

SECTION 2.07. When and as any of the prior debt bonds shall have been acquired by the Company without the issue in respect thereof of Bonds reserved under Section 2.02 or 2.04 hereof, or payment of deposited cash pursuant to this Article, then, provided that such prior debt bonds so acquired shall have been cancelled as paid or satisfied and that the Company shall file with the Corporate Trustee a writing relinquishing its right to have reserved Bonds issued in respect of such prior debt bonds, the amount of Bonds reserved under Section 2.02 or 2.04 hereof for the purchase, payment, refunding, retirement or in exchange for such prior debt bonds shall be reduced accordingly, and any and all Bonds as to which the Company shall thus relinquish its right may be issued pursuant to Section 2.08 hereof or may be further reserved under Section 2.04 hereof.

SECTION 2.08. Part A. 1. Bonds may from time to time be executed by the Company and shall be authenticated by the Corporate Trustee and delivered to the Company, both within the limits and upon the conditions in this Section set forth, to reimburse the Company for expenditures made by it after December 31, 1949, for the following purposes and in principal amounts not in excess of such expenditures:

The improvement, construction, completion or acquisition by the Company of any road property of the character now included in Interstate Commerce Commission Account 701; or of any part of or interest or right in any such property; provided that (1) the property or any improvements thereto shall be used or useful upon or in connection with the railroads of the Company, or the operation or conduct thereof, (2) the property or the part thereof or interest or right therein shall be or become subject to the lien of this Indenture, and (3) the title thereto shall be vested in the Company.

2. The term "expenditures" as used in this Section shall include cash, and shares of stock or obligations of the Company or any other securities delivered in payment for the acquisition of property. Stock, obligations of the Company or other securities shall be valued in accord-