

at the close of the preceding fiscal year in the form customarily prepared by the Company and a detailed and true report showing accurately the operations of the Company and the Subsidiary Companies for such fiscal year.

SECTION 17. The Company and the Subsidiary Mortgagor Companies will cause this Indenture and every additional instrument which shall be executed pursuant to the foregoing provisions forthwith upon execution to be recorded and filed, and will pay any mortgage recording tax or other tax legally due upon such recording or filing, and will punctually and fully comply with the the requirements of any and every mortgage recording tax law or other law affecting the due recording or filing of this Indenture or of such additional instruments, in such manner as may be necessary fully to preserve, continue and protect the security of the Bonds, the superior lien of this Indenture on the trust estate and the rights and remedies of the Trustee.

The Company and the Subsidiary Mortgagor Companies will on or before January 1 of each year beginning January 1, 1923, give written notice to the Trustee of each and every purchase or acquisition by any of them hereafter of real property and oil and/or gas leases, and of all assignments, releases and surrenders of oil and/or gas leases made by them pursuant to Sections 4 and 7 of Article IX, and they agree if so required by the Trustee, upon any such purchase or acquisition, forthwith to record this Indenture, or a duplicate thereof, or a further separate and supplemental indenture, as may be required by law, in the proper office or offices of the county or counties or other recording districts in which such real estate is situate. They further agree that, if required by the Trustee and if the laws of any State in which any portion of the personal property hereby mortgaged or intended so to be mortgaged is situated now or hereafter, require the filing, or re-filing, recording or re^{re}ording, or renewal of this Indenture as a chattel mortgage or of any further separate or supplemental mortgage, or the taking of any other steps to preserve or secure the lien hereof on such personal property, which they may hereafter acquire, they will faithfully and at all times comply with each and every such law.

Nothing in this Section contained shall be construed as requiring the Trustee, or making it a part of the duty of the Trustee, to examine as to, or to determine the necessity for, any recording, filing, re^{re}ording or re-filing of this Indenture or any supplemental indenture, and the Trustee shall incur no liability whatsoever by reason of its not requiring this Indenture or any supplemental indenture so to be recorded, filed, re^{re}corded, or re-filed, unless thereunto requested by the holders of over ten per centum in amount of the Bonds of Series "A" then outstanding.

SECTION 18. That, so long as any Series "A" Bonds shall be outstanding, the Company will not in any way or form distribute, diminish or impair, or permit the distribution, diminishment or impairment of the surplus earnings of the Company on November 30, 1921, to wit: \$45,956,513.40 or of any portion thereof, excepting only that:

(1) In the discretion of its Board of Directors the Company may capitalize all or any portion of said surplus earnings by the declaration and payment of common stock dividends payable in preferred or common stock; or

(2) Operating losses and cash dividends on the Company's Eight Per cent. Cumulative Preferred stock shall be chargeable against said surplus, but only to the extent that the Company and/or its Subsidiary Companies have no other surplus earnings or surplus or reserves or other accounts against which the same can legally be charged; and if and whenever and to the extent that said surplus earnings of November 30, 1921 shall have been so impaired through operating losses and/or preferred dividends, such