

least to the par amount of the bonds certified and delivered therefor, and all the liens, charges or indebtedness so retired or acquired shall be canceled or, if practicable, shall be assigned to and held by the Trustee in such manner as, in its judgment, shall best protect the holders of the bonds hereby secured.

In case any such liens, charges or indebtedness, for which bonds shall have been set apart as aforesaid, shall be acquired or retired by use of the Cash Fund under Section 3 of Article Eight hereof, then of the bonds so set apart an equivalent amount shall again become applicable to, and shall be reserved for, the general purposes of this Section, as though they had never been set apart as aforesaid; and, in like manner, if after the retirement or acquisition of any liens, charges or indebtedness by use of bonds set apart therefor as aforesaid, a surplus of such bonds shall remain over and above the aggregate amount of such liens, charges and indebtedness remaining to be acquired or retired, then such surplus shall again become applicable to, and shall be reserved for, the general purposes of this section as before.

(5) Every such verified certificate unless signed (1) by the President, or one of the Vice-Presidents, and (2) by the Comptroller, or Auditor, or Treasurer, of the Railway Company, shall be accompanied by a written statement of one of the officers first-above designated and one of the officers secondly-above designated that they believe such certificate to be true, and that such bonds have been used and the expenditures therein certified have been made only for purposes properly chargeable to capital account of the Railway Company, and that no part thereof has been used for ordinary maintenance of the lines of railway or of other property owned or in any way controlled by the Railway Company or for replacements or other purposes ordinarily treated by railroad companies as a part of their operating expenses. Together with such statements and verified certificates, there shall be delivered to the Trustee all bonds and certificates for all shares of stock so acquired, and such further instruments and conveyances as may be necessary to vest in the Trustee all new property so acquired, and, so far as may be, any and all other liens, charges or indebtedness taken up or acquired with, the said bonds or their proceeds; and also the written opinion of counsel of the Railway Company to the effect that such instruments and conveyances are sufficient for that purpose, or that no additional instrument or conveyance is necessary. The certificates for all shares of stock so acquired shall be duly transferred into the name of the Trustee, and, if practicable, any bonds so acquired shall be transferred in like manner, or, if not susceptible of such transfer, shall be plainly endorsed as the property of the Trustee hereunder. Such resolutions, statements, verified certificates and opinion shall be deemed and taken as plenary authority to the said Trustee for its certification of such bonds under the foregoing provisions of this Article.

Except to retire or acquire liens, charges or indebtedness for which bonds so used shall have been reserved, as hereinbefore provided, and except as provided in the following paragraph hereof, bonds shall not be issued or certified under this Section in excess of an aggregate amount of \$1,500,000 in any one calendar year.

(6) Of the bonds reserved under this Section an amount not exceeding in the aggregate \$3,000,000 may be certified, delivered and used when and as called for, as hereinafter provided, from time to time prior to January 1st, 1898, for (1) the creation of an insurance fund, and for (2) the creation of a reserve fund for any special improvements upon the railways, terminals and lands subject to this indenture; and for (3) any other necessary purposes of the Railway Company which two-thirds of all the members of the Board of Directors of the Railway Company shall approve. The Trustee shall certify and