

MORTGAGE RECORD 83

or the specified portions thereof, shall, on the date designated in such notice, become due and payable at said office of the Trustee at the redemption price stated in such bonds; and, upon the presentation and surrender thereof, with (in the case of coupon bonds) interest coupons maturing after the redemption date, and (in the case of registered bonds, or of coupon bonds registered as to principal, presented by any person other than the registered holder) accompanied by duly executed assignment or transfer powers, such bonds, or the specified portions thereof, shall be paid and redeemed at their redemption price. Upon the surrender of a registered bond of which only a portion of the principal is to be redeemed, the Company, without charge therefor, shall issue, and the Trustee, anything herein to the contrary notwithstanding, shall authenticate and deliver, in lieu of the unredeemed portion of such principal amount, a new registered bond or bonds of an aggregate principal amount equal to such unredeemed portion. On and after the date so fixed for redemption and upon receipt by the Trustee of a sum in cash sufficient to redeem the bonds so called for redemption, the bonds called for redemption, and the portions of the principal of any registered bonds so called, shall cease to bear interest and, together with all interest coupons appertaining thereto, shall cease to be secured by this Indenture, and all liability of the Company in respect thereof shall cease and determine; but all interest coupons which shall have matured on or prior to the redemption date shall continue to be payable to the respective holders thereof, but without interest thereon unless defaulted. All bonds redeemed pursuant to the provisions of this Article shall forthwith be canceled and all such bonds so canceled, except registered bonds, shall be cremated by the Trustee and a certificate of the cremation thereof shall be delivered to the Company.

ARTICLE VI

Concerning Pledged Securities

SECTION 1. The Company may deliver to the Trustee and the Trustee may receive from time to time bonds, certificates for shares of stock, debentures, notes and/or other securities or obligations, and all such bonds, certificates for shares of stock, debentures, notes and/or securities or obligations so received shall be held by the Trustee as a part of the mortgaged and pledged property. The Trustee shall be under no obligation to accept a certificate for any shares of stock or any bonds, debentures, notes or other securities or obligations, or to cause or permit a transfer thereof to be made to it, if, in the opinion of the Trustee, such acceptance or transfer would involve it in, or render it liable to be subjected to, any liability or expense, unless the Trustee shall be indemnified to its satisfaction for so doing.

All certificates for shares of stock shall at the time of the delivery thereof be duly endorsed for transfer or accompanied by appropriate instruments of assignment and transfer duly executed in blank. The Trustee, from time to time, may, but shall be under no obligation to, transfer into its name as Trustee, or into the name or names of its nominee or nominees, any or all such shares of stock pledged hereunder and may cause all or any securities held by it hereunder to be registered in its name or in the name of its nominee or nominees. The bonds or obligations which may be pledged or deposited under any provision of this Indenture may be in temporary or definitive form and may be in such denomination or denominations as the Company may elect, and if bonds, may be coupon bonds, registered or unregistered as to principal, or fully registered bonds without coupons. All coupon obligations which may be pledged or deposited with the Trustee under any provision of this Indenture shall, except as hereinafter provided, have attached thereto at the time of such pledge or deposit all unmatured interest coupons thereunto appertaining, and all registered obligations without coupons and all coupon obligations registered as to principal shall be duly endorsed by the registered holder thereof or by his attorney in fact thereunto duly authorized, or shall be accompanied by duly executed assignment or transfer powers. If any unmatured coupon or coupons appertaining to any such coupon obligation shall be missing at the time of such pledge or deposit the Trustee may, nevertheless, accept such obligation without such coupon or coupons in case a sum of money equal to the face amount of the missing coupon or coupons shall be deposited with the Trustee hereunder.

SECTION 2. Unless in default hereunder to the knowledge of the Trustee, the Company shall have the right, except as hereinafter limited, to vote any shares of stock pledged hereunder with the same force and effect as though such shares were not so pledged; and from time to time, in case said shares of stock pledged hereunder shall have been transferred into the name of the Trustee or its nominee or nominees, the Trustee, upon the request of the Company, evidenced by a resolution of its Board of Directors, certified to by its Secretary or an Assistant Secretary, shall execute and deliver, or cause to be executed and delivered, to the Company proper proxies for voting said stock. The Company shall not use or vote or permit to be used or voted any stock pledged hereunder for any purpose contrary to its covenants herein contained or otherwise inconsistent with the provisions or purposes of this Indenture.

SECTION 3. Unless in default hereunder to the knowledge of the Trustee, the Company shall be entitled to receive, when and as paid, all interest paid on any obligations pledged hereunder and all cash dividends paid or declared out of earnings or surplus in respect of any stock pledged hereunder; and from time to time, upon request of the Company, the Trustee shall forthwith deliver to it as they mature the coupons for such interest, in order that the Company may receive payment thereof for its own use, and shall deliver to the Company, if necessary, suitable orders in favor of the Company or its designated nominee or nominees, for the payment of such interest and such cash dividends, and the Company may collect such interest and dividends, and the Trustee shall at once pay over to the Company any such interest or dividends which may have been collected or received by it; provided, however, that:

- (1) The Company shall not sell, assign or transfer any coupon or right to such interest or dividends delivered or assigned to it;
- (2) It shall not collect any such coupons or interest by legal proceedings or by the enforcement of any security therefor without the prior written assent of the Trustee, nor in any manner which the Trustee shall deem prejudicial to the bonds issued hereunder;
- (3) Until actually paid or discharged, every such coupon or right to interest or dividend shall in all respects remain subject to the lien of this Indenture;
- (4) If any such coupons so delivered to the Company shall not forthwith be paid or cancelled, the Company shall return the same to the Trustee, subject to the right to have the same redelivered to the Company for payment or cancellation, and in case of payment or cancellation of any such coupon or claim for interest, the Company shall, upon demand, furnish to the Trustee satisfactory evidence thereof.

The Trustee shall be entitled to assume that any interest received by it on any bond or other security, or any cash dividend received on any share of stock, is paid out of earnings or surplus derived from operations, unless it is notified in writing to the contrary by any bondholder, and in the absence of any such written notification it shall conclusively be presumed, as between the Trustee and the bondholders, that the Trustee in making any payment thereof to the Company acted in good faith. If so notified by any bondholder, the Trustee may nevertheless, in its discretion, pay over such interest or cash dividend to the Company if satisfied that such interest or cash dividend was paid or declared out of earnings or declared out of earnings or surplus derived from operations; and upon being furnished by the Company with a certificate of an accountant or firm of accountants selected by the Company and satisfactory to the Trustee (who or which may be in the employ of or under retainer by the Company) showing that such interest or cash dividend was paid or declared out of earnings or surplus derived from operations or that there were such earnings or surplus available for the purpose, as shown by the Company's books, shall pay over such interest or cash dividend to the Company.