

MORTGAGE RECORD 85

party covered thereby, of the extent and priority purported to be created thereby; but the Trustee may authenticate and deliver any Bonds after any such supplemental indenture shall have been delivered prior to the recording thereof.

An executed counterpart of every such supplemental indenture shall be deposited with the Trustee.

ARTICLE FOUR. REDEMPTION OF BONDS.

SECTION 1. In case the Railroad Company shall elect to redeem all or any of the Bonds of Series A, the Railroad Company shall give notice of such election by publication in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City of New York, at least once in each of six successive calendar weeks, the first publication to be not less than forty-five days nor more than sixty days prior to the designated redemption date, stating such election on the part of the Railroad Company and that the interest on the Bonds called for redemption shall cease on the designated redemption date, and requiring that the Bonds called for redemption be then presented for payment and redemption. If a part only of the Bonds of Series A shall be called for redemption, the particular Bonds to be redeemed shall, within ten days after written request of the Railroad Company, be determined by lot in any manner deemed by the Trustee in its unrestricted discretion to be fair, and the published notice of call for redemption shall in that case specify the numbers of the Bonds to be redeemed. A similar notice shall be sent by the Railroad Company, through the mails, postage prepaid, at least forty-five days prior to such redemption date, to registered holders of registered Bonds without coupons and to registered holders of coupon Bonds, whose Bonds, or any of whose Bonds, shall have been called for redemption, to their addresses as the same shall then appear upon the Bond registration books; provided, however, that the mailing of notice to such registered holders shall not be a condition precedent to redemption, and neither the failure to mail such notice to such registered holders nor any imperfection or defect therein shall affect the validity of the proceedings for redemption. Notice having been so given by publication, the Bonds called for redemption shall, on the day designated in such notice, become due and payable at the respective rates and prices prescribed in the Bonds; and from and after the date of redemption so designated, interest on the Bonds so called for redemption shall cease and, on presentation, in accordance with said notice at the place or one of the places at which the same may be expressed to be payable, of such Bonds, with all coupons maturing after said redemption date, said Bonds shall be paid by the Railroad Company, at the rate aforesaid. Coupons appurtenant to Bonds called for redemption, maturing on or prior to the redemption date shall be paid to the bearer thereof on presentation for payment. If, in case of partial redemption, there shall be drawn for redemption one or more, but less than all, of the coupon Bonds, the serial number or numbers of which may be endorsed upon, or which may otherwise be allotted to, any registered Bond without coupons, then, upon presentation and surrender of such registered Bond without coupons, the amount payable in respect of the coupon Bond or Bonds the number or numbers of which were so drawn for redemption, shall be paid to the registered holder of such registered Bond without coupons, or upon his order, and the Railroad Company shall execute and the Trustee shall thereupon authenticate and deliver to the registered holder thereof, or upon his order, and at the expense of the Railroad Company, a new registered Bond or Bonds without coupons for the principal amount of said surrendered registered Bond without coupons less the principal amount so paid.

In case of redemption of Bonds of Series A for the sinking fund created by Article Five hereof notice of redemption shall be given as aforesaid by the Railroad Company.

SECTION 2. The provisions of Section 1 of this Article Four shall be applicable to the redemption of redeemable Bonds of any series other than Series A, subject, however, to any modifications thereof which may be expressed in the Bonds of any such other series.

SECTION 3. On the deposit with the Trustee of the amount necessary to redeem all outstanding Bonds (if they shall all be redeemable and the Railroad Company shall have determined, by resolution of its Board of Directors, to call them for redemption), together with the amount necessary to pay all accrued and unpaid interest thereon to the redemption date and either (a) proof, by affidavit or otherwise, that due notice of redemption has been given by publication, or (b) irrevocable authority to the Trustee to cause due notice of redemption to be given, and on payment to the Trustee of all costs, charges and expenses in relation thereto or otherwise payable to the Trustee, and on payment of all other sums payable hereunder by the Railroad Company, then and in that case at the election of the Railroad Company, all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Railroad Company, and the estate, right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, but only on the written demand of the Railroad Company, and at its cost and expense, shall cancel and release this Indenture and shall assign and transfer or cause to be assigned and transferred and shall deliver or cause to be delivered to or on the order of the Railroad Company all personal property and moneys then held by the Trustee hereunder, other than any moneys deposited with the Trustee under this Section 3. Anything hereinabove to the contrary notwithstanding, upon any satisfaction of this Indenture the holders of Bonds and coupons shall look solely to the Railroad Company for the performance of any covenant of the Railroad Company with respect to any reimbursement for taxes.

ARTICLE FIVE. SINKING FUND.

SECTION 1. The Railroad Company will pay to the Trustee as a sinking fund on or before the 1st day of June, 1951, and on or before the 1st day of June in each year thereafter until all the Bonds of Series A shall have become due, either by maturity or as otherwise provided in this Indenture, the sum of \$450,000, or an amount equal to the net income after fixed charges of the Railroad Company for the next preceding calendar year, determined in accordance with the regulations of the Interstate Commerce Commission at the time in force, less the sinking fund payments (including payments by credit from a previous year or years) required to be made by the Railroad Company during the then current calendar year under the provisions of an indenture dated May 1, 1936, between the Railroad Company and City Bank Farmers Trust Company, as Trustee, under which \$26,635,000, principal amount, of the Railroad Company's Thirty-five Year 3½% Debenture Bonds, due May 1, 1971, were issued, and under the provisions of an indenture dated October 1, 1936, between the Railroad Company and Chemical Bank & Trust Company, as Trustee, under which \$20,000,000, principal amount, of the Company's Thirty-four Year 3½% Debenture Bonds, due October 1, 1970, were issued, whichever amount is the smaller. Any amount paid by the Railroad Company into the sinking fund in any year in excess of the amount required to be paid shall be received by the Trustee and shall be credited against payments required to be made in the next succeeding year or years. The Railroad Company may make any payments into the sinking fund, in whole or in part, in cash, or in Bonds or in bonds described in subparagraph (a) of Section 2 of this Article purchased by the Railroad Company after the date of this Indenture, or in obligations described in subparagraph (b) of Section 2 of this Article, in any case, at their cost, including brokerage but excluding accrued interest, plus, in the case of bonds or other obligations described in said subparagraphs (a) and (b), accrued interest to the date of payment into the sinking fund; provided, however, that the price at which Bonds may be paid into the sinking fund shall not exceed the sinking fund redemption price in effect for Bonds of Series A on the 1st day of December next succeeding the date when such payment is due. For the purposes of this Article Five, the Trustee shall be fully protected in relying upon a certificate of the President and the Controller of the Railroad Company with respect to the amount of the net income after fixed charges of the Railroad Company for such preceding calendar year, the amounts required to be paid during the then current calendar year into the sinking funds for Debenture Bonds, referred to in this Section 1, the cost of Bonds or bonds or other obligations used by the Railroad Company to make payments into the sinking fund, and that any such bonds described in subparagraph (a) of Section 2 of this Article Five were purchased by the Railroad Company after the date of this Indenture.