

possession for account of the sinking fund . Any such money which the Trustee shall not have so expended in purchasing bonds in open market shall be by it used to redeem outstanding bonds by lot on the first day of the succeeding November, at the said rate of one hundred and three (103) per cent. of the face value of said bonds, besides accrued interest. All the terms and provisions of Section 1 of this article respecting the redemption of bonds by the Company shall apply to and govern the mode and effect of the calling of bonds for the sinking fund by the Trustee, except that all notices shall be given by the Trustee instead of the Company.

Section 3. All bonds purchased or redeemed by the Trustee or received by it under section 4 of this Article for account of sinking fund under this article shall be stamped by it with the words "property of the sinking fund and not negotiable" and shall be retained by the Trustee as part of the mortgaged property and interest thereon in accordance with their terms shall be paid by the Company and be added to the sinking fund. The Numbers of such bonds shall not be included in any drawings by lot for purchase or redemption.

Section 4. In making any payment on account of sinking fund, the company may at its option deliver to the Trustee any outstanding bonds secured hereby bearing the highest rate of interest of any bond outstanding, with all unmatured coupons, which bonds shall be received by the Trustee at their face value as the equivalent of cash.

#### ARTICLE V.

##### Underlying Bonds.

Section 1. Any underlying bonds or other securities which shall be deposited with the Trustee under the provisions of Article 11 of this indenture shall be held by the Trustee as part of the mortgaged property.

Section 2. The Company shall have the right to apply any such bonds or securities so held by the Trustee under the provisions of this article to the discharge of the sinking fund provisions of the mortgage securing the same.

Section 3. In case of default in the payment of any interest or principal of any such underlying bonds or securities so held by the Trustee or in case of default in any covenant or condition in any mortgage or other instrument securing the payment thereof, the Trustee may in its discretion enforce the payment of any such securities or take such action as its counsel may deem suitable to protect the interest of the Trustee and the bondholders hereunder.

Section 4. Whenever (1) the Company shall deposit, in accordance with the terms of any mortgage or other instrument securing such underlying bonds or securities, sufficient funds for the full and final payment or redemption of all bonds or securities or of any particular maturity thereof, which shall at the time be outstanding under such mortgage or other instrument and which shall not then be held hereunder; or (2) all the outstanding issue of a series of such underlying bonds or securities or of any particular maturity thereof shall be held by the Trustee hereunder, then, and in either such event, the Trustee shall cause such bonds or securities, or those of such particular maturity as the case may be, to be cancelled and delivered to the Treasurer of the Company or his order, and the Company shall, in case of cancellation of all the bonds or securities of any such issue, forthwith procure the execution and recording of the release and satisfaction of the mortgage or other instrument securing the same.

#### ARTICLE VI.

##### Special Trust Fund.

Section 1. The Company covenants that it will deposit in a special Trust Fund