liability that may arise from any thereof.

Section 3.19. That they will not so long as this Indenture shall be outstanding and the Bonds secured hereunder remain unpaid, create or suffer or permit to be created any mortgage, pledge or other lien or encumbrance upon any property now owned by said Corporations lying in Baldwin City, Douglas County, Kansas.

ARTICLE FOUR

SINKING FUND

Section 4.01. In order to provide for the reduction from time to time of the mortgage indebtedness by the purchase or redemption of Bonds, the Corporations covenant that they will establish a special trust fund to be known as the "Bond Sinking Fund". The Corporations covenant that on or before the 15th day of January and the 15th day of July of each year commencing on January 15, 1943 they will pay to the Trustee to the credit of the Bond Sinking Fund a sum sufficient to redeem on the next interest payment date Bonds in the principal amount of Ten Thousand Dollars ($10,000.00) of the earliest maturity then outstanding.

Section 4.02. The Trustee with the written consent and authority of the holders of a majority in principal amount of the Bonds issued hereunder and then outstanding, shall have the right to waive, defer or reduce any one or more of such sinking fund payments.

Section 4.03. In lieu of paying cash for all or any part of the payments to the Bond Sinking Fund which the Corporations are required to make under the provisions of Section 4.01 of this Article, the Corporations, on or before the respective regular sinking fund payment dates, may deliver to the Trustee for cancellation any Bonds of the earliest maturity then outstanding and which have been reacquired by the Corporations, with all unmatured interest coupons attached; and the amount of cash which the Corpora-