

offers as above set forth to exhaust the amount of the sinking fund as then existing, it shall on the fifteenth days of said months, at its office in the City of Wilmington, determine by lot the numbers of the particular bonds to be redeemed in order to exhaust the amount to the credit of such sinking fund, which bonds so drawn shall be redeemed and retired on the next interest day at one thousand dollars per bond and accrued interest.

38. " The said Gas Company shall forthwith after each semi-annual drawing give notice to the holders of the bonds so drawn for redemption and retirement, either personally or by publication twice a week for one week in a newspaper published in the City of Pittsburgh, Pennsylvania, and in the City of Wilmington, state of Delaware, specifying the number of the bonds so drawn, as aforesaid, and stating that the same will, on presentation to the Trust Company, for such purpose, be redeemed.

39. " The liability of the said Gas Company to pay interest on any bond so duly determined to be redeemed, after such personal notice or notice by publication as aforesaid, and after such deposit of the moneys necessary to affect such redemption shall cease and determine on the next interest day after such notice as aforesaid, and all bonds so redeemed shall cease to be entitled to the benefit of security of the mortgage or deed of trust aforesaid, and shall be forthwith cancelled by the said Trust Company and retained in its possession until destroyed.

40. " Of the bonds issued hereunder and hereby secured aggregating at par value one million seven hundred and seventy two thousand Dollars, shall be reserved and held by the Trust Company only for the acquisition of exchange for or payment of certain outstanding bonds heretofore issued by the Gas Company and known and designated as second mortgage, five year five per cent. gold bonds, and are secured under an indenture between the Gas Company and the Pittsburgh Trust Company, Trustee, dated November 1, 1905, said issue of second mortgage five per cent. gold bonds aggregating one million seven hundred and seventy-two thousand dollars, represented by one thousand and seventy-two bonds of the par value of one thousand dollars each, and due and payable November 1, 1910. The said one million seven hundred and seventy-two thousand dollars par value of the bonds hereunder and hereby reserved shall forthwith be executed by the Gas Company and delivered to the Trustee, and shall be issued, certified and delivered by the Trustee from time to time as follows, and not otherwise.

41. "(a) Whenever there shall be delivered to the Trustee any of the hereinbefore specified second mortgage five year five per cent gold bond together with all unmatured interest obligations thereunto belonging, for exchange for bonds issued hereunder, the Trustee hereunder shall receive the same and in exchange therefore shall certify and deliver bonds hereby secured equal at par value and accrued interest to the par value and accrued (but not yet due) interest of the bonds so surrendered for exchange.