

hereinafter called the Residue 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 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, but, so long as any Bonds of Series "A" are outstanding, only if accompanied by the documents specified in Section 10 of this Article, and only

1. If after November 30, 1921 (or, in the case of Subsidiary Companies which became such subsequent to November 30, 1921, after the date of acquisition) the Company or any Subsidiary Company shall have acquired any additional oil and/or gas fixed property (including therein what are commonly known in the oil industry as oil and/or gas leases and interests and royalties in such leases); or shall have made any cash expenditures for well drilling which are hereafter included in the term "additions"; or

2. If after November 30, 1921 (or, in the case of Subsidiary Companies which became such subsequent to November 30, 1921, after the date of acquisition), the Company or any Subsidiary Company shall have acquired any additional fixed property useful or necessary to their business other than that specified in the preceding Subdivision (1) or shall have made any permanent improvements, extensions or additions to their respective properties other than as specified in the preceding Sub- Division (1); or

3. If after November 30, 1921 (or, in the case of Subsidiary Companies which became such subsequent to November 30, 1921, after the date of acquisition) the Company or any Subsidiary Company in which the Company shall have at least a ninety-five per cent. interest shall have acquired any shares of stock, bonds, notes and other obligations (hereinafter called securities) of any corporation not theretofore a Subsidiary Company, and which upon such acquisition has become a Subsidiary Company.

The additional property, permanent improvements, extensions, additions, or securities, described in the preceding Subdivisions 1, 2 and 3 (hereinafter in this paragraph called property) shall not include (a) property acquired or constructed as substituted property under the provisions of this Indenture, or of the Underlying Mortgages or of any mortgages of any Subsidiary Company (other than a Subsidiary Mortgagor Company) or of any mortgages of the Company or of any Subsidiary Mortgagor Company, the lien of which is prior to the lien hereof, with reference to the release of property from the lien hereof or thereof or property acquired with the proceeds of any property so released, (b) property acquired with insurance moneys received in payment of losses, (c) property acquired from any Subsidiary Company, (d) property constructed or acquired as replacements or renewals, except to the extent permitted by standard accounting practice at the time, (e) property used by the Company as a basis for obtaining payment from the Trustee of money deposited with the Trustee under any of the provisions of this Indenture, or from the trustees under the Underlying Mortgages or the mortgagees under any mortgage of any Subsidiary Company (other than a Subsidiary Mortgagor Company) or of any mortgages of the Company or of any Subsidiary Mortgagor Company, the lien of which is prior to the lien hereof, of moneys deposited with any of them under any of the provisions of such mortgages, (f) property constructed or acquired in compliance with the requirements of the Depletion and Depreciation Fund provided for in Article VII, or (g) property constructed or acquired in compliance with the requirements of the sinking fund for series other than Series "A" as provided in Section 11 of Article V. The property