

fineness existing December 1, 1927, without deduction for Federal income tax not in excess of 2% per annum which the Company, its successors or assigns or any officer or fiscal agent of the Company or the Trustee may be required or permitted to pay thereon or to deduct or retain therefrom under or by reason of any present or future law or requirement of the United States of America.

(b) The Company shall be obligated to reimburse to the bearer, or, if registered, to the registered owner, of each of the bonds of said series any Pennsylvania personal property taxes not exceeding 4 mills per annum on each dollar of the taxable value or principal amount of such bonds which may be legally assessed upon such bond or bonds or upon such bearer or registered owner by reason of his ownership thereof, and paid by him, if application for such reimbursement be made within ninety days after payment as below provided. A breach of this obligation shall not constitute a default under this Indenture, but the bondholder or bondholders concerned shall have individual right of action on account thereof. Application for reimbursement of any such taxes shall be made in writing (which shall be sworn to, if so required by the Company) and shall state that the bonds covered thereby are bonds of said series, the numbers of said bonds, the fact of ownership and imposition of such tax or taxes by said state, when such taxes were imposed and were paid, and that such taxes were assessed upon and paid by the bearer or registered owner as a resident of said state. Each such application shall be made to the Company at its office or agency in the Borough of Manhattan, City and State of New York, and the Company shall not be liable to make reimbursement of any such taxes unless application be made within said period of ninety days, and in no event shall it be liable to make reimbursement for any interest or penalty assessed upon or paid by the bearer or registered owner in addition to the amount of said taxes as originally assessed.

(c) The bonds of said series shall be subject to redemption prior to maturity at the option of the Company, as a whole at any time, or in part on any interest payment date from time to time, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon at least thirty days' prior notice, given as more fully provided in Article 3 by publication at least once a week for at least three successive weeks in a daily newspaper of general circulation in said Borough of Manhattan, at the principal amount thereof with interest accrued thereon to the date fixed for redemption thereof, plus a premium equal to the following percentages of such principal amount, namely: 5% if redeemed prior to December 1, 1932; 4½% if redeemed on or after said date but prior to December 1, 1937; 4% if redeemed on or after said date but prior to December 1, 1949; and the premium then decreasing by ¼% on each anniversary of said date until December 1, 1964, on and after which date the bonds shall be redeemable without premium; that is to say:

- From date of issue to November 30, 1932, 5% ;
- December 1, 1932 to November 30, 1937, 4½% ;
- December 1, 1937 to November 30, 1949, 4% ;
- December 1, 1949 to November 30, 1950, 3¾% ;
- December 1, 1950 to November 30, 1951, 3½% ;
- December 1, 1951 to November 30, 1952, 3¼% ;
- December 1, 1952 to November 30, 1953, 3% ;
- December 1, 1953 to November 30, 1954, 2¾% ;
- December 1, 1954 to November 30, 1955, 2½% ;
- December 1, 1955 to November 30, 1956, 2¼% ;
- December 1, 1956 to November 30, 1957, 2% ;
- December 1, 1957 to November 30, 1958, 1¾% ;
- December 1, 1958 to November 30, 1959, 1½% ;
- December 1, 1959 to November 30, 1960, 1¼% ;
- December 1, 1960 to November 30, 1961, 1% ;
- December 1, 1961 to November 30, 1962, ¾% ;
- December 1, 1962 to November 30, 1963, ½% ;
- December 1, 1963 to November 30, 1964, ¼% ;
- December 1, 1964 to date of maturity, none.

(d) The bonds of said series shall not carry any sinking fund or conversion privileges.

ARTICLE 2.

Issue of Bonds and Application of Cash Deposited in Connection Therewith.

§2.01. Upon the execution and delivery of this Indenture, and without awaiting the filing and/or recording hereof, \$52,714,000 principal amount of bonds of the 4½% Series due 1967 may, as a whole at any time or in part from time to time, be executed and delivered by the Company to the Trustee, and shall thereupon be authenticated and delivered by the Trustee in accordance with the written order of the Company, signed in its name by its President or a Vice-President, under its corporate seal attested by its Secretary or an Assistant Secretary.

§2.02. At any time or from time to time thereafter, the Company may execute and deliver to the Trustee, and thereupon the Trustee shall authenticate and deliver, in accordance with the written application of the Company, additional bonds of the 4½% Series due 1967, and/or any other series theretofore established pursuant to the provisions of §1.09, to the principal amounts and on the bases permitted by the provisions of §2.04 (i.e., on the basis of the deposit of cash), §2.05 (i.e., on the basis of additional property) and §2.09 (i.e., for refunding purposes), respectively; but, before the Trustee shall authenticate and deliver any such bonds so executed and delivered to it by the Company (hereinafter referred to as the bonds applied for), there shall have been previously furnished to the Trustee, and/or the application shall be accompanied by, the following documents, namely:

A. A copy of a resolution or resolutions, certified by the Secretary or an Assistant Secretary of the Company, under its corporate seal, to have been duly adopted by the Board of Directors of the Company, authorizing the execution of a stated principal amount of bonds of a stated series sufficient to include the bonds applied for, designating the Section or Sections pursuant to the provisions of which said bonds are to be authenticated, and authorizing and requesting the Trustee to authenticate and deliver the same upon compliance by the Company with the provisions of this §2.02 and of the other Section or Sections pursuant to which said bonds are to be authenticated.

B. If the bonds applied for are of a series of which no bonds have previously been authenticated and delivered, evidence of the establishment of such series as provided for in §1.09.

C. The officially authenticated certificates or other documents evidencing any authorization or approval by any public service commission or other governmental authority specified in the opinion of counsel below required as being requisite to the legal issue of the bonds applied for, unless such opinion of counsel states that no such authorization or approval is at the time required by law.

D. A certificate signed by the Treasurer or an Assistant Treasurer of the Company showing compliance with the requirements of §2.03 in respect of available net earnings, where applicable.

E. An opinion of counsel stating that he has examined the application and other documents above required; that they are in proper form and comply with the requirements of this Indenture; that the execution, authentication and delivery of the bonds applied for have been sufficiently and duly authorized; that said bonds, when authenticated and delivered by the Trustee and duly issued by the Company, will be valid and binding obligations of the Company, entitled to the security of this Indenture; and that the Trustee is duly authorized hereunder to authenticate and deliver said bonds. Such opinion shall also state whether the authorization or approval of any public service commission or other governmental authority is at the time requisite for the legal issue of the bonds applied for, and, unless it be stated that no such authorization or ap-