

MORTGAGE RECORD 85

stating the Fair Value, in the opinion of the signer, at the date of said Certificate, of such part of such Property Additions.

D. In case any part of such Property Additions is shown by said Property Additions Certificate to have been acquired by the Company, in whole or in part, for a consideration consisting of securities, a CERTIFICATE signed by an Appraiser selected by the New York Trustee and approved by a Resolution of the Board, stating, in the opinion of the signer, the Fair Value of such securities at the time of the delivery thereof as consideration for the acquisition of such part of such Property Additions.

E. A RETIREMENTS CERTIFICATE of the Company dated not more than 30 days prior to the application for the authentication and delivery of such Bonds and signed also by an Engineer selected by the Company and approved by the New York Trustee, who may be in the employ of the Company, setting forth:

(1) The aggregate amount of all Property Retirements up to the date of said certificate which have not been included in a previous Retirements Certificate filed with the New York Trustee pursuant to this Section or Section 31 or 37, and stating that the amount of such Property Retirements has been computed as required by Paragraph G of Section 24;

(2) A brief description of such Property Retirements and the principal subdivisions of plant or capital account to which such Property Retirements have been or will be credited; and

(3) The amounts (stated separately according to the categories specified in Paragraph H of Section 24) of all Retirement Credits which, as provided in said Paragraph H, may be applied against such Property Retirements, and stating that such Retirement Credits have been computed as required by said Paragraph H.

F. AN EARNINGS CERTIFICATE of the Company dated not more than 30 days prior to the application for the authentication and delivery of such Bonds, and setting forth:

(1) The amount of the New Earnings Before Depreciation and Depletion of the Company for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the calendar month in which the application for the authentication and delivery of the Bonds is made, and stating separately the operating and net non-operating revenues and the operating expenses of the Company, with the principal subdivisions thereof.

(2) The amount of the Net Earnings After Depreciation and Depletion of the Company for the same period of 12 consecutive calendar months which shall have been adopted for the purposes of the preceding Clause (1).

(3) The aggregate amount of the annual "Interest Charges on the Secured Bonded Debt" of the Company which term shall be taken to mean and comprise the annual interest charges on

(a) all Bonds outstanding hereunder at the date of said Certificate, provided, however, that in the case of any Bonds which shall at such time be pledged as a security for any indebtedness of the Company, the amount of the annual interest charges on such pledged Bonds shall be deemed to be either the amount of the annual interest charges on such indebtedness or the amount of the annual interest charges on such pledged Bonds, whichever shall be greater; and

(b) the Bonds whose authentication and delivery are applied for in such application or in any other pending application; and

(c) all Bonds, if any, to whose authentication and delivery the Company may then be entitled under Article Six, by virtue of the previous retirement, or provision for the retirement, of Bonds authenticated and delivered hereunder; and, if there be any such Bonds, the annual interest charges thereon shall be computed at the highest rate of interest borne by any of the Bonds whose authentication and delivery are then applied for.

(4) The amount of (a) the average annual serial maturity requirements for the then unexpired term of all Bonds of Series A outstanding hereunder at the date of said Certificate, plus (b) the aggregate of the average annual sinking fund or serial maturity requirements for the then unexpired term of all Bonds of each other series then outstanding hereunder and of all Bonds of each other series whose authentication and delivery are applied for in such application or in any other then pending application. In determining any such average annual requirements, any fraction of a full year of any unexpired term remaining after deducting all full year periods of such term (or if there be no such full year periods, then without such deduction) shall be treated as one full year, except that, in the case of Bonds of Series A, if such Certificate shall bear a date subsequent to April 24 and prior to October 26, in any year, other than the year 1954, the period between the date of such Certificate and the next succeeding October 26 shall be disregarded.

(5) That the amount of the New Earnings Before Depreciation and Depletion of the Company set forth as provided by Clause (1) of this Paragraph has been (a) at least equal to four and one-half (4½) times the aggregate amount of the annual interest charges on the Secured Bonded Debt of the Company, set forth as provided by Clause (3) of this Paragraph, and (b) at least equal to one and one-half (1½) times the sum of the aggregate amount of said annual interest charges on the Secured Bonded Debt plus the amount of the average annual sinking fund and/or serial maturity requirements set forth as provided by Clause (4) of this Paragraph; and that, in each case, at least 85% of such required minimum amount of Net Earnings Before Depreciation and Depletion consists of Net Operating Revenues from the Mortgaged Property, as said term is defined in Paragraph G of Section 24.

(6) That the amount of the Net Earnings After Depreciation and Depletion of the Company set forth as provided by Clause (2) of this Paragraph has been at least equal to two and one-quarter (2¼) times the aggregate amount of the annual interest charges on the Secured Bonded Debt of the Company, set forth as provided by Clause (3) of this Paragraph, and that at least 85% of such required minimum amount of Net Earnings After Depreciation and Depletion consists of Net Operating Revenues from the Mortgaged Property.

(7) That such Net Earnings Before Depreciation and Depletion and such Net Earnings After Depreciation and Depletion have been computed and ascertained as provided in Paragraph G of Section 24. The Company covenants and agrees that if the annual interest charges on the Secured Bonded Debt of the Company or the average annual sinking fund or serial maturity requirements as set forth in Clause (4) above shall be increased after the date of the Earnings Certificate hereinabove in this Paragraph described and before the authentication and delivery of the Bonds then applied for, the Company will file with the New York Trustee a new Earnings Certificate showing the amount of said annual interest charges on the Secured Bonded Debt or of said average annual requirements, as the case may be, as so increased; it being the intention hereof that no Bonds shall be authenticated and delivered under the provisions of this Article, unless the ratios provided for by Clauses (5) and (6) of this Paragraph shall have been established with respect to the aggregate amount of the annual interest charges on the Secured Bonded Debt of the Company and with respect to such average annual requirements, in either case as constituted at the time of the authentication and delivery of the Bonds then applied for; but the New York Trustee shall be entitled to assume, in the absence of such new Earnings Certificate, that the aggregate amount of the annual interest charges on the Secured Bonded Debt of the Company as constituted at the time of the authentication and delivery of the Bonds then applied for, is as stated in the Earnings Certificate filed with the New York Trustee as aforesaid.

G. A SUMMARY CERTIFICATE AND COMPUTATION OF THE COMPANY of Net Bondable Additions of substantially the following form: