portions thereof shall be paid and redeemed out of the funds deposited with the Trustee in the sinking fund as aforesaid, at said redemption price, and on and after said redemption date interest on said bonds or on the specified portions thereof shall cease to accrue.

SECTION 4. All bonds and the coupons, if any, attached thereto, delivered uncancelled to the Trustee for the purpose of the sinking fund or redeemed as above provided with moneys in the sinking fund, shall be forthwith cancelled by the Trustee, and shall be delivered to or upon the written order of the Company; and all such bonds and all bonds redeemed at the option of the Company used to reduce the amount of bonds to be retired through the sinking fund as provided in Section 1 of this Article III, shall thereafter, for all purposes of the Indenture and this Third Supplemental Indenture, be deemed to have been bonded, but only so long as any Bonds of Third Series remain outstanding, and when no bonds of such series remain outstanding such bonds so delivered to the Trustee for the sinking fund, or redeemed with moneys in the sinking fund, or redeemed at the option of the Company and used to reduce the amount of bonds to be retired through the sinking fund, as provided in Section 1 of this Article III, shall cease to be bonded.

ARTICLE IV.

REPLACEMENT FUND.

SECTION 1. For the purpose of this Article IV, the definitions contained in and the methods of computation prescribed by this Section 1 shall be applied, unless the context otherwise requires:

(a) The "amount of the gross property account" of the Company at November 30, 1946, shall be deemed to be $84,081,000. The "amount of the gross property account" at any subsequent date shall be $84,081,000,

plus the original cost (estimated, if necessary) of depreciable property additions of the Company made to such subsequent date, less the amount of all property retirements of depreciable property made to such subsequent date. For the purpose of determining the amount of the gross property account of the Company, notwithstanding the definition of "property retirements" contained in Article I of the Indenture, (i) property retirements shall be deemed to include depreciable property additions not theretofore bonded, which shall have worn out or been retired, discontinued or abandoned, whether or not renewed or replaced (but shall not include any property only temporarily out of use), or which shall have been sold or otherwise disposed of or released, and (ii) the amount of all property retirements of depreciable property shall be computed at the original cost thereof (estimated, if necessary).

(b) The "amount of the gross property account for the period covered by the replacement certificate" shall be deemed to be the amount of the gross property account of the Company at the date of the beginning of the period covered by such replacement certificate.

(c) The "replacement requirement for the period covered by the replacement certificate" shall be deemed to be an amount equal to two and four-tenths per cent (2.4%) of the amount of the gross property account for the period covered by the replacement certificate, if such replacement certificate covers a period of one year, and a proportionately lesser amount if the replacement certificate covers a period of less than one year.

(d) The "cumulative replacement requirement" shall be the sum of the replacement requirements for all periods covered by replacement certificates filed hereunder, including the replacement certificate then being filed.

SECTION 2. The Company covenants that, so long as any of the Bonds of Third Series are outstanding, it will deliver to the Trustee a replacement certificate (1) within four months

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