

to defray the cost of permanent improvements, upon receipt of an engineer's certificate, an opinion of counsel and a resolution, as above provided, showing that such permanent improvements have been made, the extent and cost thereof and that such permanent improvements are subject to the lien of this Indenture. Until any of such cash shall be so expended by the Corporate Trustee, the same shall be held hereunder as further security for the bonds, but any such money not so paid out by the Corporate Trustee for the purpose of permanent improvements, as above provided, within eighteen months after its receipt by the Corporate Trustee, shall without further action by the Corporation, be taken by the Corporate Trustee as an additional payment into the Sinking Fund and applied to the purchase and/or redemption of bonds, as provided in Article IV. Any bonds so delivered to the Corporate Trustee shall be forthwith cancelled by the Corporate Trustee and shall be delivered, upon request, to the Corporation, and no bonds shall be issued in exchange therefor or in lieu thereof.

In case the engineer's certificate referred to in (1) above shall show that the Corporation has during any fiscal year expended in excess of \$200,000 for the purpose of permanent improvements, the Corporation shall be credited with such excess in any subsequent year or years with respect to its obligations hereunder.

The engineer's certificate referred to in (1) above shall state, in addition to the matters provided for above, that the permanent improvements therein referred to have not been made the basis for a credit to the Corporation upon its obligations hereunder and have not been constructed, in whole or in part, from the proceeds of moneys released by the Corporate Trustee under the provisions of Article VIII hereof.

SECTION 17. That so long as any of the bonds are outstanding, it will, upon request of the Bankers, elect to its Board of Directors and to its Finance or Executive Committee a representative of the Bankers and maintain such representative or representatives on the Board of Directors of the Corporation and the Finance or Executive Committee.

ARTICLE IV.

SINKING FUND.

SECTION 1. As and for a sinking fund, the Corporation has paid \$5,000 in cash to the Corporate Trustee at the time of issue of the bonds, and in addition thereto, will pay to the Corporate Trustee, in gold coin of the United States of America, of, or equal to, the standard of weight and fineness existing January 1, 1923, (1) on or before February 1, 1923, and on or before the first day of each calendar month thereafter the sum of \$5,000 in cash, and (2) annually, commencing April 1, 1924, on or before the first day of April in each year, an amount equal to 20% of the total amount of cash dividends paid upon the common stock of the Corporation during the preceding fiscal year.

The monies in the sinking fund shall be applied by the Corporate Trustee to the purchase of bonds, if obtainable, at prices not exceeding the then current redemption price thereof, together with accrued interest. The Corporate Trustee may purchase bonds at public or private sale, with or without advertising, in any usual manner. If bonds are not so obtainable, the monies in the sinking fund shall accumulate, and until applied to the redemption of bonds, as hereinafter provided, all monies in the sinking fund shall be held by the Corporate Trustee as further security for the bonds. All bonds purchased for the sinking fund, together with all unmatured coupons appertaining thereto, immediately upon such purchase, shall be cancelled by the Corporate Trustee and delivered, upon request, to the Corporation, and no bonds shall be issued in exchange therefor or in lieu thereof.

If bonds sufficient to exhaust the monies then in the sinking fund shall not be so obtained within 45 days prior to any semi-annual interest date, the Corporate Trustee shall, on such semi-annual interest date, apply the balance of the sinking fund, including