

of Directors of the Railway Company, but only to an amount in face value of not more than eighty per cent. (80%) of the actual cost of betterments, additions to or improvements of the property subject hereto, made after the date of this indenture, or eighty per cent. (80%) of the actual purchase price to the Railway Company of stock or bonds of other corporations actually acquired by the Railway Company and deposited subject to the lien of this indenture.

The First and Refunding Bonds reserved under this subdivision (c) shall be authenticated and delivered to the Railway Company, or on its order, only upon the delivery to the Trustee in addition to a certified copy of a resolution of the Board of Directors of the Railway Company requesting such authentication and delivery, of the certificate of the president or a vice-president and of the chief engineer or general manager of the Railway Company, under its corporate seal, certifying that the Railway Company has actually expended a stated amount of moneys for betterments, additions to or improvements of the mortgaged property, specifying in detail for what purpose such expenditure has been made, or certifying that the Railway Company has actually purchased and paid for stocks or bonds of other corporations, enumerating and describing them; and in no event shall the bonds reserved under this subdivision be certified and delivered for the purposes aforesaid to an amount in face value in excess of eighty per centum of the actual cost of such betterments, additions to or improvements of the mortgaged property, or eighty per cent. (80%) of the actual purchase price to the Railway Company of the stock or bonds of other corporations so acquired by the Railway Company. The said certificate shall also state that no part of the expenditures with respect of which bonds are requested to be issued under this subdivision, has been reimbursed to the Railway Company out of the proceeds of the sale of First and Refunding Bonds issued under any provision of this indenture.

In case of the acquisition of the stocks or bonds of any other corporations such certificate shall further state:

The amount of the capital stock of such corporation outstanding, the amount thereof acquired by the Railway Company, the actual cost of said stocks or said bonds then acquired, and that the price paid thereof was not in excess of the fair value thereof.

Together with such resolutions and certificates there shall also be delivered to the Trustee:

(1) The certificates for any shares of stock and the bonds acquired in accordance with this subdivision (c) and in respect of which cost reimbursement is so sought, such certificates and bonds being either in negotiable form or registered in such names or names as the Trustee may acquire; and

(2) Such instruments or conveyances as may be necessary to subject to the lien of this indenture any new property so acquired by the Railway Company with respect to the cost of which such bonds shall be so issued, of which fact the written opinion of the counsel of the Railway Company shall be sufficient evidence to the Trustee.

Such resolutions, certificates and statements shall be full and sufficient authority to the Trustee for the authentication and delivery by it of First and Refunding Bonds as herein provided.

Section 3. The Trustee shall be under no obligation to see that the Railway Company uses the First and Refunding Bonds delivered to it under any of the provisions of this Article for the purpose for which the Railway Company is authorized to use the same, and the Trustee shall be subjected to no liability for its action in authenticating and delivering bonds upon the faith of the certificates and certified copies of resolutions of the board of directors of the Railroad Company to be filed with it as in this Arti-