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of operation, adjusted as may be required by the nature of the property, or of the operation thereof.

The term "annual Bond interest charge " as used in this Article shall mean the annual interest charge, as the case may be, on (a) all notes then outstanding hereunder, (b) all notes, the issue and authentication of which are then applied for hereunder, (c) all bonds, notes or other evidences of indebtedness secured by a lien or liens prior to that of this Indenture on the mortgaged property, or any part thereof, and (d) all bonds, notes or other evidences of indebtedness of any subsidiary corporation secured by a line or liens prior to that of the "supporting mortgage," as hereinafter in Section 6 of this Article Two defined, of such subsidiary corporation.

In computing the annual bond interest charges, as aforesaid, there shall be excluded the annual interest charges on all bonds, notes or other obligations of the Companies, or any of them, or of any subsidiary corporation, held alive in any sinking fund established by or for the Companies, or any of them, or any subsidiary corporation, or pledged as security for any funded obligations of the Companies, or any of them, or of any subsidiary corporation; provided, however, that in the case of the pledging of said bonds, notes or other obligations, as aforesaid, there shall be included the annual interest charges upon the funded obligations for which said bonds, notes or other obligations are so pledged.

In case any of the proceeds from the notes, the authentication and delivery of which are then applied for, are to be used to pay, retire, purchase or redeem any bonds, notes or other obligations of the Companies, or any of them, or of any subsidiary corporation, there shall be excluded from said annual bond interest charges, the annual interest charge on said bonds, notes or other obligations, which are to be so paid, retired, purchased or redeemed. In the event that any of said proceeds are to be so used, the certificate of the President or a Vice President and the Treasurer or an Assistant Treasurer of the Oklahoma Company shall state the nature and amount of said bonds, notes or other obligations so to be paid, retired, purchased or redeemed.

In computing the amount of earnings, expenses and interest charges, all inter-company revenue, expenses and interest charges of every nature shall be excluded.

SECTION 4. Said residue notes shall be authenticated and delivered from time to time only upon receipt by the Trustee of

I. The written order of the Oklahoma Company, signed by its President or Vice President and attested by its Secretary or Assistant Secretary, under its corporate seal, requesting the authentication and delivery of notes and specifying the amount thereof and the rate of interest which said notes shall bear.

II. A certified copy of a resolution of the Board of Directors of the Oklahoma Company authorizing such order.

III. The sworn statement of the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company by which, or by the subsidiary corporation of which, the extensions and additions referred to in subparagraph (a) of this subdivision III shall have been made, showing,

(a) That in addition to the properties of such Company and its subsidiary corporations, as such properties existed on July 1, 1923 (or, in the case of a subsidiary corporation, as its property existed at the date of its acquisition as a subsidiary corporation), such Company and its subsidiary corporations have purchased, acquired or constructed extensions of and additions to their plants, properties and equipment, stating with reasonable detail the nature and extent of such extensions and additions and the actual and reasonable expenditures made there for; that such expenditures do not exceed the fair value of such exten-