

MORTGAGE RECORD 75

shares so issued, and (4) the prices at which shares of common stock shall thereafter be purchasable for cash in the period specified in Sec. 6.03 upon the exercise of the rights conferred by the Warrants. Sec. 6.06. The Trustee shall be under no duty to examine into the truth and accuracy or in any way to verify the statements or valuations in any notice or statement filed with or delivered by the Company to the Corporate Trustee pursuant to the provisions of this Article, but in case the holders or registered owners of twenty-five per cent (25%) in amount of the then outstanding Bonds to which Warrants are attached shall give written notice to the Corporate Trustee that they question the correctness of any such statement so filed, the Corporate Trustee shall, upon being indemnified to its satisfaction, cause an investigation thereof to be made by an accountant, engineer or other person or persons designated by it for the purpose, and if as a result of such investigation the Corporate Trustee shall determine that any correction should be made in any such statement, then the Corporate Trustee shall notify the Company in writing of any such correction and thereafter such statement shall be deemed to have been filed as modified by such correction.

Sec. 6.07. The Company covenants and agrees that at all times out of the authorized and unissued shares of common stock of the Company 140,000 shares or such portion thereof as shall be sufficient to provide for the exercise of the rights conferred by the Warrants of this issue from time to time outstanding shall be reserved for the purposes thereof, and the transfer agent and registrar of the shares of common stock of the Company shall be authorized at all times to reserve such shares of the authorized and unissued common stock for issue solely upon the exercise of the rights conferred by the Warrants attached to the Bonds of Series A issued hereunder. In addition to reserving the shares aforesaid out of its authorized and unissued shares of common stock, the Company has caused to be deposited in escrow with First Trust and Savings Bank of Chicago, Illinois, as Depositary, for transfer and delivery solely upon the exercise of the rights conferred by the Warrants attached to the Bonds of Series A issued hereunder, 70,000 shares of its outstanding common stock fully paid and nonassessable duly endorsed and stamped for transfer, and the Company covenants and agrees that said shares (or such portion thereof as shall be sufficient with the unissued common stock reserved as aforesaid to provide for the exercise of the rights conferred by the Warrants of said issue from time to time outstanding) shall remain on deposit with said Depositary in escrow for said purpose so long as any of said Warrants shall remain outstanding and in force.

Sec. 6.08. (a) The Corporate Trustee, upon payment of the purchase price and presentation and surrender of any Warrant attached to any Bond and delivery of the certificate or certificates for shares of common stock thereagainst pursuant to Sec. 6.01, shall thereupon detach and cancel such Warrant, except as otherwise provided in Sec. 6.03.

(b) Upon the written request of the Company, signed by its Secretary or one of its Assistant Secretaries, made at any time or from time to time, the Corporate Trustee shall certify to the transfer agent and registrar of the common stock of the Company the total number of shares of common stock covered by Warrants at the time outstanding hereunder, for the purpose of determining the number of shares of common stock required to be reserved by the Company in respect thereof under the provisions hereof. Upon receipt of such certification the transfer agent and registrar shall release from reservation any shares of common stock then reserved in excess of the number specified in such certificate. First Trust and Savings Bank as said Depositary may from time to time upon the order of the Company signed by its President or a Vice President release from escrow any shares of the common stock of the Company held as aforesaid by said Depositary to the extent that such shares shall not be required to cover the exercise of rights conferred by Warrants then outstanding. No shares of common stock held in escrow by said Depositary shall be transferred and delivered to the holders or registered owners of Warrants upon the exercise thereof until all of the authorized and unissued common stock reserved as aforesaid shall have been issued upon the exercise of Warrants.

Sec. 6.09. In case the Company shall consolidate with or merge into, or sell its properties substantially as an entirety to, another corporation, the rights of the holders of the Bonds to which the Warrants were attached to purchase shares of the common stock of the Company shall thereupon cease and terminate, and thereafter the holder of each Bond to which a Warrant is attached shall have the right to purchase at the price (after giving effect to such adjustments of such price as have theretofore been made, as herein provided) and on the terms and conditions hereinabove specified in respect of the shares of common stock of the Company deliverable on the exercise of such Warrant, such stocks, securities or assets as may be issuable or distributable pursuant to such consolidation, merger or sale, with respect to a like number of shares of outstanding common stock of the Company. After such merger, consolidation or sale, the provisions of Sec. 6.04 with respect to reduction of the purchase price under the circumstances therein set forth, shall have no application to such successor corporation and shall cease to be operative.

Sec. 6.10. All moneys received by the Corporate Trustee resulting from the exercise of Warrants, shall so long as the Company is not to the knowledge of the Trustees in default hereunder, be paid over, upon receipt thereof, to or on the written order of the Company signed by its President or one of its Vice Presidents or its Treasurer or an Assistant Treasurer.

Sec. 6.11. The authorized capital stock of the Company is at the date of the execution of this Indenture 575,000 shares of which 75,000 shares are preferred stock of the par value of \$100 each and 500,000 shares are common stock of no par value. The Company has reserved 140,000 of said authorized shares of common stock for issue upon the exercise of the rights conferred by the Warrants attached to the Bonds to be issued pursuant to Sec. 6.01, and it is duly and lawfully authorized to issue said shares of common stock in accordance with the terms of the Warrants and of this Indenture, and the Company will reserve said 140,000 shares of common stock and not issue or use said shares or any thereof for any other purpose than upon such exercise until January 1, 1934, provided, however, that the amount of stock required to be so reserved shall be reduced from time to time as and to the extent that Warrants are exercised as herein provided, subject, however, to the requirements of Sec. 6.06. The Company from time to time, and in due course, will take and complete all such proceedings as may be necessary or proper for the issue and delivery of its shares of common stock in such amount as may be necessary to provide for the exercise of the rights conferred by the Warrants in accordance with their terms and with the terms of this Indenture.

ARTICLE 7.

Particular Covenants of the Company.

Sec. 7.01. The Company covenants and agrees with the Trustees for the benefit of the Trustees and of the several holders for the time being of the Bonds and the coupons, as hereinafter in this Article set forth.

Sec. 7.02. The Company will duly and punctually pay or cause to be paid to the several holders of all the Bonds at any time issued hereunder, the principal thereof and the interest accruing thereon, at the dates and places and in the manner mentioned in such Bonds respectively and in the coupons thereto appertaining, whether at maturity, on redemption, by acceleration of maturity, or otherwise, according to the true intent and meaning thereof. In all cases where so provided in the Bonds or in this Indenture, the Company will make such payment without deduction for taxes and will make reimbursements of taxes as and to the extent so provided.

Sec. 7.03. In order to prevent any accumulation of coupons after maturity, the Company will not, directly or indirectly, extend or assent to the extension of the time for the payment of any coupon on any of the Bonds, and it will not, directly or indirectly, be a party to, or approve, any such extension, by