

based upon Property Additions as permitted under clause (3), clause (b) or clause (ii) of this subsection (I), the Company shall comply with all applicable provisions of this Indenture (except subsection (II) of Section 4 hereof) as if such Property Additions were made the basis of an application for the authentication and delivery of bonds thereon (equivalent in principal amount to sixty per centum (60%) of the credit so to be based on such Property Additions), except that in no such case shall the Company be required to comply with any earning requirements or to deliver to the Corporate Trustee any Resolution, Officers' Certificate, Net Earning Certificate or Opinion of Counsel, such as is described in subdivisions (1), (2), (6) and (8) of Section 28 hereof.

In every case in which any credit under this subsection (I) is to be based in whole or in part upon the right to the authentication and delivery of bonds, as permitted under clause (4) or clause (c) of this subsection (I), the Company shall comply with all applicable provisions of Section 26 or Section 29 hereof, as the case may be, relating to such authentication and delivery, except that in no such case shall the Company be required to comply with any earning requirements or to deliver to the Corporate Trustee any Resolution, Officers' Certificate, Net Earning Certificate or Opinion of Counsel such as is described in subdivisions (1), (2) (6) and (8) of Section 28 hereof.

(II) If at any time cash in excess of Fifty Thousand Dollars (\$50,000) shall have remained on deposit with the Corporate Trustee under the provisions of subsection (I) of this Section for a period of five years, with respect to which the Company shall not have made a proper request for the withdrawal, use or application of the same as in said subsection (I) provided, all cash so remaining on deposit shall be applied by the Corporate Trustee to the purchase or redemption of bonds in accordance with the provisions of Article X hereof.

(III) So long as any bonds of the First Series remain Outstanding, it will not make any distribution on its common stock (except dividends payable solely in shares of its common stock) or acquire (unless acquired without cost to the company) any share of its common stock unless the amount remaining in earned surplus after such distribution and/or acquisition shall equal or exceed the aggregate of the following amounts:

(A) the excess, if any, of (a) the aggregate amounts required to be stated for the period from June 30, 1947 to the date of such distribution and/or acquisition in the Officers' Certificates of Replacements by the provisions of subdivision (I) of subsection (I) of this Section, including proportionate amounts calculated as provided in such subdivision (I) for any portion of the period elapsed since June 30, 1947, not theretofore included in any Officers' Certificate of Replacements, over (b) the Company's provisions during such period for depreciation and retirement of property (but excluding any provisions for amortization of any amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts);

(B) the excess, if any, of the earned surplus of the Company as per its books of account on June 30, 1947, over the sum of the following items:

(1) One Hundred Thirty Thousand Dollars (\$130,000); plus

(2) the proceeds from the sale of its common stock subsequent to June 30, 1947; plus

(3) all charges to earned surplus subsequent to June 30, 1947 other than:

(i) distributions on its common stock (except dividends payable solely in shares of its common stock);

(ii) dividends on its preferred stock;

(iii) charges to earned surplus with corresponding credits to reserves for