

## MORTGAGE RECORD 85

SECTION 2. The Trustee, from time to time, on the written direction of the Railroad Company, shall apply cash in the sinking fund (1) to the purchase of redemption of Bonds of any series at a price, exclusive of interest and brokerage, not more than the sinking fund redemption price in effect on the next date on which Bonds of Series A might be called for redemption for the sinking fund, or (2) to the purchase of

(a) bonds at the time outstanding issued or assumed by any of the Lessor Companies, and secured by mortgage, at or about market prices prevailing at the time, plus accrued interest; or

(b) obligations of the United States of America and obligations guaranteed by the United States of America at or about market prices prevailing at the time plus accrued interest.

Any Bonds or any of the above specified bonds or obligations may be purchased from the Railroad Company, provided, however, that bonds described in the above subparagraph (a) shall have been acquired by the Railroad Company subsequent to the date of this Indenture, and such Bonds or bonds may not be purchased from the Railroad Company in any event at more than the prices specified in Section 1 of this Article Five.

If on the 10th day of October in any year the cash then in the sinking fund plus the then market value plus accrued interest of any obligations specified in the above subparagraph (b) then held in the fund aggregate an amount sufficient to provide for the redemption and payment for the sinking fund, exclusive of accrued interest, on the following December 1st of at least \$50,000, principal amount, of Bonds of Series A, the Trustee shall sell promptly all such obligations and the Railroad Company shall call Bonds of Series A for redemption for the sinking fund on the 1st day of December following, as provided in Section 13 of Article One, and in Section 1 of Article Four, in an amount sufficient to exhaust as nearly as practicable the cash in the sinking fund.

The aggregate principal amount of Bonds of Series A called for redemption for the sinking fund in any calendar year shall not exceed (a) the product obtained by multiplying \$430,000 by the number of years between December 1, 1950, and December 1 in such calendar year, plus (b) any interest or net profits added to the sinking fund as hereinafter provided, less (c) the aggregate principal amount of Bonds of Series A theretofore called for redemption for the sinking fund.

The Railroad Company shall pay any accrued interest on Bonds purchased or redeemed as provided in this Article Five. Bonds specified in subparagraph (a) of this Section acquired for the sinking fund shall be kept alive in the sinking fund subject to the provisions of this Article Five unless the Railroad Company shall give the Trustee written directions to cancel or surrender any such bonds for cancellation, in which case the Trustee, if the Railroad Company shall not then be in default hereunder to the knowledge of the Trustee, upon payment by the Railroad Company into the sinking fund of an amount equal to the accrued interest thereon, shall comply with such written direction. The Railroad Company covenants and agrees to cancel or cause to be cancelled such surrendered bonds.

The Trustee shall, from time to time, at the written direction of the Railroad Company, sell in such manner and on such terms as the Railroad Company may direct, any obligations specified in subparagraph (b) of this Section 2 at the time held in the sinking fund, and the proceeds thereof, as well as the proceeds of payment of any such obligations which become due while held in the sinking fund, shall constitute cash in the sinking fund and shall be applied from time to time as in this Article Five provided. All profits realized on and all losses incurred from such sales shall be credited or charged to the sinking fund.

SECTION 3. All Bonds redeemed, paid or acquired by or for the sinking fund under any of the provisions of this Article Five shall be cancelled, together with any coupons appertaining thereto, and no Bonds shall be issued under this Indenture in substitution therefor.

SECTION 4. In case default shall be made in the payment of the principal of any of the Bonds of Series A when due, whether at maturity or otherwise as provided in this Indenture, the Trustee may in its discretion sell all bonds or other obligations at the time held in the sinking fund and shall apply the proceeds of such sale, together with any cash at the time held in the sinking fund as provided in Section 13 of Article Seven of this Indenture.

If the Railroad Company shall pay or cause to be paid the whole amount of the principal and premium, if any, and interest due and payable upon all of the Bonds of Series A at maturity or upon redemption and the coupons for interest thereon or shall provide for such payment by depositing with the Trustee for the payment of such bonds and coupons the amount due and payable for principal and premium, if any, and interest or shall make other provisions satisfactory to the Trustee for the payment thereof, or shall at any time cause all of the Bonds of Series A and coupons thereto appertaining then outstanding to be extinguished and shall surrender the same to the Trustee for cancellation, and shall also pay, or cause to be paid, all other sums payable hereunder in respect of Bonds of Series A by the Railroad Company, then and in that case the Trustee shall release from the sinking fund and turn over to the Railroad Company free from any of the provisions of this Indenture the cash, bonds or other obligations remaining in the sinking fund after such payment has been made or provided for.

SECTION 5. The Trustee shall, if permitted by law, allow interest on any moneys held in the sinking fund at the same rate as is at the time allowed by it on other similar deposits or at such other rate as may, from time to time, be agreed upon with the Railroad Company. All interest so allowed and all interest collected by the Trustee on securities held in the sinking fund shall constitute cash in the sinking fund and shall be applied from time to time as in this Article Five allowed.

## ARTICLE SIX.

## PARTICULAR COVENANTS OF THE RAILROAD COMPANY.

The Railroad Company covenants with the Trustee as hereinafter in this Article set forth:

SECTION 1. Duly and punctually the Railroad Company will pay the principal of and the interest on all of the Bonds, at the places, on the dates and in the manner mentioned in the Bonds or in the coupons thereto belonging, or in this Indenture, according to the true intent and meaning thereof and hereof. When and as paid, all Bonds, together with the coupons thereto appertaining, and all coupons, shall be surrendered to the Trustee and shall, as the Railroad Company may request, be cancelled and delivered to the Railroad Company or cremated and a certificate of such cremation furnished the Railroad Company by the Trustee.

SECTION 2. At all times until the payment of the Bonds, the Railroad Company will keep an office or agency in the Borough of Manhattan, City of New York, where the Bonds and coupons may be presented for payment, and notices and demands in respect of the Bonds and coupons or under this Indenture may be served, and will keep a similar office or agency in any other place where any series of Bonds may be made payable either as to principal or interest; and will, by written notice, designate every such office or agency to the Trustee. In default of keeping any such office or agency or of such designation, presentation and demand may be made and notice served at the principal office, in said Borough of Manhattan, of the Trustee or of any successor to it in the trust.

SECTION 3. Exclusively for the benefit of holders of Bonds, the Railroad Company covenants and agrees that it will well and truly pay and discharge, upon presentation thereof for payment at or after maturity, or will acquire and deposit with the Trustee hereunder, all of the First Mortgage Bonds; that it will punctually pay or cause to be paid the interest on all such outstanding First Mortgage Bonds not acquired and deposited hereunder, as and when such interest shall become due and payable, until all of the First Mortgage Bonds shall have been fully paid and discharged or shall have been acquired and deposited hereunder; that it will not make or suffer any default upon any of the First Mortgage Bonds or under the mortgage securing them, wherefrom the right might arise to enforce by foreclosure or otherwise the lien thereon provided; and that it will not extend the date of maturity of the First Mortgage Bonds or any thereof.

SECTION 4. The Railroad Company covenants and agrees that this Indenture is and always will be kept a first lien upon all the mortgaged property, subject only to the prior liens specified or referred to in the granting clauses hereof and to purchase money liens on property acquired after the date hereof, and that it will not voluntarily create or suffer to be created or to arise any other lien or charge having priority to, or preference over, the lien of this Indenture upon the mortgaged property, or any