

As to all bonds so registered and noted, the person in whose name the same shall be registered, shall, for all purposes of this indenture, be deemed and be regarded as the owner thereof, and thereafter, payment of, or on account of, the principal of such bond, while registered, shall be made only to, or upon the order of, such registered holder thereof, but such registration may be changed as herein provided: All such payment so made, shall be valid and effectual to satisfy and discharge the liability upon such bonds to the extent of the sum or sums so paid. Registration of any bond shall not, however, restrain the negotiability of any coupon thereto belonging, but every such coupon shall continue to pass by delivery and shall remain payable to bearer.

Upon presentation of any registered bond with a written power to transfer the same, executed in a form approved by the Railway Company, by the registered holder for the time being, such bond shall be transferred upon such register. The registered holder of any registered bond shall also have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such bond shall be payable to any person presenting the same; but any such bond registered as payable to bearer may be registered again in the name of the holder with the same effect as a first registration thereof. Successive registrations and transfers as aforesaid made from time to time as desired; and each registration shall be noted on the bond.

Section 4. Exclusively for the benefit of holders of the First and Refunding Bonds, The Railway Company will well and truly pay and discharge upon presentation thereof for payment at or after maturity, or if called for redemption then upon presentation at or after the day fixed for redemption, or will acquire and will deposit with the Trustee all the underlying bonds, and it will punctually pay or cause to be paid, or, upon demand of the Trustee, will provide to its satisfaction for the payment of, the interest on all such underlying bonds from time to time outstanding not so acquired and deposited hereunder, as when such interest shall become due and payable, until all said bonds shall have been finally paid and discharged, and it will not extend the time of payment of any such outstanding existing bonds and will not cause or suffer the same to be extended, unless the entire issue of said bonds be so extended and be deposited with the Trustee hereunder for the benefit of the First and Refunding Bonds. The Railway Company covenants and agrees that no additional bonds shall be issued under any of the mortgages or deeds of trust securing said underlying bonds.

Section 5. The Railway Company will not voluntarily create or suffer to be created any lien or charge having priority to, or preference over, the lien of this indenture upon the mortgaged premises, or any part thereof, or upon the income thereof; and, within three months after the same shall accrue, it will pay, or caused to be discharged, or will make adequate provision for the satisfaction or discharge of, all lawful claims and demands of mechanics, labors and others, which, if unpaid, might by law be given precedence over this indenture as a lien or charge upon the mortgaged premises or any part thereof, or the income thereof.

If any Company of whose capital stock the greater part shall be at any time pledged under this indenture shall, save as otherwise herein provided, create or suffer to be created any lien or charge upon its property or income, or create or suffer to be created any indebtedness other than (1) an indebtedness to the Railway Company; or (2) for the current operating expenses of such company during a period of not exceeding six months, then it, the Railway Company, will pay and discharge the same or take up and acquire the same.

Nothing in this section contained shall require the Railway Company to pay, satisfy or