

(cc) The amount of net losses from operations since November 30, 1921, including as an operating expense for the purpose of this calculation all dividends declared by such Subsidiary Company since November 30, 1921 not in excess of the net earnings of such Subsidiary Company since November 30, 1921;
less

(dd) The amount of the outstanding capital stock of such Subsidiary Company issued, since November 30, 1921, and deposited with the Trustee or one of the trustees of the Underlying Mortgages pursuant to the requirements of Section 10 of Article II, Section 11 of Article V, Section 2 of Article VII, or Section 1 of Article X, and/or deposited with the Trustee in exchange for any Demand Notes previously so deposited pursuant to the requirements of any of such Sections,
shall be less than the net increase since November 30, 1921, of the indebtedness to the Company or the Subsidiary Mortgagor Companies; and in such case current assets shall be deemed to have been created by the excess of such net increase of indebtedness. The term "November 30, 1921" as used in this Section, shall be deemed to mean, in the case of a Subsidiary Company acquired after the date of the execution hereof, "since the date of acquisition".

In the event that a Subsidiary Company is acquired after the date hereof, and it has borrowed money in excess of the limitations hereinabove set forth, then the Company covenants and agrees that, within six (6) months of the acquisition of such Subsidiary Company, its indebtedness will be reduced until it is within such limitation; or, in the event that Bonds are requested to be authenticated hereunder by virtue of the acquisition of such Subsidiary Company or of improvements, extensions or additions thereof prior to the expiration of six (6) months after the acquisition thereof, then such indebtedness will be reduced within such limitation prior to the authentication of such Bonds.

(b) In the event that the Company shall acquire any Subsidiary Company after the date hereof, no such Subsidiary Company shall lend money to the Company and/or one or more of the Subsidiary Companies, except to an amount not in excess of its undistributed earnings after the date of acquisition.

SECTION 9. That, so long as any Bonds of Series "A" are outstanding, no Subsidiary Company, other than a Subsidiary Mortgagor Company, will, after the date hereof, and no Subsidiary Company hereafter acquired, will, after the date of acquisition, mortgage, pledge, or otherwise encumber any of its real or personal property or interest in real or personal property owned at the date hereof or hereafter acquired, unless the entire amount of the indebtedness to be secured thereby shall be pledged hereunder free from all liens other than the lien of either of the Underlying Mortgages. But neither this covenant nor any other provision in this Indenture contained shall prevent the Company or any Subsidiary Company from:

(1) Creating a mortgage or other lien on property hereafter acquired to secure the payment of a part of the purchase price thereof, or

(2) Acquiring property subject to any mortgage, lien or encumbrance thereon existing at the time of such acquisition, with or without an assumption of such mortgage, lien or encumbrance, or

(3) Renewing or replacing any mortgages, liens or encumbrances which by the preceding clauses (1) and (2) the Company and Subsidiary Companies are permitted to make, or subject to which they are permitted to acquire property.

(4) Pledging petroleum and petroleum products above ground in storage either crude or refined (other than any such pledged with the Trustee under clause E of Section 1