

accordance with sound accounting practice, on a cumulative basis, including the making of proper deductions for any deficits occurring during any part of such period) plus \$3,000,000.

The Company further covenants and agrees that not later than May 1 of each year beginning with the year 1950 it will furnish to the Corporate Trustee a Treasurer's Certificate stating whether or not the Company has fully observed the restrictions imposed upon it by the covenant contained in this Section, 2.

ARTICLE III.

Improvement Fund for Bonds of the Third Series.

SECTION 3. The Company covenants that, so long as any bonds of the Third Series shall remain Outstanding, it will, as an additional improvement fund for the benefit of the bonds of the Third Series Outstanding under the Mortgage, as supplemented, on or before October 1 of each year beginning with the year 1950, in addition to the amounts which will be required as to the bonds of the Third Series pursuant to the original provisions of Section 39 of the Mortgage, deliver to the Corporate Trustee, an amount in cash and/or principal amount of bonds of the Third Series equivalent to another one-half ($\frac{1}{2}$) of one per centum (1%) of the greatest principal amount of bonds of such Third Series prior to January 1 of such year at any one time Outstanding and such delivery shall be deemed to be an additional requirement of said Section 39 and subject to all the provisions thereof excepting

(a) that the right to obtain credits against the amount of cash or bonds of the Third Series payable or deliverable not only pursuant to the provisions of this Section 3 but also pursuant to the original provisions of Section 39 of the Mortgage for the Cost or then Fair Value to the Company (whichever is less) of any Property Additions which shall be set forth in the Treasurer's Certificate provided for by said Section 39 pursuant to the requirements of clause (b) of subdivision (A) of said Section 39 in respect of the bonds of the Third Series only shall