

sions of Section 7, Article II; provided that if at the time of any such release the Company shall be entitled to have authenticated bonds under Section 7 of Article II to any extent, thereafter the amount of bonds which it shall be entitled to have authenticated pursuant to such Section shall be reduced by thirty-five per cent. of the amount which it shall have been entitled to have authenticated at the time.

Provided that in making the computation hereinbefore provided in this clause (b) the total of (7) and (8) which may be taken into consideration shall not exceed the total of (2), (3), (4) and (5); and furthermore, if the amount of (6) exceeds the amount of (1), then such excess can be utilized in such calculation only to the extent that it represents retirement of Bonds of Series "A" and/or to the extent that the sum of (2), (3), (4) and (5) exceeds the sum of (7) and (8).

Provided that, in making the computation hereinbefore provided in this clause (b), if any of the Natural Gas Properties or extensions, improvements or additions thereto have been utilized to satisfy the minimum requirements contained in clause (c) of Section 11 of Article V hereof, as set forth in (5) above, and thereafter have been released and the proceeds thereof or the consideration therefor has been included in (6) (7) and/or (8) above, then such proceeds and/or consideration shall be included in (6) (7) and (8) only to the extent of fifty per cent (50%) thereof.

Provided, however, that if the inventory required by Subdivision (3) of this Section shall show that any of the property described in the statements required by Clause G or S of Section 10 of Article II and by Section 11 of Article V and by paragraphs A and I of Section 2 of Article VII and by Clauses (c) and (d) of Paragraph III of Section 2 of Article IX and by Section 1 of Article X, as Natural Gas Properties, is not or does not continue to be such, at the time of the request for such release, and that the other property described in such statements is not and does not continue to be property other than Natural Gas Properties, at the time of the request for such release, then the amount of Bonds which the Company is to retire, pursuant to the provisions of this Section, shall be increased or diminished accordingly.

And provided further that there shall be added to the amount of Bonds required to be retired, as hereinbefore stated, such principal amount of Bonds, if any, as will be sufficient to reduce the remaining Bonds of all series outstanding to such principal amount that the combined net earnings of the Company and of the Subsidiary Companies from the properties other than those to be released, for twelve consecutive calendar months within the fourteen months immediately preceding the request for the release, shall have a ratio to the combined annual interest charges on the properties other than those to be released, not less than the ratio between the combined net earnings and the combined annual interest charges for such period prior to the release. For the purpose of this Section, the combined net earnings and annual interest charges shall be calculated in the manner specified in Section 2, Article II except that in calculating the combined net earnings from the properties other than those to be released, there shall not be deducted the items mentioned in clauses (1), (2) and (3) in Section 2 of Article II in respect of the properties which are being released, and in calculating the combined annual interest charges on the properties other than those to be released there shall not be included the items mentioned in clauses (a), (b) and (c) last to occur in Section 2 of Article II in respect of the properties which are being released; and in the case of interest on obligations and dividends on preferred stock which are included in the items hereinabove mentioned to be excluded and which constitute charges both upon properties which are to be released and properties which are not to be released, such item shall