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designated by the Company, such purchase to be in the manner and as provided in § 4.12 and such redemption to be in the manner and as provided in Article 5 hereof. Any moneys constituting any part of the Replacement Fund may be withdrawn by the Company upon the delivery to the Principal Trustee of bonds outstanding hereunder (which shall have not theretofore been made the basis for the issue of bonds or the withdrawal of cash or the taking of a credit under any of the provisions of this Indenture) or outstanding prior lien bonds not theretofore funded, with their appurtenant unmatured coupons if such bonds be coupon bonds, in an amount equal to the aggregate principal amount of bonds outstanding hereunder so delivered, and one hundred sixty-six and two-thirds per centum (166<sup>2</sup>/<sub>3</sub>%) of the aggregate principal amount of outstanding prior lien bonds so delivered. All bonds issued hereunder, purchased or otherwise acquired by or delivered to the Principal Trustee for the Replacement Fund, shall forthwith be cancelled, and the Principal Trustee shall thereupon deliver such bonds to or upon the written order of the Company. Any bonds so cancelled and any prior lien bonds so delivered to the Principal Trustee, shall not thereafter be made the basis for the issue of bonds or the withdrawal of cash or the taking of a credit under any of the provisions of this Indenture.

Any moneys constituting any part of the Replacement Fund may be withdrawn from time to time by the Company on the conditions, in the manner, and to the extent provided by subdivision (1) of § 4.11 for the withdrawal of trust moneys; provided, however, that, if so withdrawn on the conditions, in the manner, and to the extent provided by subdivision (1) (a) of § 4.11, property additions used as a basis for the withdrawal shall not thereby become funded, but they may not thereafter be used as a basis of a credit under subdivision (1) of this § 4.10, and that property additions made the basis of a credit under subdivision (1) of this § 4.10 may not thereafter be made the basis for the withdrawal of any moneys constituting any part of the Replacement Fund.

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of the Company (computed before deducting any amount in respect of such dividends, distributions and purchases) accumulated subsequent to December 31, 1948, determined in accordance with accepted accounting practice, and the Company warrants that it has not, since December 31, 1948, declared or paid any dividend nor made any distribution or purchase which would produce any such result; provided, however, that, for the purposes of this § 4.11, in determining at any time or from time to time the amount of earned surplus arising subsequent to December 31, 1948:

(a) no deduction or addition need be made for any or all of the following direct charges or credits to earned surplus: -  
(1) Surplus adjustments applicable to a period or periods prior to January 1, 1949;

(2) Charges to earned surplus for the write-off at any time of any premium and expense, including duplicate interest, paid in connection with the retirement of funded debt of the Company existing at December 31, 1948;

(3) Charges or credits to earned surplus arising from the sale, abandonment or readjustment of value of property or investments owned on December 31, 1948, whether or not subject to the lien of this Indenture;

(4) Charges to earned surplus for the write-down or write-off of the excess of the cost to the Company or its predecessors of properties over the original cost of such properties, when first devoted to the public use, or the creation of a reserve for any prospective write-down or write-off of such a character;

(5) Charges to earned surplus with respect to transfers from surplus to capital; and

(b) there shall be included in operating expenses an aggregate amount as provision for reserves for renewals and replacements or depreciation of the Company's gas properties equivalent to the Standard of Expenditure (as said term is defined in § 4.10) for each of the years and any fraction of an uncompleted

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Any moneys constituting any part of the Replacement Fund may be withdrawn from time to time on the written request of the Company, in an amount equal to the excess credit, if any, referred to below, and the excess credit shall be reduced by the amount of the moneys so withdrawn.

If the total amount of credits specified in any certificate of the Company filed for such accounting period shall exceed the Standard of Expenditure during such accounting period, the excess, if any, shall, to the extent that it is not reduced by the withdrawal of moneys as aforesaid, be available as a credit in any subsequent certificate of the Company under this § 4.10, or, at the option of the Company, if any net property additions have previously been used as a credit to, or if any net property additions have previously been used for the withdrawal of cash from the Replacement Fund, such net property additions, to the amount of such excess only, may thereafter be used, anything in this Indenture to the contrary notwithstanding, for any purpose for which the same might have been used hereunder if they had not been so previously used, whereupon the amount of such excess available for any such use shall be decreased accordingly.

The term "gross property account" as at any date shall mean the cost (as defined in § 4.03) of the property carried on the books of the Company in Property, Plant and Equipment account (excluding "Plant Acquisition Adjustments" and "Plant Adjustments") at such date.

§ 4.11. That, so long as any of the bonds of the 1929 Series shall be outstanding, the Company will not declare or pay any dividends on its common stock (other than dividends payable in shares of its common stock), or make any other distribution on any shares of its common stock, or purchase any shares of its common stock (other than with the proceeds of additional common stock financing), if, as a result thereof, the cumulative aggregate amount of such dividends, distributions and purchases exceeds the amount of the earned surplus

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year, from January 1, 1949 to the date of determination of the amount of such earned surplus.

Anything herein to the contrary notwithstanding, in the event that pursuant to the provisions of Article 12 a successor corporation shall have succeeded to the rights and liabilities of the Company hereunder, the date of such succession shall, for the purpose of the performance of this covenant hereafter, be substituted in lieu and in place of the date December 31, 1948 and January 1, 1949 whenever said dates or either of them are used in this § 4.11, and such successor corporation shall be deemed to have assumed said covenant modified as to dates as aforesaid.

§ 4.12. That it will execute and deliver such further instruments and do all things to be done such further acts as may be necessary or proper to carry out more effectually the purposes of this Indenture, and to make subject to the lien hereof any property hereafter acquired and intended to be subject to the lien hereof, and to transfer to any new trustee or trustees or co-trustee or co-trustees the estate, powers, instruments or funds held in trust hereunder.

§ 4.13. That it will cause this Indenture, and each supplemental indenture or instrument purporting to create a lien upon mortgaged property to secure the bonds, to be promptly recorded and filed and re-recorded and re-filed in such manner and in such places as may be required by law in order fully to make effective and maintain the lien intended to be created thereby and to preserve and protect the security of the bondholders and all rights of the Trustees, and that it will furnish to the Principal Trustee:

(a) Promptly after the execution and delivery of this Indenture, and promptly after the execution and delivery hereafter of each such supplemental indenture hereon, an opinion of counsel either stating that in the opinion of such counsel this Indenture, or such supplemental indenture, as the case may be, has been properly recorded and filed so