

lines, and which shall hereafter be run into said tanks, storage warehouses, and said pipe lines and become subject to this agreement is and shall be its absolute property and likewise free and clear of all liens or encumbrances whatsoever (except as above stated in this paragraph), and that it will forever warrant and defend the title to the same unto the said Trustee, its successors or assigns against all lawful claims.

The Oil Corporation further agrees that during the term of this agreement it will not suffer or permit the property hereby leased and /or pledged and/or conveyed, or any part thereof, to become subject to any lien or encumbrance whatsoever, and the Oil Corporation further covenants and agrees to cause forthwith to be plainly marked all said tanks, storage warehouses, pipe lines and property in such manner as shall be required by the Trustee and as shall give good and sufficient notice of the rights and interest of the Trustee in the Oil contained in said tanks, storage warehouses, and pipe lines and the leasehold interest of the Trustee in the said tanks, ^{storage} warehouses and pipe lines and to maintain such notice during the life of this agreement.

The Oil Corporation further agrees to pay, or cause to be paid, any and all lawful taxes assessed and levied against the property hereby leased and/or pledged and/or conveyed and in the event of its failure so to do, the Trustee may pay the same.

It is agreed that the parties intend this instrument to operate as a pledge, as well as a lease, but in order to cover the possibility of its being construed as a chattle mortgage the Trustee is authorized to file this instrument, or authenticated copies thereof in accordance with the provisions of the law of the State of Oklahoma applicable to the filing of chattle mortgage, and also to record the same as a lease.

It is hereby stipulated and agreed by and between the parties hereto that, for the purpose of determining the value of the Oil at any and all times contained in said tanks and storage warehouses, the crude oil shall be taken at the posted price per barrel for pipe line runs then existing for Mid-Continent crude, and all other kinds of oils (as hereinbefore defined), at the wholesale prices then existing at Tulsa, Oklahoma, as ascertained by the Trustee. It is understood and agreed, however, that such basis for valuation shall be subject at any time to readjustment so that it shall be satisfactory to The Bank. It is also understood and agreed that the Oil Corporation covenants that the value of the Oil pledged in connection with this lease and agreement and by a similar agreement of even date herewith between the Oil Corporation and the Commerce Trust Company of Fort Worth, Texas, shall at all times be at least twenty-five percent in excess of ^{the amount of} outstanding acceptances, drafts or bills of exchange. The Trustee may rely upon the certificate of The Bank as to the amount of said acceptances, drafts or bills of exchange outstanding and unpaid, and as to the amount of Oil pledged and held by The Commerce Trust Company under the agreements herein mentioned.

If on account of the decrease in quantity or market price of the Oil held, computed on the basis of prices as herein specified, the value of the Oil held by the Trustee hereunder and the value of the Oil held by The Commerce Trust Company under the agreement above mentioned shall be of a value less than twenty-five per cent in excess of the then outstanding drafts or acceptances then and in such event, the Oil Corporation will, upon demand of the Trustee or of The Bank forthwith, either (1) procure to be run into said tanks or any of them or placed in said storage warehouses, such additional quantity of Oil as security for the payment of said indebtedness, or (2) make such payment or deposit of money with The Bank, that the value of the Oil pledged by this agreement and said agreement with The Commerce Trust Company and such deposit of money (taken at 125% of face value) shall be and always remain at least Twenty-five per cent in excess of the indebtedness secured hereby then outstanding. In the event of the failure of the Oil Corporation so to do, the obligations of the Oil Corporation under said acceptance agreement to place The Bank in funds equal to the face amount of the