

OBLIGATIONS OF THE COMPANY, AND THAT THIS INDENTURE IS AND ALWAYS WILL BE A VALID MORTGAGE TO SECURE THE PAYMENT OF SAID BONDS.

SEC. 12. THE COMPANY COVENANTS THAT IF ^{IN} ANY CALENDAR YEAR, SUBSEQUENT TO THE YEAR 1924, WHILE ANY BONDS ARE OUTSTANDING HEREUNDER, THE MAINTENANCE EXPENDITURES OF THE COMPANY SHALL HAVE BEEN LESS THAN TWELVE AND ONE-HALF PER CENTUM OF THE GROSS EARNINGS OF THE COMPANY IN THE SAME YEAR FROM THE RENTAL, OPERATION AND/OR USE OF ITS PHYSICAL PROPERTIES, THEN AND IN THAT EVENT THE COMPANY WILL, BEFORE CLOSING ITS BOOKS FOR SUCH YEAR, SET ASIDE ON ITS BOOKS, BY CHARGING INTO A DEPRECIATION OR OTHER SIMILAR RESERVE ACCOUNT, AN AMOUNT EQUAL TO THE SUM BY WHICH TWELVE AND ONE-HALF PER CENTUM OF SUCH GROSS EARNINGS EXCEEDS SUCH MAINTENANCE EXPENDITURES. THE AMOUNTS SO SET ASIDE FROM TIME TO TIME SHALL UNDER NO CIRCUMSTANCES BE DEEMED PROFITS, SURPLUS AND/OR EARNINGS APPLICABLE TO THE PAYMENT OF DIVIDENDS UPON THE COMPANY'S CAPITAL STOCK. THE TERM "MAINTENANCE EXPENDITURES," AS USED IN THIS SECTION, SHALL BE DEEMED TO MEAN CASH SUMS ACTUALLY EXPENDED AND/OR DUE FOR WORK ACTUALLY PERFORMED AND/OR MATERIAL USED WITHIN SUCH YEAR BY THE COMPANY, AND CHARGED AS A PART OF OPERATING EXPENSES, FOR REPAIRS AND MAINTENANCE OF ITS PHYSICAL PROPERTIES. IF IN ANY YEAR THE MAINTENANCE EXPENDITURES FOR SUCH YEAR (PLUS THE AMOUNT SET ASIDE FOR SUCH YEAR IN SUCH DEPRECIATION OR SIMILAR RESERVE ACCOUNT) SHALL HAVE EXCEEDED TWELVE AND ONE-HALF PER CENTUM OF SUCH GROSS EARNINGS FOR THE SAME YEAR, THE EXCESS MAY BE APPLIED BY THE COMPANY AS A CREDIT AGAINST THE SUMS SO REQUIRED TO BE SET ASIDE IN SUCH DEPRECIATION OR SIMILAR RESERVE ACCOUNT IN ANY FUTURE YEAR OR YEARS.

SEC. 13. THE COMPANY COVENANTS, THAT IT WILL NOT DECLARE OR PAY ANY DIVIDENDS (EXCLUSIVE OF STOCK DIVIDENDS) ON ANY OF THE CAPITAL STOCK OF THE COMPANY AT ANY TIME OUTSTANDING EXCEPT OUT OF SURPLUS EARNINGS ARISING SUBSEQUENT TO DECEMBER 31, 1924 AND REMAINING ON HAND AFTER DEDUCTING ALL OPERATING EXPENSES AND FIXED CHARGES, INCLUDING IN SUCH OPERATING EXPENSES, TAXES, INSURANCE, DAMAGES, LICENSE FEES, RENTALS AND REASONABLE EXPENDITURES FOR REPAIRS AND MAINTENANCE, AND INCLUDING IN SUCH FIXED CHARGES, INTEREST UPON ALL FUNDED AND UNFUNDED DEBT AND ALL SUMS REQUIRED TO BE SET ASIDE UNDER SECTION 12 OF THIS ARTICLE. THE TERM "SURPLUS EARNINGS," AS USED IN THIS SECTION, SHALL NOT BE DEEMED TO INCLUDE PROFITS DERIVED FROM THE UNREALIZED APPRECIATION IN VALUE OF REAL ESTATE, PLANTS, MACHINERY, EQUIPMENT, FRANCHISES OR OTHER CAPITAL ASSETS, OR SURPLUS CREATED BY THE RETIREMENT OR REDUCTION OF, OR CHANGE IN, ANY OF THE AUTHORIZED AND/OR OUTSTANDING CAPITAL STOCK OF THE COMPANY.

SEC. 14 IT IS AGREED THAT IN THE EVENT OF THE FAILURE OF THE COMPANY TO IN ANY RESPECT COMPLY WITH THE COVENANTS AND CONDITIONS HEREIN CONCERNING THE PROCURING OF INSURANCE, THE PAYMENT OF INSURANCE PREMIUMS, TAXES, ASSESSMENTS AND OTHER CHARGES, THE KEEPING OF THE PROPERTY OF THE COMPANY IN REPAIR AND FREE OF LIENS AND OTHER CLAIMS, OR TO COMPLY WITH ANY OTHER COVENANT CONTAINED IN THIS INDENTURE, THE TRUSTEES MAY, IN THEIR DISCRETION, AND UPON THE REQUEST OF THE HOLDERS OF ONE OR MORE OF THE BONDS HEREBY SECURED, AND UPON BEING PROVIDED WITH ADEQUATE FUNDS FOR THAT PURPOSE, AND INDEMNIFIED TO THEIR SATISFACTION, SHALL (WITHOUT PREJUDICE TO THE RIGHTS ARISING BY REASON OF SUCH DEFAULT), ADVANCE OR EXPEND MONEYS FOR THE PURPOSE OF PROCURING SUCH INSURANCE, OR FOR THE PAYMENT OF INSURANCE PREMIUMS, TAXES, ASSESSMENTS OR OTHER CHARGES, OR TO SAVE THE PROPERTY OF THE COMPANY FROM SALE OR FORFEITURE FOR ANY TAX OR ASSESSMENT, OR TO REDEEM THE SAME FROM ANY TAX SALE, OR TO PURCHASE ANY TAX TITLE THEREON, OR TO REMOVE OR PURCHASE ANY MECHANIC'S LIEN OR