properties, remaining after deducting therefrom an amount equal to the aggregate cost to the Company of electric energy or gas purchased for resale to others and rentals paid for the use of property owned by others and leased to or operated by the Company and the maintenance of which and depreciation or depletion on which are borne by the owners.

SECTION 5. No moneys received by the Trustee pursuant to any provision of the Original Indenture, the Supplemental Indenture of April 1, 1949, or this Supplemental Indenture other than this Article IV, and no Bonds purchased or redeemed with such moneys pursuant to Section 8 of Article VIII of the Original Indenture, shall be credited at any time to or on account of the Improvement and Sinking Fund or Maintenance Fund provided for in this Article IV.

## ARTICLE V.

### Additional Covenants.

The Company hereby covenants, warrants and agrees:

SECTION 1. That the Company is lawfully seized and possessed of all of the mortgaged property described in the granting clauses of this Supplemental Indenture; that it has good right and lawful authority to mortgage the same as provided in this Supplemental Indenture; and that such mortgaged property is, at the actual date of the initial issue of the 2¾% Bonds of 1979 Series, free and clear of any deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto prior to the Indenture, except as set forth in the granting clauses of the Original Indenture, the Supplemental Indenture of April 1, 1949, or this Supplemental Indenture.

SECTION 2. So long as any of the 2¾% Bonds of 1979 Series are outstanding the provisions of Sections 3 and 4 of Article V of the Supplemental Indenture dated July 1, 1939 between the Company and Harris Trust and Savings Bank, as Trustee, shall continue in full force and effect and there shall be added to said Section 4 the following paragraph:

"The Bonds to be so retired shall include a principal amount of 2¾% Bonds of 1979 Series which bears the same ratio to the aggregate principal amount of all Bonds so retired as the aggregate



principal amount of all 2¾% Bonds of 1979 Series outstanding immediately prior to such release bears to the total principal amount of all Bonds then outstanding."

## ARTICLE VI.

### Amendments of Ratio of Bonds Issuable to Property Additions, and of Certain Other Ratios.

SECTION 1. So long as any of the 2¾% Bonds of 1979 Series shall remain outstanding:

(1) Notwithstanding the provisions of Section 4 of Article III of the Original Indenture, no Bonds shall be authenticated and delivered pursuant to the provisions of Article III of the Original Indenture and issued upon the basis of net bondable value of property additions for an aggregate principal amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.

For the purposes of subsections (e) and (f) of the definition of "net bondable value of property additions not subject to an unfunded prior lien", contained in Article I of the Original Indenture, and subdivisions 8 and 9 of clause (a) of Section 4 of Article III of the Original Indenture in all computations made with respect to a period subsequent to April 1, 1949, the deductions therein referred to shall in each case be ten-sixths (10/6ths) of the respective amounts mentioned, in lieu of ten-sevenths (10/7ths).

(2) Notwithstanding the provisions of Section 3(a) of Article VIII of the Original Indenture, no moneys received by the Trustee pursuant to Section 5(a) of Article III of the Original Indenture shall be paid over by the Trustee in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien, and for the purposes of Section 3 of Article VII of the Original Indenture, the amount of cash required to be deposited by the Company pursuant to subsection (d) of said Section 3 of Article VII, shall not be reduced in an amount in excess of sixty percent (60%) of the net bondable value of property additions not subject to an unfunded prior lien.