

ent Company for Bonds authenticated and delivered pursuant to this § 3.04 will, at or before the end of three months following the date of delivery thereof, either notify the Trustee that all Bonds so delivered have been sold, exchanged or pledged or notify the Trustee of the principal amount, if any, of said Bonds theretofore sold, exchanged or pledged and at the same time surrender to the Trustee the remainder of said Bonds, together with all coupons, if any, appertaining thereto, for cancellation and after such cancellation the Companies shall be entitled to have Bonds authenticated and delivered under this § 3.04 in all respects as though said Bonds so surrendered had not theretofore been authenticated and delivered.

If the Companies shall request the authentication and delivery of Bonds on the basis of Bondable Expenditures for Equipment, there shall be established by the supplemental indenture creating such Bonds a mandatory equipment sinking fund providing for the payment to the Trustee in each calendar year following the authentication and delivery of such Bonds of an amount which, if continued in equal annual installments during the term of such equipment sinking fund, would be at least sufficient to retire at or prior to the expiration of the expected life of such Equipment a principal amount of Bonds equal to the principal amount of the Bonds so authenticated and delivered or such Bonds shall have serial maturities corresponding with the payments required to be made pursuant to such a sinking fund. For this purpose "expected life" of any railroad rolling stock Equipment shall be deemed 15 years in the case of new Equipment and 7 years in the case of Rebuilt Equipment and in the case of any other Equipment shall be the expected useful life thereof stated in the Officer's Certificate delivered to the Trustee pursuant to § 3.08(1)(b). Any such equipment sinking fund shall operate in accordance with and may contain such other terms and conditions as are contemplated by Article Four hereof.