

(without any deduction for such indebtedness) plus 50% of the cost of any additions of the nature described in such last mentioned Subdivision , exceeds the face amount of such indebtedness,

whichever shall be less;

Provided, however, that whenever the Company has once made application for the authentication and delivery of Residue Bonds under this Subdivision 2 of this Section 6 against property, improvements, extensions or additions subject to such lien, thereafter, upon any subsequent application for the authentication and delivery of additional Residue Bonds against further improvements, extensions or additions to the property subject to such lien, the amount of Residue Bonds which the Company shall be entitled to have authenticated and delivered shall be determined in accordance with the provisions of Subdivision 1 of this Section 6 and not in accordance with this Subdivision 2 of this Section 6;

And provided further, that if any Residue Bonds shall have been authenticated and delivered pursuant to this Subdivision 2 of this Section 6, thereafter upon the subsequent payment of all or any part of the indebtedness so secured and so taken into consideration in computing the amount of Residue Bonds which may be authenticated and delivered, the Company shall be entitled to have authenticated and delivered an amount of Residue Bonds equal to the principal amount of such indebtedness so paid .

3. In case any securities described in Subdivision 3 of Section 5 of this Article shall be of a corporation any of whose property is subject to any lien or encumbrance other than those specified in Subdivision 1 of this Section or which corporation shall have outstanding at the time of its acquisition any preferred stock (except such preferred stock as shall be pledged with the Trustee), the actual cost of such securities within the meaning of said Subdivision 1 shall be deemed to be the sum of the amounts paid by the Company or a Subsidiary Company for such securities, together with the face amount of the indebtedness secured by any such lien and together with the aggregate par value of the outstanding preferred stock other than that pledged with the Trustee-- the sum of such two items being hereafter in this Subdivision termed " indebtedness"; and bonds may be authenticated on account of the acquisition of such securities to an amount at par value equal;

(a) to the extent, if any, which 50% or 65% (whichever percentage is applicable), of the actual cost of said securities as above defined, exceeds the face amount of such indebtedness as above defined, or

(b) to the extent, if any, which 50% or 65% (whichever percentage is applicable) of the aggregate of the fair value of such securities plus the face amount of such indebtedness as above defined, exceeds the face amount of such indebtedness as above defined,

whichever shall be less;

Provided, however, that if any Residue Bonds shall have been authenticated and delivered pursuant to this Subdivision 3 of this Section 6, thereafter upon the subsequent payment of all or any part of the indebtedness as above defined and so taken into consideration in computing the amount of Residue Bonds which may be authenticated and delivered, the Company shall be entitled to have authenticated and delivered an amount of Residue Bonds equal to the principal amount of such indebtedness so paid. The term " payment of such indebtedness" shall include retirement of preferred stock.

4. In case any Subsidiary Company in which the Company has less than a 95%