

as the case may be, to the lien of this ~~indenture~~ ^{in Section}

(d) An opinion of counsel that such railroads, branches, or extensions, as the case may be, are free from any mortgage or lien prior to the lien of this indenture, and that this indenture constitutes a first lien thereon, or an opinion of counsel that such additional main track constructed or under construction in double tracking any of the lines of railroad then subject to this indenture, or such engines, cars or other rolling stock or equipment, or such terminals, real estate, structures, additions, improvements, betterments or other property, as the case may be, are free from any mortgage or lien prior to the lien of this indenture, unless it be the lien of the said First Mortgage executed by the Railroad Company, to The Mercantile Trust Company, as Trustee, under date July 1, 1897, and that this indenture constitutes a lien thereon.

(2) At any and all times the Railroad Company will execute and deliver to the Trustee any and all such further assurances or conveyances of the property certified to have been constructed or acquired as aforesaid, as the Trustee shall reasonably direct for the purpose of expressly subjecting the same to the lien of this indenture.

(3) The Trustee may receive the certificate of the Secretary or one of the Assistant Secretaries of the Railroad Company, under the corporate seal of the Railroad Company, as conclusive evidence of the adoption by the Board of Directors of the Railroad Company or any of the resolutions hereinbefore provided for. The same officer or officers of the Railroad Company need not certify to all the facts required to be certified to under the provisions of this Section 4, but different officers may certify to different facts and opinions. The resolutions, statements and certificates required or provided by any provision of Section 4 to be delivered to the Trustee as conclusive evidence of any fact pertaining to its right or duty to certify and deliver bonds pursuant to Section 4 of this Article, and shall be full warrant, authority and protection to the Trustee acting on the faith thereof, for the certification by it of such bonds, not only in respect of the facts expressed in such resolution, statement or certificate, but also in respect of the opinions therein contained.

(4) Upon the delivery to the Trustee of all the instruments hereinbefore in this Section 4 required to be delivered for the purpose of authorizing the certification and delivery of bonds reserved under said section, and upon the delivery to the Trustee of all such further assurances and conveyances, if any, as shall be required by it, as aforesaid, the Trustee shall certify and shall deliver to the Railroad Company bonds secured hereby equal at their face value to the amount certified to have been expended by the Railroad Company, as aforesaid, or to the greatest multiple of \$1,000. contained therein. The bonds so certified and delivered may be used by the Railroad Company for any of its lawful corporate purposes.

Section 5. Every old bond which shall be deposited with or otherwise acquired by the Trustee, as provided in Section 3 of Article Second hereof, shall by the Trustee be stamped with the words "Not Negotiable, Held in trust for the purposes declared in First Lien and Refunding Mortgage of the Union Pacific Railroad Company, dated June 1, 1908," and (either with or without conversion into registered bonds at the option of the Trustee) shall be held by the Trustee as purchaser, without extinguishment or impairment of lien, as additional security for the payment of the bonds hereby secured; until (1) all the old bonds shall have been so deposited (except lost or destroyed bonds for which satisfactory indemnity may be given), or until (2) the mortgage securing the old bonds, shall have been satisfied and discharged of record, when, or in either such case, all the deposited old bonds shall, upon the written request of the Railroad Company, be canceled by the Trustee and surrendered to the Railroad Company.

Section 6. Neither the principal or the interest of any old bond at any time so held by the Trustee shall be collected or required to be paid, unless or until proceedings shall have been instituted to enforce the mortgage securing the old bonds, either by entry or by sale; but then and thereupon, all of the old bonds then so held by the Trustee, and all interest thereon maturing on or subsequent to the date upon which the default was made, for which such proceedings shall have been instituted, shall be entitled to payment; and payment thereof shall be enforced ratably and equally with all of the other old bonds not deposited with the Trustee; but all interest maturing upon any such deposited old bonds prior to any default under this mortgage, or under the mortgage securing the old bonds, shall be deemed to have been paid and satisfied, and, upon request of the Railroad Company therefor, the coupons or interest warrants representing such interest shall be canceled by the Trustee and delivered to the Railroad Company.

Section 7. The aggregate of all bonds which may be issued and outstanding under this indenture shall never, at any one time, exceed the principal sum of Fifty Million Dollars (\$50,000,000), unless and until the lines of railroad with their franchises and appurtenances, described in Section 2 of this Article, shall have been subjected to the lien of this indenture in the manner and by the conveyances prescribed in said section; and thereafter shall never at any one time exceed the principal sum of Two Hundred Million Dollars (\$200,000,000).

Section 8. In case of said bonds shall be issued payable in sterling money, one pound sterling shall be taken to be the equivalent of five dollars, United States gold coin, for the purpose of determining the aggregate principal amount of any bonds so issued, or to be issued, for any purpose under the provisions of this Article.

ARTICLE THIRD. POSSESSION UNTIL DEFAULT-DEFEASANCE.

Section 1. Until some default shall have been made in the due and punctual ^{payment} of the interest of the principal of the bonds hereby secured, or of some part of such interest or principal, or in the due and punctual performance and observance of some covenant or condition hereof obligatory upon the Railroad Company, and such default shall have continued beyond the period of grace, if any, herein provided in respect thereof, the Railroad Company, its successors and assigns, shall be suffered and permitted to retain actual possession of the mortgaged property, and to manage, operate and use the same and every part thereof, and to collect, receive and take the tolls, earnings, rents,