

years, provided the Trustee shall consent to such lease; and the Trustee is hereby empowered and authorized, in its absolute discretion, to give such consent;

(5) a sale or exchange of any such real estate or any interest therein or any such plant the value whereof shall exceed twenty-five thousand dollars, provided the Trustee shall consent to such sale or exchange. Any sale made under this sub-division (5) may be made entirely for cash, or partly for cash and partly for other real estate or property or bonds or other obligations for deferred installments of the purchase price, secured by purchase money mortgage or by vendor's lien or otherwise upon and by the real estate or interest therein or plant so sold. The Trustee shall consent to any sale or exchange under this sub-division (5) only upon receipt by it of a written request of the Company, signed by its President or Vice-President and approved or authorized by a resolution of its Board of Directors (a copy whereof, certified by the Secretary or an Assistant Secretary of the Company under its corporate seal, shall be delivered to the Trustee with such request), and upon the receipt of a certificate of the Company, signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer or by the Comptroller or Auditor of the Company setting forth (a) that such sale or exchange is advisable and in the best interest of the Company and of the subsidiary company making the same, (b) the value of the real estate or interest therein or plant so sold or exchanged, (c) that the consideration received or to be received for such real estate or such interest or such plant is at least equal to the value thereof, and (d) in case of a sale, that the part of the consideration received in cash and the bonds or other obligations for deferred installments of the purchase price are therewith paid and/or assigned, transferred and delivered or upon the receipt thereof will promptly be paid and/or assigned, transferred and delivered to the Trustee, and that any real estate or other property forming part of the consideration received or to be received upon any such sale or exchange has been or simultaneously with such sale or exchange will be conveyed to the subsidiary company making such sale or exchange; and the Company agrees that the cash received in the case of any such sale or exchange and any bonds or other obligations for deferred installments of the purchase price will, immediately upon receipt thereof, be paid and/or assigned, transferred and delivered to the Trustee. Any cash received by the Trustee upon any such sale or exchange and any cash collected or received by it upon or on account of any bonds or other obligations for deferred installments of the purchase price shall be applied by the Trustee for the purposes hereinafter in Section 9 of Article Eight provided in respect of the moneys in said Section 9 referred to, at the rate and subject to the restrictions in said Section 9 set forth.

Section 13. The Company will, at its own expense, in addition to complying with all the other provisions hereof in respect of recording, registering or filing the same, record and re-record, register and re-register and file and refile this Indenture and every indenture supplemental hereto, so far as may now or hereafter be acquired by law in order to constitute this Indenture and any such supplemental indenture valid, subsisting and continuing liens upon all the real estate and other property included in the trust estate including that covenanted to be hereafter conveyed, assigned, mortgaged or pledged hereunder. The Trustee may authenticate and deliver Bonds, in respect whereof any supplemental indenture shall have been executed, prior to the recording, registering or filing thereof.

Section 14. The Company will duly and punctually pay, when and as the same shall become due and payable, the principal of and interest on, or will renew or extend, any and all bonds or other obligations secured by liens prior to the lien hereof upon any property which shall at any time be subject to the lien of this Indenture; and the Company will cause every subsidiary company to pay when and as the same shall become due and payable or to renew or extend any and all bonds or other obligations or indebtedness of such subsidiary company.

Section 15. The Company covenants and agrees that it will not issue, negotiate, sell, or dispose of any Bonds or use any of the proceeds thereof or any moneys held or which should be held by the Trustee or any moneys at any time held by the Company subject to any provision of this Indenture otherwise than in accordance with the provisions hereof.

Section 16. The Company is duly authorized under the laws of New Jersey and all other applicable provisions of the law to create and issue the Bonds and to execute this Indenture and to mortgage and pledge the property conveyed, mortgaged and pledged hereunder, and all corporate action on its part for the creation and issue of the Bonds and the execution of this Indenture has been duly and effectually taken; and the Bonds in the hands of the holders thereof are and will be valid and enforceable obligations of the Company in accordance with the terms thereof and hereof.

Section 17. The Company will not consolidate with or merge into or sell or transfer the trust estate as an entirety or substantially as an entirety to any other corporation save as provided in and upon the terms and conditions permitted by the provisions of Article Nine hereof.

ARTICLE FOUR.

Redemption of Bonds.

Section 1. The Company may, at its election, pay and redeem the Bonds of Series A, as a whole at any time or in part on any interest payment date, at one hundred and seven and one-half per cent. of the principal amount thereof if redeemed on or prior to June 1, 1932; at one hundred and five per cent. of the principal amount thereof, if redeemed after June 1, 1932 and on or prior to June 1, 1942; at one hundred and four per cent. of the principal amount thereof, if redeemed after June 1, 1942 and on or prior to June 1, 1943; at one hundred and three per cent. of the principal amount thereof, if redeemed after June 1, 1943 and on or prior to June 1, 1944; at one hundred and two per cent. of the principal amount thereof, if redeemed after June 1, 1944 and on or prior to June 1, 1945; at one hundred and one per cent. of the principal amount thereof, if redeemed after June 1, 1945 and on or prior to June 1, 1946; and at the principal amount thereof, if redeemed after June 1, 1946; in every case together with accrued interest.

Section 2. In case the Company shall elect or exercise the right to pay and redeem all or any of the Bonds of Series A, it shall give notice thereof by publication, at least once in each week for four successive weeks prior to the date on which any such payment and redemption is to be made (the first publication to be not less than thirty days nor more than forty days prior to the redemption date specified in such notice) in at least one newspaper of general circulation in the Borough of Manhattan in the City of New York, specifying that the Bonds to be redeemed are of Series A and, if less than all of the Bonds of such Series are to be redeemed, the numbers of the Bonds to be redeemed (which, prior to the publication of such notice, shall have been designated by lot under the direction of the Trustee) and stating that the interest on the Bonds in such notice designated for redemption will cease on the redemption date specified in such notice and requiring that such Bonds, together with all unmatured coupons appertaining thereto, be presented in negotiable form on said date for payment and redemption at an office or agency of the Company in the City of New York specified therein. A similar notice shall be mailed by the Company, postage prepaid, not less than thirty days prior to the date fixed for any such redemption, to all registered owners of Bonds of Series A to be redeemed, whose addresses shall appear on any register of the Company. Notice having been so given, the Bonds of Series A so designated for redemption shall, on the date stated in such notice, become and be due and payable at the then current redemption price; and from and after the date of redemption so stated (unless the Company shall make default in the payment of such redemption price) interest on the Bonds of Series A so designated for redemption shall cease to accrue and, upon presentation in negotiable form and surrender at the office or agency of the Company in the City of New York in accordance with said notice of any of said bonds of Series A, together with all coupons thereto appertaining maturing on and after said date of redemption, they shall be paid by the Company at the redemption price aforesaid. If not so paid, such Bonds shall continue to bear interest at the rate therein expressed until payment thereof.

Section 3. Bonds of any series other than Series A, if any, may, as provided in Article One hereof, contain provisions for the redemption thereof identical with or different from the provisions for the redemption of the Bonds of Series A, or may omit any provisions for the redemption thereof.

Section 4. On the deposit with the Trustee of an amount sufficient to pay and redeem all of the outstanding Bonds of every series at the then current redemption price or prices thereof and on delivery to the Trustee of (1) proof satisfactory to the Trustee that notice or notices of redemption has or have been given as provided in this Indenture, in respect of Bonds of Series A, and as provided in indentures supplemental hereto, in respect of Bonds of other series, or (2) proof satisfactory to the Trustee that arrangements have been made insuring to the satisfaction of the Trustee that such notice or notices will be so given or (3) a written instrument executed by the Company, under its corporate seal, expressed to be ir-

revocable, authorizing the Trustee so to give such notice or notices for and on behalf of the Company, and on payment to the Trustee of all costs, charges and expenses in relation thereto, and upon making provision, in the manner provided in that behalf, for the exercise of the conversion rights, if any, granted and then continuing in respect of any Bonds outstanding, the Trustee shall cancel and satisfy this Indenture and all indentures supplemental hereto and shall assign or cause to be assigned and shall deliver to the Company all stocks, bonds or other obligations pledged hereunder and shall, at the expense of the Company, reconvey and re-assign to the Company by proper instruments in that behalf all other property then held by the Trustee hereunder; provided, however, that, of any such stocks, bonds or other obligations or other property shall have been delivered to the Trustee by any person or corporation solely as provided in Clause VIII of the Granting Clauses hereof, the same shall be delivered or otherwise disposed of in accordance with any reservations, limitations, conditions or provisions which may have been set out in the instrument in writing, if any, respecting the use, management and disposition of such stocks, bonds or other obligations or other property.

Section 5. The Trustee shall apply the moneys deposited with it under any of the provisions of this Article to the payment, at the redemption price or prices thereof, of the Bonds so called for redemption, but shall in no event be liable beyond the amount so deposited with it. Any moneys so deposited, which shall not be required for the purpose for which such deposit was made, shall be repaid to the Company, upon its written request; and any such moneys remaining unclaimed by the holders of Bonds and coupons for six years after any redemption date thereof specified in any notice given pursuant to any of the provisions of this Article shall be paid by the Trustee to the Company; provided, however, that the Trustee, before being required to make any such payment, may at the expense of the Company cause to be published once a week for four successive weeks in a newspaper of general circulation in the Borough of Manhattan in the City of New York notice that said moneys remain unclaimed as aforesaid, and that after a date named therein, unless claimed by those entitled thereto, they will be returned to the Company.

Section 6. All Bonds redeemed or paid pursuant to the provisions of this Article and the appurtenant coupons shall be cancelled and shall be delivered to the Company on its written request, and no Bonds shall be issued in place thereof.

ARTICLE FIVE.

Sinking Fund.

Section 1. As a sinking fund for the purchase and retirement of the Bonds of Series A, the Company will pay to the Trustee on October 1, 1923, and thereafter on October 1 in every year until and including October 1, 1932, a sum sufficient to redeem and retire, at the redemption price current at the time when any such payment is to be made, two per cent. of the greatest aggregate principal amount of Bonds of Series A which shall have been issued prior to the time when any such payment is to be made, but not less than five hundred thousand dollars principal amount of said Bonds, and on October 1, 1933, and thereafter on October 1 in every year until and including October 1, 1946, a sum sufficient to redeem and retire, at the redemption price current at the time when any such payment is to be made, two and one-half per cent. of the greatest aggregate principal amount of Bonds of Series A which shall have been issued prior to the time when any such payment is to be made, but not less than six hundred and twenty-five thousand dollars principal amount of said Bonds. In case any Bonds of Series A in excess of twenty-five million dollars principal amount shall be issued, the amount of every sinking fund installment payable after the issue of any such additional Bonds of Series A shall be proportionately increased in such amount that the aggregate of all sinking fund installments theretofore paid and thereafter payable in respect of the Bonds of Series A shall be sufficient to redeem and retire, at the respective redemption prices current at the several times when such payments were made and are to be made, fifty-five per cent. of the greatest aggregate principal amount of the Bonds of Series A that shall have been issued at any time. In addition to the sinking fund payments aforesaid, the Company shall pay to the Trustee from time to time on its demand an amount equal to the accrued interest from the date when any such payment is to be made, payable by the Trustee on any Bonds of Series A to be purchased or redeemed by it with moneys in the sinking fund, as in Section 2 of this Article provided; and the Trustee is hereby authorized to make such demand from time to time upon the Company for the amount or amounts equal to the accrued interest so payable as aforesaid. The Company shall have the right to exceed said sinking fund requirements on any sinking fund installment date and to have such excess credited against its sinking fund obligation on any subsequent sinking fund installment date or dates. The Company shall also have the right to deliver to the Trustee Bonds of Series A that shall have been previously issued hereunder and disposed of by the Company and thereafter again acquired by the Company (but which shall not have been cancelled) in lieu of the whole or any part of any sinking fund installment to be paid as in this Section provided, and in every such case the Bonds of Series A so delivered shall be accepted by the Trustee as the equivalent of cash, at the then current redemption price thereof, irrespective of the market value thereof or the price paid therefor by the Company. That part of any sinking fund installment which shall be paid in cash shall be applied by the Trustee as provided in Section 2 of this Article.

Section 2. The Trustee shall, upon the receipt of any payment in cash on account of any sinking fund installment, cause to be published daily (except Sunday) for one week in a newspaper of general circulation in the Borough of Manhattan, City of New York (the first publication to be not later than five days after the receipt of such payment), a notice stating that it has received such payment in cash and inviting tenders of Bonds of Series A, at prices not exceeding the then current redemption price, to be submitted to it on or before a date to be specified in such notice (which date shall not be earlier than seven days nor later than ten days after the first publication of such notice) and, within five days after completion of such publication of such notice, shall apply such cash payment, so far as possible to the purchase of Bonds of Series A tendered pursuant to such notice, at the lowest prices, not exceeding the then current redemption price thereof. In its discretion the Trustee may accept any such tender in whole or in part and shall give to those, whose tenders are accepted, reasonable notice of such acceptance and of the date on which the tendered Bonds of Series A shall be presented for purchase. If the tenders of Bonds of Series A sufficient to exhaust the moneys in the sinking fund shall not be made and accepted on or before the date specified in such notice, the Trustee shall, after having applied such moneys, to the purchase of the Bonds of Series A tendered and accepted on or before said date, as aforesaid, apply the balance of such sinking fund moneys to the redemption, in the name and for and on behalf of the Company, of Bonds of Series A on the next succeeding June 1 or December 1, as the case may be, at the price and in the manner provided in Article Four hereof; and the Trustee is hereby authorized and empowered in such case to redeem, with such sinking fund moneys, Bonds of Series A in the name and for and on behalf of the Company.

Section 3. All Bonds of Series A delivered by the Company to the Trustee pursuant to Section 1 of this Article and all such Bonds purchased or redeemed by the application of moneys in the sinking fund shall forthwith be cancelled by the Trustee and shall be delivered to the Company on its written request and no Bonds shall be issued in place thereof.

Section 4. Any and all Bonds of Series A which shall have been authenticated and delivered by the Trustee as provided in Article Two hereof shall, for the purposes of this Article, be and be deemed to be Bonds of Series A issued hereunder, whether or not any of such Bonds of Series A shall have been sold, pledged or otherwise disposed of by the Company.

ARTICLE SIX

Control of Pledged Securities.

Section 1. All stock certificates and bonds or other obligations (whether in definitive or in temporary form), which are required by any of the provisions of this Indenture to be pledged with the Trustee hereunder, shall be delivered to the Trustee and shall be held by and in the custody of the Trustee subject to the terms and provisions of this Indenture. All stock certificates and all registered bonds or other obligations, which may at any time be delivered to the Trustee under the terms of this Indenture, shall be endorsed in blank for transfer or accompanied by appropriate instruments of assignment and transfer, duly executed by the registered holders or owners thereof, and the Trustee may (but need not) cause such registered bonds or other obligations (not including stock certificates) to be transferred or registered in its name as Trustee hereunder or in the name or names of its nominee or nominees. In the case of the happening of any of the events of default specified in Section 2 of Article Seven of this Indenture, the Trustee may cause to be transferred into its name or into the name or names of its nominee or nominees any or all shares of stock, certificates for which shall have been