

## MORTGAGE RECORD 75

year for the purchase of Bonds on account of the Company, pursuant to Clause B of said Section, exclusive of any Bonds purchased by the Bankers with funds received from the Central Company pursuant to Section 7 of this Article.

SECTION 4.--If in respect of any year commencing December 1, 1926, or commencing each December first thereafter, any part of the Property Replacement Fund is to be expended in the manner set forth in Clause C of Section 1 of this Article, the Company shall give written notice to the Bankers on or before January 25 immediately following the termination of such year as to the amount of cash the Company will pay to the Bankers for the account of such Property Replacement Fund, to be utilized for the purpose set forth in Clause C of Section 1 of this Article, on the next succeeding March 1st; and the Bankers shall thereupon draw by lot, in any usual manner in their discretion, a principal amount of Bonds of the 1927 Series sufficient to exhaust at the Sinking Fund redemption price prevailing on March first following, the funds to be paid to them for such purpose, and the Bankers having designated the Bonds so to be redeemed shall forthwith give notice to the Company to that effect, specifying the numbers thereof, and the Company shall give notice of intention to redeem such Bonds on the next succeeding March first in the manner and for the period specified in Section 4 of Article V for the redemption price specified in Section 5 of Article V, and in case the Company shall fail to give notice of call for redemption, as therein provided, the Bankers may forthwith at the expense of the Company, give notice with the same effect as though such notice had been given by the Company as therein required, and the Company shall on or before such next succeeding March 1st pay to the Bankers the amount of cash specified in the notice which the Company shall have given to the Bankers.

Such notice having been given and such payment having been made as hereinbefore provided, the Bonds so called for redemption shall become due and payable on said March first in the manner and with the effect set forth in Section 5 of Article V, and the holder of each and every Bond of the 1927 Series issued under this Indenture hereby agrees to accept payment thereof prior to maturity on the terms and conditions in this Section 4 set forth, provided, however, that Bonds are not subject to redemption under this Section to a greater aggregate principal amount in any one year than (a) 1% of the principal amount of Bonds outstanding hereunder on the preceding December 1st, or (b) such principal amount of Bonds as taken at the then prevailing Sinking Fund redemption price shall equal \$375,000, whichever shall be greater.

The Company agrees on or before January 25th of each year to deliver to the Central Company a statement of the amount to be expended by the Bankers on the next succeeding March first for such redemption of Bonds, excluding therefrom any Bonds which may be called for redemption pursuant to Section 7 of this Article.

SECTION 5.--If in any year, commencing December 1, 1926, or commencing December first thereafter any part of the Property Replacement Fund shall have been expended in the manner set forth in Clause D of Section 1 of this Article, the securities specified in such Clause shall be deposited with the Central Company on or before February 1st immediately following the termination of such year, and the Central Company shall hold the same as part of the mortgaged property hereunder. At the request of the Company the Central Company will from time to time sell any such securities at the highest prices which it can obtain therefor or shall deliver the same to the Company at the Company's option upon payment in cash by the Company for such securities at their current market value, and the cash received by the Central Company shall be held as part of the mortgaged property hereunder until disposed of in the manner provided in Section 7 hereof.

SECTION 6.--If in any year, commencing December 1, 1926, or commencing each December first thereafter any part of the Property Replacement Fund shall have been expended in the manner set forth in Clause E of Section 1 of this Article, the personal property referred to in such Clause shall be effectively pledged with the Central Company, if not theretofore so pledged, and placed in the control (physical control, in the case of tangible property) of the Central Company (but in such manner as not to interfere with the conduct of the Company's business) on or before February 1 immediately following the termination of such year and there shall at the same time be deposited with the Central Company:

A. A certificate signed by an expert deemed by the Central Company to be qualified to act who may be an expert in the employ of the Company--describing such personal property with reasonable detail and stating that personally or through one or more competent assistants he has examined the same and stating his opinion as to the market value of such property at the date of the placing thereof in such control of the Central Company.

B. Such instruments of conveyance, assignment and transfer as may be necessary in the opinion of counsel (who may be counsel to the Company) selected by the Board of Directors of the Company and approved by the Central Company to vest in the Central Company, to hold as part of the mortgaged property hereunder, all right, title and interest in and to the personal property described in the certificate referred to in A, together with the opinion of such counsel that the title to such personal property is vested in the Central Company free and clear of all liens prior to the lien of this Indenture and that all acts and things have been done and performed necessary to place the Central Company in such control of such property so far as possible so as not to interfere with the conduct of the Company's business.

The Company agrees from time to time similarly to place the Central Company in such physical control of additional personal property, to the extent necessary to maintain continuously the market value of the property originally so controlled at the amount at which it shall have been originally taken by the Central Company and agrees at any time, upon demand by the Central Company, to furnish to the Central Company a certificate similar to that provided for in Paragraph A as to the value of such property at the time of such demand by the Central Company.

If at any time the value of the property so controlled shall have increased above the amount at which it shall have been originally taken by the Central Company, the Company will be permitted to withdraw sufficient of such property so that the value of the remaining property shall be at least equal to the amount at which such property was originally taken by the Central Company, provided that the Company shall as a condition of such withdrawal, deliver to the Central Company a certificate of the nature specified in Paragraph A as to the value of the personal property which shall remain in the control of the Central Company as of the date of such demand for withdrawal of the remainder.

The Central Company agrees from time to time, at the request of the Company, to redeliver to the Company any such property

(a) Upon receiving payment in cash from the Company of an amount equal to the amount at which such personal property shall have originally been taken by the Central Company, and the cash received by the Central Company shall be held as part of the mortgaged property hereunder until disposed of in the manner provided in Section 7 hereof; provided, however, that the cash payment to be made by the Company to the Central Company shall not exceed the amount of the Property Replacement Fund which has been satisfied by the original placing of such property in the control of the Central Company; or

(b) Upon receiving the documents specified in Section 2 hereof evidencing expenditures of the nature described in Clause A of Section 1 hereof (and not included in any statement theretofore filed with the Central Company pursuant to Paragraph A of Section 2 hereof) and, subject to the limitations therein contained, equal to the amount of the Property Replacement Fund which has been satisfied by the original placing of such property in the control of the Central Company.

SECTION 7.--Upon the written request of the Company the Central Company will pay over any cash received by it pursuant to Clause F of Section 1 or to Sections 5 and 6 of this Article, either:

A. To the Company to reimburse it for expenditures of the nature described in Clause A of Section 1 hereof (and not included in any statement theretofore filed with the Central Company pursuant to Paragraph A of Section 2 or paragraph (b) of Section 6 of this Article) and subject to the limit-