

quired by and in the name of the Railway Company, or by or for account of any such other company; or for the acquisition after that date of shares, bonds or other obligations of a company owning any such branch line, extension, terminal property, rolling stock or other additional property (provided that a majority in amount of the total stock of such company shall thereby be obtained or previously shall have been obtained and pledged hereunder, and provided further that, after the acquisition of a majority of the capital stock of any such company, no bonds, shares or other obligations of such company thereafter issued shall be acquired hereunder unless a sum equal to the entire proceeds of the bonds used therefor shall have been applied by such company to the acquisition or construction of new property or betterments); or to reimburse the Railway Company for outlays by it made for any such construction or acquisition on or subsequent to January 1st, 1898.

The bonds reserved under this Section, shall be certified by the Trustee and delivered to the Railway Company, or upon its order, as follows, and not otherwise, viz.:

(1) Such bonds shall be certified and delivered only upon delivery to the Trustee of a copy of a resolution of the board of directors of the Railway Company, certified by its Secretary or Assistant Secretary, calling for the certification and delivery of such bonds, and stating that such bonds or their proceeds will be set aside separate and apart from all other assets and funds of the Railway Company, and will be used only for the purposes authorized by this Section.

(2) On January 1, 1898, or on any day thereafter, prior to December 31, 1898, bonds to such amount as shall be called for in such resolution, but not exceeding in the aggregate \$1,500,000 par value, shall be so certified and delivered.

(3) In each calendar year after December 31, 1898, there shall be so certified and delivered such additional amount of such bonds, not exceeding \$1,500,000 par value in any calendar year, as, from time to time, shall be called for in similar resolutions; but in every instance, before certifying and delivering any of the bonds reserved under this Section (except the \$1,500,000 deliverable in the year 1898), the Trustee shall require the Railway Company to furnish, in addition to such resolution of the Board, the verified certificate or certificates of some person or persons, stating as of his or their own knowledge:

(a) that all bonds certified and delivered under this Section since the last previous verified certificate, and the proceeds of all such bonds, have been used for such purposes, or for some one or more of them, or to reimburse the Railway Company as above provided, specifically indicating every such acquisition or construction of any railroad, tract, structure, betterment, rolling stock or other property, and every such acquisition of bonds or stock of any company owning any railroad or other <sup>property</sup> (which bonds or stock shall be acquired only when a majority of the total capital stock of such company shall be thereby obtained unless previously thereto such majority shall have been acquired and pledged hereunder) and also stating in detail the amount of bonds, or proceeds of bonds, used or expended for each and every such purpose, and whether such acquisition was by or in the name of the Railway Company or by or for account of any other company as herein authorized; and also that no acquisition, construction or expenditure stated in such certificate was stated in any previous certificate;

(b) that the price paid in such Prior Lien Gold bonds, or their proceeds, for such construction, or acquisition, was not in excess of the fair value of the work done or property acquired, and that the bonds included in such verified certificate were sold, disposed of, or otherwise accounted for, at not less than their