4.04, 4.05, 4.06 or 4.07 hereof shall be construed to require the Company to make any payment so long as the Company shall contest in good faith the validity of the claim for such payment or the amount thereof, and in the judgment of the Company, expressed in an appropriate Officers' Certificate delivered to the Corporate Trustee, the failure to make such payment will not materially prejudice or jeopardize the interests of the holders of the Bonds.

If the Company shall fail to make any such payment when required to do so by the provisions hereof, the Corporate Trustee, without affecting any of its rights hereunder, from time to time in its discretion may itself pay any sum so in default and thereupon shall have and forthwith may assert a lien for such advances, together with interest thereon, upon the trust estate and the proceeds thereof and the income and profits therefrom, which lien shall be entitled to priority in rank and payment from the trust estate, or the