

of the Railroad Company in which shall be subject to this indenture, or shall be owned or leased for a term expiring subsequent to May 1, 1927, by any other company of whose capital stock the greater part shall be assigned or pledged under this indenture (whether or not subject to any prior assignment or pledge mentioned and described in any of the granting clauses of this indenture);

(2) To reimburse the Railroad Company for moneys at any time subsequent to June 1, 1909, expended or advanced by it for any of the aforesaid purposes.

B. The restrictions subject to which the bonds reserved under this Section from time to time shall be authenticated and delivered, are as follows, viz.:

(1) Before authenticating and delivering bonds under this Section, there shall be delivered to the Trust Company a copy of a resolution of the board of directors or the executive committee of the Railroad Company, certified under its corporate seal by its secretary or an assistant secretary, calling for the authentication and delivery of a specified amount of such bonds, not greater than the amount then issuable under this Section, and, unless required for reimbursement of the Railroad Company in respect of previous expenditures, directing the officers of the Railroad Company to set aside such amount of bonds, or their proceeds, separate and apart from any other assets and funds of the Railroad Company and to use the same only for the purposes authorized by this Section;

(2) In every instance before authenticating or delivering any of the bonds reserved under this Section, the Trust Company shall require the Railroad Company to furnish, in addition to such resolution of its board of directors or executive committee, a certificate or certificates signed *first* by the president or a vice president or

the chief engineer, and *secondly* by the comptroller or auditor or treasurer or an assistant treasurer of the Railroad Company, stating:

(a) that all bonds previously authenticated and delivered under this Section, in respect of which no such certificate previously shall have been furnished, or the proceeds of all such bonds, have been actually used for, or actually appropriated and set aside for, specific liabilities actually incurred for purposes authorized by this Section, or for some one or more of them, or have been actually used to reimburse the Railroad Company, as aforesaid—indicating the particular property acquired or constructed or contracted for, and whether acquired, constructed or contracted for by or on behalf of the Railroad Company or any other and what other company—or the kind or class of betterments or improvements made or contracted for, and on behalf of what company, and the amount of bonds or proceeds of bonds, or other cash, used or applied or actually appropriated and set aside for each such purpose;

(b) that the price paid or liability incurred for such acquisition or construction, or for such betterments or improvements, was not in excess of the fair value of the property acquired or of the work done; that no part thereof has been reimbursed to the Railroad Company out of moneys received by the Trustees under any of the provisions of this indenture, and that the bonds included in such certificate were sold, disposed of, or otherwise accounted for at not less than their fair market value at the time of such sale, disposition or accounting;

(c) Any other facts pertaining to the right to authenticate and deliver bonds hereunder.

A certificate signed by one of the officers *first* above designated, and one of the officers *secondly* above designated in the preceding clause (2), or a certificate having endorsed thereon or annexed thereto a written statement of such officers in the form in said clause (2) specified, shall be received by the Trust Company as conclusive evidence of any and all facts pertaining to the right of the Railroad Company to require the Trust Company to authenticate and deliver bonds pursuant to this Section, and shall be full protection to it for its action on the faith thereof. The same officer or officers of the Railroad Company need not certify to all the facts required to be certified under the provisions of this Section, but different officers may certify to different facts respectively, but every fact shall be certified by an officer of each of the classes hereinabove in this paragraph specified.

The Railroad Company shall execute or shall cause to be executed any conveyances or instruments of further assurance that may be necessary for the purpose of effectually subjecting to the lien and operation of this indenture any new property so acquired by the Railroad Company, and, also, in case of any construction upon or acquisition for any railway under lease to the Railroad Company, shall execute or cause and procure to be executed such instruments as may be necessary to subject the properties so constructed or acquired, to the lease under which any such railway is held, and, also, the Railroad Company shall furnish the written opinion of counsel for the Railroad Company to the effect that such conveyances or other instruments are sufficient for such purposes, or that no conveyance or instrument of further assurance is necessary for the purposes aforesaid. Such resolutions, statements, certificates and opinion shall be deemed and shall be taken to be full authority and protection to the Trust Company for its authentication of such bonds under the foregoing provisions of this Section.

SEC. 7. \$5,000,000, face amount, of the gold bonds shall be authenticated and delivered by the Trust Company from time to time subsequent to June 1, 1909, for some one or more of the purposes specified in this Section, but subject to the restrictions in this Section, and only at a rate for each fiscal year not exceeding in the aggregate \$1,000,000, face amount, of such bonds. Any portion of said bonds, however, which shall not be authenticated and delivered in any fiscal year after June 1, 1909, may be authenticated and delivered at any time thereafter in addition to the \$1,000,000 of such bonds which may be authenticated and delivered in any subsequent fiscal year.

A. The purposes for which the bonds reserved under this Section from time to time shall be executed, authenticated and delivered, and for which such bonds and their proceeds may be used, are

(1) The construction, purchase or acquisition of additional lines of railroad or branches. Any such construction or acquisition may be made either by or in the name of the Railroad Company, or by or for account of any other company of whose capital stock at least a majority in amount shall then belong to the Railroad Company and be pledged or assigned under this indenture (whether or not subject to any prior assignment or pledge thereof described in any of the granting clauses of this indenture);

(2) The acquisition by the Railroad Company after the date hereof, of shares of capital stock, bonds, or other indebtedness of other corporations owning additional lines of railroad or branches; *provided*, however, that, except as hereinafter provided, no bonds or their proceeds shall be issued under this clause (2) for the acquisition of shares of the capital stock, bonds or other indebtedness of any such company, unless or until seventy-five per cent. of the entire capital stock of such company