

If the aggregate face amount of scrip certificates surrendered, as therein provided, for exchange into Eight per Cent. Cumulative Preferred Stock is an amount in excess of one share, the company shall, at the time of delivery of the certificates of stock called for by the surrendered scrip, issue a scrip certificate in an amount equal to such excess.

SECTION 6. Upon the conversion of Bonds, as provided in this Article, all bonds surrendered for conversion and all coupons appertaining to such bonds shall at once become null and void and shall be cancelled by the Trustee and upon the written request of the Company shall be delivered to it; but this shall not be taken to relieve the Company from any obligation to pay to the persons respectively entitled thereto, the amount of any unpaid interest represented by any outstanding coupons matured at the time of such conversion and pertaining to any Bond or Bonds so surrendered for conversion.

SECTION 7. The Company covenants that while any of the Bonds of Series "A" issued hereunder are outstanding, it will not create any class of stock on a parity with or having priority over its Eight per Cent. Cumulative Preferred Stock as the same is now existing; and that it will not increase the authorized issue of such Eight per cent. Cumulative Preferred Stock; and that it will not change, alter, modify or vary the preferences, privileges or restrictions in respect of such Eight per Cent. Cumulative Preferred Stock unless it shall have procured and lodged with the Trustee hereunder an opinion from an attorney or attorneys appointed by the Company and satisfactory to the Trustee, that such change, modification, alteration or variation does not adversely affect the rights of the holders of such Eight per Cent. Cumulative Preferred Stock.

#### ARTICLE VII.

##### DEPLETION AND DEPRECIATION FUND.

SECTION 1. The Company covenants and agrees that it and/or the Subsidiary Companies shall at all times, so long as any Series "A" Bonds are outstanding, have expended as a Depletion and Depreciation Fund in addition to its obligations contained in Article V, an amount not less than three million dollars (\$3,000,000) multiplied by the number of full years elapsed since December 1, 1921, in any one or more of the following methods:

A. in the acquisition by the company and/or the Subsidiary companies of additional property, the making of extensions, additions or improvements, or the acquisition of securities, of the nature which might be the basis for the issuance of Residue Bonds pursuant to Section 5 of Article II; provided, however, that in case any Subsidiary Company in which the company in which the company has less than a 95% interest, shall acquire any additional property or make any permanent improvements, extensions or additions, the company shall be credited with only such percentage of the cost as is equal to the percentage of the interest of the Company in such Subsidiary Company computed as provided in Section 3 of Article II, unless there shall be pledged with the Trustee mortgage bonds of such Subsidiary Company to an amount at face value equal to the actual cost of such additional property, permanent improvements, extensions or additions; or

B. in the purchase by the Bankers, with or without call for tenders, as shall be requested by the company, of Bonds of Series "A" at not exceeding the then prevailing Sinking Fund redemption price specified in Article V; or

C. in redeeming Bonds of Series "A" at the then prevailing sinking fund redemption price specified in Article V; or

D. in pledging with the trustee, United States Government securities to be taken at their market value at the time of so pledging; or

E. in pledging with the trustee, personal property to be taken at its market value at the time of so pledging; or