

all payments into the Capital Fund required or permitted under the provisions of Section 1 of this Article VI and a computation showing the determination of such amounts in accordance with the provisions of said Section 1; (ii) the amounts of all expenditures from the Capital Fund made pursuant to the provisions of Sections 2, 3, 4, 5 and 6 of this Article VI, together with a description thereof in reasonable detail; (iii) the amounts of any reimbursements of the Capital Fund pursuant to the provisions of Section 4 of this Article VI; (iv) the amount charged to operating expense and income for depreciation of Equipment during such year; (v) the aggregate amount payable during such year on the principal of Equipment Obligations and into the sinking funds provided in subsection (b) of Section 2 of this Article VI; and (vi) the balance in the Capital Fund at the close of such calendar year; and if any expenditures have been made from the Capital Fund for any of the purposes described in subsection (a) of Section 2 of this Article VI, a statement of the Cost of Additions and Betterments for which such expenditures were made was not theretofore Bonded.

Section 8. The provisions of this Article VI are hereby made expressly subject to each and all of the remedies of the Trustee or the Bondholders as set forth in Article XV and the operation of the provisions of this Article VI shall be suspended during the continuance of either of the Events of Default specified in clause (f) or clause (g) of Section 2 of Article XV.

Bonds are delivered to the Corporate Trustee in lieu of cash required to be deposited in the Series A Sinking Fund.

Cash that is deposited with the Corporate Trustee as and for the Series A Sinking Fund, as required by the provisions of this Section 1, shall be applied by the Corporate Trustee, so long as no Event of Default has occurred and is continuing, to the purchase or redemption of Outstanding Bonds of Series A in accordance with the provisions of this Section 1.

The Corporate Trustee may purchase such Bonds of Series A either at private sale or in the open market at the lowest price or prices at which, in its sole discretion, it shall deem such Bonds reasonably obtainable; or, if the Corporate Trustee, in its sole discretion, shall deem it advisable, it may advertise for proposals to sell such Bonds to it, reserving the right to reject any or all such proposals in whole or in part, and may purchase such Bonds at the lowest price or prices asked in such proposals if it deems such purchases advisable; but no such Bonds shall be purchased at private sale or in the open market or in response to proposals, as aforesaid, at a price, including interest, in excess of the amount, inclusive of premium and interest, which would be payable in case of redemption thereof on the next January 1.

Whenever the balance of cash remaining on deposit in the Series A Sinking Fund on October 1 of any year equals or exceeds \$50,000, the Corporate Trustee shall apply such balance to the redemption of Outstanding Bonds of Series A on the next January 1, at the redemption price specified in Section 1 of Article IV. The Corporate Trustee shall give notice of such redemption in the name of the Company in the manner and in accordance with the applicable provisions of Article IV; and the Corporate Trustee is hereby appointed the agent of the Company for such purpose. The Company covenants that whenever any redemption of Bonds of Series

ARTICLE VII

SINKING FUNDS

Section 1. As and for a Series A Sinking Fund for the retirement of Bonds of Series A, the Company

(a) has deposited with the Corporate Trustee, concurrently with the execution and delivery of the Mortgage, the sum of \$80,000 in cash, in lieu of any amount which it might have been required to deposit with the Corporate Trustee under subsection (b) of this Section 1 out of Available Net Income for the calendar years 1944, 1945, 1946 and 1947 if the Mortgage and the provisions of said subsection (b) had been operative from January 1, 1944; and

(b) covenants that on or before April 1 of each year, beginning with the year 1949, it will deposit with the Corporate Trustee the sum of \$20,000 in cash or so much thereof as shall be applicable for such purpose out of Available Net Income for the preceding calendar year under subsection (c) of Section 1 of Article V.

In lieu of depositing cash with the Corporate Trustee to be held and applied as part of the Series A Sinking Fund, the Company may reacquire and deliver to the Corporate Trustee Bonds of Series A, bearing all unmatured coupons appertaining thereto, at the lower of the price or prices paid upon reacquisition (exclusive of any interest paid on such reacquisition) or the redemption price thereof (exclusive of interest) in effect on April 1 of the calendar year in which such delivery is made. Any such Bonds of Series A so delivered to the Corporate Trustee shall be accompanied by an Officers' Certificate stating (i) that such Bonds have been duly issued and outstanding and have been reacquired by the Company, (ii) the price or prices (exclusive of accrued interest) at which they were reacquired, (iii) that none of such Bonds has theretofore been Bonded, and (iv) that such

A shall be required under the provisions of this Section 1, it will at the request of the Corporate Trustee take all action necessary, and authorize the Corporate Trustee to take all action necessary, to redeem such Bonds.

The Company covenants that, in connection with any purchase or redemption of Bonds of Series A under this Section 1, it will deposit with the Corporate Trustee, upon request of the Corporate Trustee in the case of purchase, or prior to the date fixed for redemption in the case of redemption, an addition to funds theretofore deposited in the Series A Sinking Fund, an additional sum in cash sufficient to pay, in the case of purchase, the excess, if any, of the purchase price, including interest, over the principal amount thereof, and in the case of redemption, all premiums and interest required to be paid thereon to the date fixed for redemption.

All advertising and publishing costs, commissions, postage and other expenses incurred in the purchase or redemption of such Bonds of Series A shall be paid by the Company, or, if paid by the Corporate Trustee, shall be repaid by the Company to the Corporate Trustee upon demand.

All Bonds of Series A purchased or redeemed out of the Series A Sinking Fund, and all Bonds of Series A delivered by the Company to the Corporate Trustee in lieu of depositing cash in the Series A Sinking Fund, shall be cancelled and shall not be made the basis for the authentication and delivery of any Bonds or the withdrawal, payment or application of any cash under any provision of the Mortgage.

Section 2. As and for an Emergency Sinking Fund for the retirement of Emergency Bonds, the Company covenants that on or before April 1 of each year it will deposit with the Corporate Trustee an amount in cash equal to 10% of the aggregate principal amount of Emergency Bonds that have