

The coupon Bonds are issuable in the denomination of \$1,000. The registered Bonds without coupons may be of the denomination of \$1,000, or of such multiples of \$1,000 as the Board of Directors of the Company may by resolution from time to time authorize. The coupon Bonds and the registered Bonds without coupons and the several denominations of the registered Bonds without coupons are interchangeable upon presentation for that purpose and upon payment of taxes and charges, all as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium if any, or interest on this Bond, or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether presently existing or hereafter arising, being, by the acceptance hereof, and as part of the consideration for the issue hereof, expressly waived and released as provided in the Indenture.

Neither this Bond nor any of the coupons hereto attached shall be valid or obligatory for any purpose, unless and until the certificate of authentication hereon shall have been executed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed by its President or a Vice-President and the facsimile of its corporate seal hereon to be attested by its Secretary or an Assistant Secretary, and coupons for interest, bearing the facsimile of the signature of its Treasurer, to be attached hereto, and this Bond to be dated the first day of November, 1943.

THE ATLANTA AND CHARLOTTE AIR LINE
RAILWAY COMPANY,

By _____
Vice-President.

Attest:

Secretary.

[FORM OF INTEREST COUPON]

No. _____ \$ _____

On the first day of _____, _____, unless the Bond hereinafter mentioned shall have been called for previous redemption and payment duly provided for, The Atlanta and Charlotte Air Line Railway Company will pay to bearer at the office or agency of the Company in the Borough of Manhattan, the City of New York, State of New York, on surrender of this coupon, Eighteen and 75/100 Dollars in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, being six months' interest then due on its First Mortgage 3 3/4% Bond, due November 1, 1963, No. _____

Treasurer.

[FORM OF REGISTERED BOND WITHOUT COUPONS]

No. _____ \$ _____

THE ATLANTA AND CHARLOTTE AIR LINE
RAILWAY COMPANY

FIRST MORTGAGE 3 3/4% BOND

Due November 1, 1963

The Atlanta and Charlotte Air Line Railway Company, a corporation organized and existing under the laws of the States of Georgia, South Carolina and North Carolina, hereinafter called the "Company", for value received, hereby promises to pay to _____, or registered assigns, on the first day of November, 1963, the principal sum of _____ Dollars, and to pay interest on said principal sum to the registered holder hereof at the rate of three and three-quarters per cent. per annum from the latest semi-annual interest payment date on which interest has been paid preceding the date hereof, unless the date hereof be an interest payment date on which interest has been paid, in which case from the date hereof, or unless the date hereof is prior to May 1, 1944, in which case from November 1, 1943, semi-annually on the first day of May and the first day of November in each year until the payment of said principal sum. Both the principal of, premium if any, and interest on this Bond are payable at the office or agency of the Company in the Borough of Manhattan, the City of New York, State of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

This Bond is one of the Bonds of the Company issued under and pursuant to, and all equally and ratably secured by a mortgage dated November 1, 1943, hereinafter called the "Indenture", executed by the Company to Central Hanover Bank and Trust Company, a corporation organized and existing under the laws of the State of New York, as Trustee, to which reference is hereby made for a description of the property mortgaged, the nature and extent of the security, and the rights of the holders of said Bonds and of the Trustee in respect of such security, and the terms and conditions upon which said Bonds are issued.

The aggregate principal amount of Bonds which may be issued under the Indenture is limited to Fifteen Million Dollars (\$15,000,000), except for Bonds issued in lieu of lost, stolen or destroyed Bonds.

No reference herein to the Indenture and no provision of this Bond or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal and interest of this Bond at the time and place and at the rate and in the currency herein prescribed.

The Indenture contains provisions giving to the holders of 6 2/3% in aggregate principal amount of Bonds then outstanding, the power by resolution at a bondholders' meeting to take the various actions therein specified, including the power to make any modification in or addition to the provisions of the Indenture or any supplement thereto, or to the rights and obligations of the Company or to the rights of the holders of the Bonds and appurtenant coupons under the Indenture or any supplement thereto, provided that no such modification or addition shall be effective until approved by the Board of Directors of the Company, and provided that no such modification or addition which in the opinion of the Trustee shall affect the rights, duties or immunities of the