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or (b) for retiring, in whole or in part, then existing indebtedness. (For purposes of paragraphs (1) and (2) of this Section 1.13, the term "fixed property" means land, buildings and fixed equipment, and improvements thereon, which has been or then is made subject to the first lien of this Indenture).

(2) The aggregate principal amount of Bonds which may be issued hereunder, together with the principal amount of all Bonds of all other series to be outstanding immediately after issuance of such additional Bonds, shall not in the aggregate at any one time exceed seventy per cent (70%) of the fair value (as shown in the certificates referred to in subparagraphs (d) (3), (4) and (5) of this Section) of all of the Obligor's fixed property and moveable equipment (excluding any fixtures, equipment or other personal property leased or purchased under conditional sales, lease purchase or other title retention or security agreement until, in the case of purchases, such time as they are fully paid), then or upon application of the proceeds of such subsequent series of Bonds to be, subject to the lien of this Indenture. (For purposes of this Section 1.13 (b) (2) the term "fair value" means the fair market value of the land, the replacement cost of buildings and fixed equipment, less depreciation and the depreciated book value of moveable equipment.)

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(3) The total long-term debt of the Obligor, including any proposed or subsequent issues, shall not exceed four (4) times the annual gross receipts of the Obligor for the last twelve (12) months immediately preceding the closing of financial data to be used in connection with such additional Bond issue, such gross receipts, however, to be exclusive of funds derived from borrowing by the Obligor or funds derived from a sale of a portion of the Obligor's assets.

(4) The provisions and conditions of subsection (c) of this Section have been complied with.

(c) As conditions precedent to the issuance of any Bonds of subsequent series:

(1) The Obligor shall not be in default under any provisions of the Indenture or any of the Bonds outstanding;

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