

be dated January 1, 1946.

The Series R Bonds will be issuable in coupon form in the denomination of \$1000, and will be registerable as to principal, and will be issuable in fully registered form in denominations of \$1,000, \$5,000, \$10,000, \$50,000, \$100,000 and any multiples of \$100,000, and in fully registered form will, as provided in the Mortgage, respectively be dated the day of issue and will bear interest from the date thereof if the same be an interest date and if the date thereof be not an interest date, said Bonds in fully registered form will bear interest from the last preceding interest date.

ARTICLE TWO

Redemption of Series R Bonds

The Series R Bonds will be redeemable at the option of the Railway Company in whole or from time to time in any part thereof on any interest payment date subsequent to July 1, 1946 and prior to the maturity thereof in the manner and otherwise as provided in Article Four of the Mortgage as follows:

if redeemed otherwise than through the operation of the sinking fund provided for in Article Three hereof, at the following percentages of principal amount:

FROM	TO	%
Jan. 1, 1947-Jan. 1, 1950	105	
Jan. 2, 1950-Jan. 1, 1952	104	
Jan. 2, 1952-Jan. 1, 1954	103	
Jan. 2, 1954-Jan. 1, 1956	102	
Jan. 2, 1956-Jan. 1, 1958	101	
Jan. 2, 1958-Jan. 1, 1961	100	

or, if redeemed at any time through the operation of the sinking fund provided for in Article Three hereof, at the following percentages of principal amount:

FROM	TO	%
Jan. 1, 1947-Jan. 1, 1950	102	
Jan. 2, 1950-Jan. 1, 1952	101 5/8	
Jan. 2, 1952-Jan. 1, 1954	101 1/4	
Jan. 2, 1954-Jan. 1, 1956	100 3/4	
Jan. 2, 1956-Jan. 1, 1958	100 3/8	
Jan. 2, 1958-Jan. 1, 1961	100	

together in each case with interest accrued and unpaid to the designated date of redemption.

ARTICLE THREE

Sinking Fund to be Established in Connection with Series R Bonds

Section 1. The Railway Company covenants and agrees with the Trustee that it will pay to the Trustee as a sinking fund annually on July 1 of each year, commencing with the year 1947, in addition to sinking fund payments provided for bonds of any other series, until all of the Series R Bonds (exclusive of any such Bonds held or pledged by the Railway Company) shall have been paid or retired in full, or adequate provision satisfactory to said Trustee made for their payment, a sum equal to either.

(i) \$250,000, or

(ii) the amount, if any, by which net income of the Railway Company (as defined by the Accounting Classifications or other rules, orders and regulations of the Interstate Commerce Commission or other Federal authority having similar jurisdiction in the premises, at the time in force) for the year ending on the preceding December 31 shall exceed the total of any amount required to be paid on such July 1st into the sinking fund established by Article Three of the Supplemental Indenture dated as of July 1, 1945 and any amount required to be paid on such July 1st into the sinking fund established by Article Three of the Supplemental Indenture dated as of January 1, 1946 providing for the issuance of the General Mortgage Gold Bonds, Series P and Series Q, whichever shall be the lesser; provided, however, that in no event shall the payment to be made by the Railway Company to the Trustee on any July 1 pursuant to the provisions of