

delivery be authenticated by the Trustee and delivered (without awaiting the filing or recording of this Indenture) 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 Assistant Treasurer, and the Bonds so authenticated and delivered may be used by the Company for any of its lawful purposes. The Trustee, shall, however, be under no obligation to see to the use or application of such Bonds or their proceeds.

SECTION 2. \$5,000,000 principal amount of the Bonds authorized to be issued under this Indenture, being the remainder of the Bonds of Series "A", hereinafter called the Additional Bonds, may from time to time (unless some default described in clauses (a), (b) 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 in either case be then continuing) be executed by the Company and delivered to the Trustee and shall forthwith upon such delivery 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 Vice-President and Treasurer or Assistant Treasurer, accompanied by the documents specified in Section 8 of this Article.

(a) If the combined net earnings of the Company and of the Subsidiary Companies, calculated as hereinafter provided , for a period of twelve consecutive calendar months within the fourteen calendar months immediately preceding any application for authentication and delivery of bonds, shall be in the aggregate not less than four times the combined annual interest charges (as hereinafter in this Section defined) of the Company and of the Subsidiary Companies, or

(b) If the average annual amount of such combined net earnings for a period of twenty-four consecutive calendar months within the twenty-six calendar months immediately preceding any such application shall be in the aggregate not less than three and one-half times such combined annual interest charges, or

(c) If the average annual amount of such combined net earnings for a period of thirty-six consecutive calendar months within the thirty-eight calendar months immediately preceding any such application shall be in the aggregate not less than three times such combined annual interest charges..

The combined net earnings of the Company and of the Subsidiary Companies shall be calculated by deducting from their aggregate gross revenues (excluding proceeds realized from the sale of property other than current assets, including stores and supplies and oil and gas above ground as current assets) the aggregate operating expenses of the Company and of the Subsidiary Companies, including therein administrative expenses other than those charged to capital account or surplus, taxes (other than Federal taxes), rentals, insurance, expenditures for current maintenance, repairs, replacements and renewals (the amount of any expenditure which is to be treated as replacements and renewals being computed in accordance with the then standard accounting practices), and excluding from such operating expenses all amounts expended or accrued for depletion or depreciation including the Depletion and Depreciation Fund hereinafter provided in Article VII and for sinking funds; by deducting from the result so obtained (1) the interest charges on all indebtedness and obligations of Subsidiary Companies (other than Subsidiary Mortgagor Companies) which are not secured by a lien or encumbrance upon all or any part of the properties of such Subsidiary Companies and are not pledged hereunder, and (2) the interest charges on all indebtedness and obligations of Subsidiary Companies (other than Subsidiary Mortgagor Companies) which are secured solely by lien upon petroleum or petroleum products above ground in storage, and (3) the amount of any dividends accrued or accumulated during such