

interest shall all be called and retired before any bond bearing a lower rate of interest, and shall certify to the Company the serial numbers and distinguishing letters of the bonds so drawn, and the bonds so drawn shall be specified in such notice by such numbers and letters as the bonds called for redemption in such interest date. If any of the bonds to be redeemed shall be registered, similar notice directed to all the persons severally who shall appear on the books of the Trustee as the registered holders of such bonds at their addresses as the same shall appear, if at all, on the bond register, shall be mailed by the Company, postage prepaid, at least sixty days prior to the date fixed for such redemption. If on or before such redemption date the Company shall deposit with the Trustee a sum sufficient for the redemption of the bonds which shall have been called for redemption in the published notice, such bonds so called for redemption shall be considered redeemed, and they shall become and be payable at the redemption date specified in such notice, by the Trustee at its office in Chicago, at the said rate of 103 per cent. of their face value with such accrued interest. In case any question shall arise as to whether any such notice shall have been sufficiently given, such question shall be decided by the Trustee in its discretion, and the decision of the Trustee shall be final and binding upon all parties in interest. On or after the redemption date specified in such notice the Trustee shall so pay or cause to be paid out of the moneys which shall have been deposited with it by the Company for that purpose, the bonds specified in such notice upon surrender thereof with all unmatured coupons attached. If any such called bonds shall not be presented for payment on such redemption date specified therefor, the Trustee shall thenceforward hold on special trust deposit for the benefit of the holder of such bond the sum so deposited for its redemption at the rate aforesaid, and shall pay said bond at said rate when presented for payment, and no further interest shall accrue on any such called bond after such redemption date fixed in said notice, and any coupons for interest on such bond maturing after such date shall become null and void anything in such bonds or coupons or in this indenture to the contrary notwithstanding. All bonds so redeemed and paid shall be cancelled by the Trustee when received, and shall be delivered to the Company on demand. In case the holder of any bond or coupon shall not within six years after the date fixed as aforesaid for the redemption of such bond, or of the bond to which such coupon shall appertain, demand payment of the amount so deposited for the payment of such bond or coupon, the Trustee shall upon demand of the Company, its successors or assigns, pay the amount so deposited for the payment of such bond or coupon to the Company, its successors or assigns, and all liability of the Trustee with reference to such money shall thereupon cease.

Section. 2. The Company covenants that on the first day of May in each year from and including 1918 to and including 1934 it will pay to the Trustee, as and for a sinking fund to be specially applied to the purchase or redemption of bonds which shall have been issued hereunder, a sum of money equal to one (1) per cent. of the aggregate face value of all bonds which shall be theretofore certified and issued hereunder whether then outstanding or not and all bonds reserved by the Trustee under Section 4 of Article 11, against underlying liens, immediately upon receiving any payment on account of sinking fund, the Trustee may in its discretion purchase in the open market at the then market price thereof, but not exceeding par and accrued interest and a premium of three (3) per cent. on the principal, as many of the bonds issued under this indenture, and bearing the highest rate of interest of any such outstanding bonds, as can be acquired with the sum so paid and any additional funds which the Trustee may then have in its