

ARTICLE ONE.

Issue and Disposition of Bonds.

Section I. The bonds to be issued under and secured by this indenture together with the interest coupons appertaining thereto shall be substantially of the tenor and purport above recited. Said bonds shall, from time to time, be executed by the Railway Company and delivered to the Trustee for authentication: In case the officers who have signed and sealed any of such bonds shall cease to be officers of the Railway Company before the bonds so signed and sealed shall have been duly authenticated and delivered by the Trustee, as hereinafter provided, or in case any bond shall be signed and sealed by a person intended to become an officer of the Railway Company before the bonds so signed and sealed shall be actually authenticated and delivered by the Trustee, as hereinafter provided, but such persons shall, by reason of death or otherwise, not become such officer, prior to the authentication thereof, such bonds may, nevertheless, be adopted and used by the Railway Company, and, upon written request of the Railway Company, shall be authenticated by the Trustee and delivered, subject to the provisions hereof, in like manner as though the person or persons who signed and sealed bonds had been officers of the Railway Company at the time of the actual authentication and delivery of such bonds by the Trustee. The Coupons to be attached to such bonds shall be authenticated by the engraved signature of the Treasurer or Assistant Treasurer, or any future Treasurer or Assistant Treasurer of the Railway Company, but the Railway Company may adopt and use for that purpose the engraved signature of any person who shall have been such Treasurer or Assistant Treasurer or who may be intended to become such Treasurer or Assistant Treasurer, notwithstanding the fact that the said person may have ceased to be such Treasurer or Assistant Treasurer at the time when such bonds shall be actually authenticated and delivered, or shall not have been elected as such Treasurer or Assistant Treasurer.

Only such bonds as shall bear thereon endorsed a certificate substantially in the form hereinbefore, recited, executed by the Trustee, shall be secured by this indenture or entitled to any lien, right or benefit hereunder, and such certificate of the Trustee upon any bond executed by the Railway Company shall be conclusive evidence that the bond so authenticated has been duly issued hereunder, and that the holder is entitled to the benefit of the trust hereby created.

Before authenticating or delivering any bond, all interest coupons thereon then matured shall, except as hereinafter provided, be cut off, cancelled, and delivered to the Railway Company. The bonds to be secured hereby shall from time to time be executed and delivered by the Railway Company to the Trustee for authentication, and thereupon the Trustee shall authenticate and deliver the same as provided in this article, and not otherwise. On request of the Railway Company the Trustee shall authenticate such bonds and shall deliver the same pursuant to the provisions of this article, whether or not such delivery shall be in advance of registration or record of this indenture or of delivery to the Trustee of any securities pledged or to be pledged hereunder.

Section 2. The Trustee shall authenticate the First and Refunding Bonds and deliver the same as follows:

(a) First and Refunding Bonds to the aggregate principal amount of five million dollars (\$5,000,000) with coupons for interest from November 1, 1905, attached thereto, shall be authenticated and delivered to the Railway Company, or on its order, on filing with the Trustee a copy of a resolution of the Board of Directors of the Railway Company, certified under the corporate seal thereof by its secretary or assistant secretary