

or (c) of Section 1 of Article XI hereof, or one of the Events of Default as defined in said Section 1 of Article XI, shall have occurred, and either of such be then continuing) be executed by the Company and delivered to the Trustee, and shall be authenticated by the Trustee and delivered in accordance with the order or orders of the Company evidenced by a writing or writings signed by its President or a Vice-President and Treasurer or an Assistant Treasurer, accompanied by the documents specified in Section 12 of this Article, but, so long as any Bonds of Series "A" are outstanding hereunder, only to a principal amount equal to the principal amount of Bonds of any series theretofore retired to the extent, if any, that the amount of Bonds retired (and not previously refunded pursuant to this Section) shall exceed (a) an amount equal to the principal amount of the Bonds of that series that may have been theretofore paid off by a sinking fund (provided, however, this latter amount shall not exceed such amount as would have been retired by a sinking fund retiring Bonds at the rate of one-twenty-fifth in each year of the greatest amount of that series which shall ever have been outstanding), plus (b) an amount equal to the principal amount of all Bonds of such series which may have been purchased or redeemed pursuant to Section 3 of Article IX hereof and/or Article X hereof and/or Article VII hereof.

Provided, however, that in determining the amount of Bonds which may be authenticated under this Section 7, there shall not be taken into account any Bonds retired pursuant to the provisions of Section 14 of Article II hereof, unless the situation occasioning such excess shall have been theretofore remedied.

Provided further that if the Company is entitled to have authenticated Bonds under this Section 7 and also under Sections 2 or 5 and 6 of this Article, the Company, upon any application for the authentication of Bonds, shall request such authentication of Bonds under the provisions of this Section 7, to the full extent that it is entitled thereto, before requesting the authentication of any Bonds pursuant to the provisions of Sections 2 or 5 and 6 of this Article.

Provided, further, that the amount of bonds which the company is entitled to have authenticated under this Section 7 is subject to the provisions of Section 3 of Article IX.

SECTION 8, The Additional Bonds authorized to be authenticated and delivered under Section 2 of this Article II, shall be authenticated and delivered only upon receipt by the Trustee of:

A. A report signed by the President or a Vice-President, and the Treasurer or an Assistant-Treasurer of the Company and by an accountant, who may be an accountant regularly employed by the Company, setting forth the amount of the combined net earnings of the Company and of the Subsidiary Companies for either of the three periods specified in subdivisions (a), (b) and (c) first appearing in Section 2 of this Article II, showing how the same have been calculated, and to that end specifying the operating and non-operating revenues, and also setting forth the annual interest charges, such combined net earnings and annual interest charges to be computed as defined in said Section 2 of this Article II. Said report shall show that the combined net earnings as thus determined comply with the requirements set forth in said Section 2, and shall state all other matters required by the Trustee to show compliance with the provisions of this Article necessary to entitle the Company to the authentication and delivery of the Bonds requested. Said report shall also state that the Company is not to the knowledge of the signers in default in the performance of any of the terms or covenants of this Indenture; or that the only default is one other than one of those enumerated in clauses (a), (b) and (c) of Sec-