

Article VI
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SECTION 4. No expenditures shall be made from the Capital Fund during any calendar year for the purposes provided in subsection (b) of Section 2 of this Article VI (1) unless the aggregate amount payable during such year on the principal of Equipment Obligations and into the sinking funds specified in said subsection (b) exceeds the aggregate amount charged and estimated to be charged to operating expense and income for depreciation of Equipment during such year, and then only to the extent of such excess, or (2) if the Board of Directors shall have adopted a resolution declaring it to be practicable to pay, or reimburse the treasury of the Company for payments of the principal of such Equipment Obligations or the amounts required by such sinking funds out of the proceeds of the issuance and sale of preferred or common stocks of the Company.

SECTION 5. No expenditures shall be made from the Capital Fund for the purposes provided in subsection (c) of Section 2 of this Article VI unless expenditures from the Fund for the purposes of subsections (a) and (b) of said Section 2 are prohibited by the provisions of Sections 3 and 4 of this Article VI.

SECTION 6. No expenditures shall be made from the Capital Fund in any calendar year for the purposes provided in subsection (d) of Section 2 of this Article VI unless, in the opinion of the Board of Directors, an emergency exists because the estimated income available for fixed charges of the Company for such year under the Uniform System of Accounts will be insufficient therefor.

In the event that income available for fixed charges of the Company under the Uniform System of Accounts, as finally determined for the year in question, was sufficient to have covered the expenditures, if any, from the Capital Fund, the

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to the Corporate Trustee a report signed as in the case of an Officers' Certificate, which report shall state separately with respect to the preceding calendar year: (i) the amounts of all payments into the Capital Fund required or permitted under the provisions of Section 1 of this Article VI and a computation showing the determination of such amounts in accordance with the provisions of said Section 1; (ii) the amounts of all expenditures from the Capital Fund made pursuant to the provisions of Sections 2, 3, 4, 5 and 6 of this Article VI, together with a description thereof in reasonable detail; (iii) the amounts of any reimbursements of the Capital Fund pursuant to the provisions of Section 6 of this Article VI; (iv) the amount charged to operating expense and income for depreciation of Equipment during such year; (v) the aggregate amount payable during such year on the principal of Equipment Obligations and into the sinking funds specified in subsection (b) of Section 2 of this Article VI; and (vi) the balance in the Capital Fund at the close of such calendar year; and if any expenditures have been made from the Capital Fund for any of the purposes described in subsection (a) of Section 2 of this Article VI, a statement that the Cost of Additions and Betterments for which such expenditures were made was not theretofore Bonded.

SECTION 8. The provisions of this Article VI are hereby made expressly subject to each and all of the remedies of the Trustees or the Bondholders, as set forth in Article XVI and the operation of the provisions of this Article VI shall be suspended during the continuance of either of the Events of Default specified in clause (f) or clause (g) of Section 2 of Article XVI.

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Company covenants to reimburse the Capital Fund immediately to the extent that such income available for fixed charges was sufficient to cover such expenditures.

In the event of any expenditures from the Capital Fund pursuant to subsection (d) of Section 2 of this Article VI, then, after such expenditures, no dividends on any class of capital stock of the Company shall be paid until there has been restored to the Capital Fund by way of reimbursement an amount equal to all expenditures from the Fund made pursuant to said subsection (d).

Prior to making any expenditure from the Capital Fund pursuant to said subsection (d), there shall be filed with the Corporate Trustee (1) a Certified Resolution evidencing the determination of the Board of Directors to use the Capital Fund for the purposes therein specified and stating that in the opinion of the Board of Directors the income available for fixed charges of the Company for such year will be insufficient to cover the expenditures by the amount of the funds to be so used out of the Capital Fund, and (ii) an Officers' Certificate specifying the total estimated amount of Fixed Interest and sinking fund requirements of the Company, and short term indebtedness required to be paid by the Company, during the calendar year then current and the estimated amount of income available for fixed charges for such year.

Within 10 days after reimbursement of the Capital Fund by the restoration thereof of the amount of such expenditures pursuant to said subsection (d), there shall be filed with the Corporate Trustee an Officers' Certificate stating the amount of such reimbursement, and the source from which the funds effecting such reimbursement were derived.

SECTION 7. The Company covenants that on or before April 1 of each year, beginning with the year 1949, it will deliver

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ARTICLE VII
SINKING FUNDS

SECTION 1. As and for a Series A Sinking Fund for the retirement of Bonds of Series A, the Company

(a) has deposited with the Corporate Trustee, concurrently with the execution and delivery of the Mortgage, the sum of \$1,000,000 in cash, in lieu of any amount which it might have been required to deposit with the Corporate Trustee under subsection (b) of this Section from of Available Net Income for the calendar years 1944, 1945, 1946 and 1947 if the Mortgage and the provisions of said subsection (b) had been operative from January 1, 1944; and

(b) covenants that on or before April 1 of each year, beginning with the year 1949, it will deposit with the Corporate Trustee the sum of \$100,000 in cash, or so much thereof as shall be applicable for such purpose out of Available Net Income for the preceding calendar year under subsection (f) of Section 1 of Article V.

In lieu of depositing cash with the Corporate Trustee to be held and applied as part of the Series A Sinking Fund, the Company may reacquire and deliver to the Corporate Trustee Bonds of Series A, bearing all unmatured coupons appertaining thereto, at the lower of the price or prices paid upon reacquisition thereof (exclusive of any interest paid on such reacquisition) or the redemption price thereof (exclusive of interest) in effect on April 1 of the calendar year in which such delivery is made. Any such Bonds of Series A so delivered to the Corporate Trustee shall be recognized by an Officers' Certificate stating (i) that such Bonds have been duly issued and outstanding and have been reacquired by the Company, (ii) the price or prices (exclusive of accrued interest) at which they were reacquired, (iii) that none of such Bonds has theretofore been Bonded, and (iv) that such Bonds