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, Fourth and Fifth Supplemental Indentures and Section 1 of Article III of the Sixth Supplemental Indenture) at the end of such calendar year.

For the purposes of this Article IV, the earned surplus of the Company available for dividends on its common stock accumulated subsequent to November 30, 1946, shall be determined in accordance with sound accounting practice; provided, however, that (i) all direct charges to earned surplus, except charges occasioned by dividends on preferred or common stock of the Company (other than dividends payable solely in common stock of the Company) or by other distributions on or purchases of shares of common stock of the Company, shall be deemed to be charges against earned surplus existing at November 30, 1946, to the extent thereof, and to such extent shall not diminish earned surplus accumulated subsequent to that date, and (ii) profits or losses resulting

from the sale or abandonment of capital assets, or taxes on or in respect of any such profits, shall not be credited to or charged against earned surplus of the Company available for dividends on its common stock accumulated subsequent to November 30, 1946.

The provisions of this Section 1 shall not apply to the acquisition of shares of common stock of the Company effected through the exchange of other shares of common stock of the Company or otherwise acquired without expenditure of assets of the Company.

Section 2. The Company covenants that, so long as any Bonds of Sixth Series are outstanding, it will file with the Trustee within four months after the close of each calendar year beginning after December 31, 1959, an accountant's certificate stating as of the end of such calendar year (i) the earned surplus of the Company available for dividends on its common stock accumulated subsequent to November 30, 1946, (ii) the aggregate amount of all dividends (other than dividends payable solely in shares of common stock of the Company) and other distributions on or purchases for value of shares of common stock of the Company subsequent to November 30, 1946, (iii) the cumulative maintenance and replacement requirement (determined as provided in Section 1 of Article IV of the First Supplemental Indenture) for the period December 1, 1946, to May 31, 1948, (iv) 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, (v) the cumulative replacement requirement (determined as provided in Section 1 of Article IV of the Second, Third, Fourth and Fifth Supplemental Indentures and Section 1 of Article III of the Sixth Supplemental Indenture)