

any 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 interest, which would be payable in case of redemption thereof on the next April 1.

Whenever the balance of cash remaining on deposit in the Series A Sinking Fund on January 1 of any year, beginning with the year 1949, equals or exceeds \$50,000, the Corporate Trustee shall apply such balance to the redemption of Outstanding Bonds of Series A on the next April 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 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, in 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 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. Whenever the acquisition of Bondable Equipment is made the basis for the authentication and delivery of Bonds of any series created for such purpose, the Company covenants that it will, by supplemental indenture, establish

an Equipment Sinking Fund for the retirement of all of the Bonds of such series during the term of such Bonds, and will covenant therein to deposit with the Corporate Trustee funds sufficient for that purpose in equal semi-annual installments to and including the latest date of maturity of the Bonds of such series. Such deposits shall be made from funds derived from current charges to operating expenses or income on account of depreciation of such Bondable Equipment to the extent that such source is adequate therefor.

Cash that is deposited with the Corporate Trustee as and for an Equipment Sinking Fund, as required by the provisions of this Section 2, shall be applied by the Corporate Trustee, so long as no Event of Default has occurred and is continuing, to the retirement of Bonds of the series with respect to which such Equipment Sinking Fund was established and in accordance with the supplemental indenture creating such series.

All Bonds retired through the operation of any Equipment 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.

## ARTICLE VIII GENERAL COVENANTS

The Company covenants as follows:

SECTION 1. The Company will duly and punctually pay or cause to be paid the principal of, premium if any and interest on the Bonds at the times and at the place or places and in the manner and to the extent specified therein and in the coupons.

SECTION 2. The Company will maintain in the City of Chicago, State of Illinois, an office or agency where payment of the principal of, premium if any and interest on Bonds may be made, where notices, presentations and demands to or upon the Company in respect of Bonds or coupons or in respect of the Mortgage may be given or made and where Bonds may be registered, transferred and exchanged. The Company will also maintain a similar office or agency in each other city where the principal of or interest on any of the Bonds is payable, as provided in Article II. The Company will give to the Corporate Trustee notice of the location of all such offices or agencies and of any change of location thereof. In case the Company shall fail to maintain any such office or agency or shall fail to give notice of the location or of any change in the location thereof, notices, presentations and demands may be given or made at the principal office of the Corporate Trustee.

If the Company shall appoint a paying agent other than the Corporate Trustee, it will cause such paying agent to execute and deliver to the Corporate Trustee an instrument in which such agent shall agree with the Corporate Trustee, subject to the provisions of this Section 2,

(a) that it will hold all sums held by it as such agent for the payment of the principal of, premium if any or interest on any of the Bonds (whether such sums have