

Line Mortgage) made after December 31, 1970, as the case may be, and an Opinion of Counsel to the effect that

(1) the bonds so delivered have been duly and validly issued and constitute valid and binding obligations of the Company enforceable according to their terms, are secured by the Seaboard Mortgage or the Coast Line Mortgage, as the case may be, and may properly be pledged under this Indenture in accordance with the applicable provisions of the Seaboard Mortgage or the Coast Line Mortgage, as the case may be;

(2) such bonds upon delivery to the Corporate Trustee will be duly and validly pledged under this Indenture; and

(3) the principal amount and the maturity of such bonds are as required by the provisions hereinabove set forth in this paragraph.

All securities deposited with the Corporate Trustee pursuant to this Section 2.04 shall be held by the Corporate Trustee as pledged securities hereunder.

SECTION 2.05. From time to time after the execution of this Indenture, upon compliance with the provisions of this Section 2.05, Bonds of any series shall be authenticated and delivered by the Corporate Trustee for the purpose of refunding an equal principal amount of Prior Lien Securities which shall not previously have been Bonded.

Whenever the Company shall apply for the authentication and delivery of Bonds for such purpose, or in lieu thereof for the payment of Deposited Cash pursuant to the provisions of Section 2.09 hereof, the Company shall deliver to the Corporate Trustee the documents specified in Section 2.10 hereof and

(1) the Prior Lien Securities to be refunded in a principal amount not less than the principal amount of the Bonds authentication and delivery of which is requested, or not less than the amount of Deposited Cash payment of which is requested, provided such Prior Lien Securities are uncanceled and, in the Opinion of Counsel, are validly issued and outstanding; or, if in the Opinion of Counsel the conditions specified in this subparagraph (1) cannot be complied with, then