

ARTICLE V.

COVENANT WITH RESPECT TO DIVIDENDS.

SECTION 1. The Company covenants that, so long as any Bonds of Fourth Series are outstanding, it will not declare or pay any dividend on its common stock (other than dividends payable solely in shares of its common stock) or make any other distribution on or purchase any shares of its common stock, unless, after giving effect to such dividend, distribution or purchase, the aggregate of all such dividends and distributions and all amounts applied to such purchases, subsequent to November 30, 1946, shall not exceed the earned surplus of the Company available for dividends on its common stock accumulated subsequent to November 30, 1946; and unless (in the case of dividends declared or paid after May 31, 1948) the remainder of such earned surplus so accumulated, after giving effect to such dividend, distribution or purchase, shall be at least equal to the sum of (a) the amount, if any, by which the aggregate of the amounts charged or provided by the Company for maintenance of and repairs to, and for depreciation of, the mortgaged property, from December 1, 1946, to May 31, 1948, shall be less than the cumulative maintenance and replacement requirement for the period December 1, 1946, to May 31, 1948, all determined as provided in Section 1 of Article IV of the First Supplemental Indenture, plus (b) the amount, if any, by which the aggregate of the amounts provided by the Company for depreciation of the mortgaged property from June 1, 1948, to the end of the calendar year preceding such dividend, distribution or purchase shall be less than the cumulative replacement requirement (determined as provided in Section 1 of Article IV of the Second, Third and Fourth Supplemental Indentures) at the end of such calendar year.

For the purposes of this Article V, the earned surplus of the Company available for dividends on its common stock

drawal or reduction of cash. Such changes shall become effective upon the filing with the Trustee of an officers' certificate stating that the bonded net property additions, bonds or prior lien bonds referred to therein are to cease to be bonded upon the utilization of an amount specified therein and determined as aforesaid, of the replacement fund credit stated in the last filed replacement certificate, and describing any bonded net property additions included therein and stating their cost and fair value to the Company, and describing any prior lien bonds theretofore deducted in respect of such net property additions.

Whenever any replacement fund credit, or any part thereof, has been utilized as hereinbefore in this Article IV stated, such replacement fund credit shall be diminished to the extent so utilized for all future purposes.

SECTION 6. Subject to Article IV of the First Supplemental Indenture, Article IV of the Second Supplemental Indenture, and Article IV of the Third Supplemental Indenture, whenever all Bonds of Fourth Series are paid or redeemed, the Company shall be entitled to any remaining moneys received by the Trustee and then held undeposited of under the provisions of this Article IV, and all net property additions, bonds and prior lien bonds, which have become bonded by being included in any replacement certificate filed under this Article IV, shall thereupon cease to be bonded; and, for the purposes of any subsequent application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash, prior lien bonds which shall have been deducted under item (d) of Section 2 of this Article IV shall no longer be deemed to have been deducted as provided in said item (d).