

Only such bonds as shall bear thereon endorsed the Trustee's certificate by it duly executed shall be secured by this indenture or shall be entitled to any lien or benefit hereunder; and every such certificate of the Trustee upon any bond executed in behalf of the Railway Company shall be conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefit of the trust hereby created. On request of the Railway Company, such certificates shall be made and bonds shall be delivered hereunder in advance of registration or record of this indenture; but the Railway Company shall cause record of this indenture as a mortgage upon real estate to be made with all convenient speed.

Before certifying or delivering any coupon bond hereby secured, the Trustee shall cut off and cancel all coupons thereof then matured; and the Trustee shall not certify or deliver any registered bond bearing interest from any date more than three months prior to such certification or delivery.

Sec. 2. Of the bonds authorized to be issued under and secured by this Indenture, bonds to the amount of fifty-six million dollars (\$56,000,000), immediately upon the execution or delivery hereof, or as soon as may be thereafter, shall, by the Trustee, be certified and delivered to the firm of J. P. Morgan & Co., or their survivors or successors, as such Reorganization Managers, without accountability by said firm, or such survivors or successors, for the disposition or use thereof.

Sec. 3. Of the remainder of such authorized issue of bonds there shall be reserved bonds to the amount of one hundred and thirty million dollars (\$130,000,000), for the purpose of providing for the acquisition, by purchase or exchange, or for the redemption, as hereinafter provided, of the bonds issued and to be issued under said Prior Lien Mortgage; and such \$130,000,000 of bonds shall be issued, certified and delivered, from time to time, when authorized by resolution of the Board of Directors of the Railway Company, as follows, and not otherwise, viz.:

Whenever the Railway Company shall tender or cause to be tendered any of said Prior Lien Gold bonds of the Railway Company, together with all unmatured interest obligations thereunto belonging, and shall present a certificate of (1) its President or any Vice-President, and (2) its Treasurer or Comptroller, that such bonds have not been acquired under Section 2 of Article Eight of said Prior Lien Mortgage of the Railway Company, the Trustee hereunder shall receive such bonds and interest obligations, and in exchange therefor shall certify and deliver to the Railway Company, or upon its order, \$1,000 par value of the said bonds hereby secured and reserved for each \$1,000 of principal of the bonds so surrendered, and such surrendered bonds and interest obligations shall forthwith be canceled by the Trustee and returned to the Railway Company.

Whenever the Railway Company, on or after the maturity of any such outstanding Prior Lien Gold bonds of the Railway Company, or on or after a date twelve months prior to the maturity of such outstanding Prior Lien Gold Bonds, shall tender or cause to be tendered, cash sufficient to purchase or to pay the same, or any part thereof, at par (and shall also provide to the satisfaction of the Trustee for any interest due upon such bonds or accruing before their maturity), the Trustee shall receive such cash, and in consideration thereof shall certify and deliver to the Railway Company or upon its order an equivalent amount at par of the said bonds hereby secured and reserved.

All cash received by the Trustee under this subdivision of this Section shall by it be held and applied to the purchase or payment at par of an equivalent amount of the outstanding Prior Lien Gold bonds of the Railway Company then unpaid, for the purchase or payment of which such cash shall have been deposited.