

1. That the lessor will not at any time hereafter except as herein provided for, without the consent of the Lessee given in writing under its Corporate Seal, issue any Bond or Debenture or Preference Stock or create any other financial obligation which would at any time be an encumbrance on the said demised railway or any part thereof.

2. That during the said term the Lessee may exercise all the franchises and powers of the Lessor in respect of the running of the demised railway and of every part thereof, and also in respect of the acquisition of increased areas of land for station grounds, right of way, protection against snow, sidings and other purposes, and may take such legal proceedings as are deemed to be necessary or expedient in the exercise of the said franchises or powers or any of them, and for that purpose may use the name of the Lessor and of the officers thereof, which officers are hereby authorized and required upon the demand of the Lessee to append their signatures and to affix the seal of the Lessor to any document which may be useful in the exercise of any such franchise.

3. That the Lessor will, at the request of the Lessee, affix the name and seal of the Lessor and do all acts, matters and things as and when the same may be necessary for the convenient, efficient and effectual working of the demised railway and for carrying out and giving effect to this lease and the Lessee may during the said term make and enforce such lawful rules, regulations and by-laws touching or concerning the running and operation of the demised railway as shall be required for the efficient and advantageous administration, management and operation thereof and for the preservation of order thereon and may fix and regulate from time to time and amend and alter the tariff of rates and tolls to be exacted for the carriage of freight and passengers over the said line, and if the Lessee shall deem it expedient that such by-laws, rules and regulations, or tariff or any of them should