

COMPARED

conveyed, mortgaged, sold, pledged and conveyed, and that it will warrant and defend the same unto the Trustee, his successors and assigns, for the benefit of the holders, for the time being, of the notes against the claims and demands of all persons whomsoever. In the event of any controversy or litigation, the Company will promptly pay all expenses necessary in the conduct of defense thereof, and will likewise pay any such amount as might be finally determined as owing; it being understood and agreed that neither the Trust Estate nor the Trustee, nor any of the note holders, shall at any time be liable for any expense in connection with the preservation, enhancement or protection or defense of the Trust Estate.

That the Company will duly and punctually pay or cause to be paid the principal and interest of each and all of said notes, as and when and where the same may become due and payable, according to the tenor and effect of said notes, without deduction for any tax (other than succession, income, inheritance or other taxes deductible at the source) or other governmental charges which the Company, or the Trustee may be required to pay thereon, or to deduct or retain therefrom, under or by reason of any present or future law of whatever jurisdiction.

That until all of the notes hereby secured, together with interest thereon, shall have been fully paid and satisfied the Company will make all reports and will comply with all laws, acts, rules, regulations and orders of any national, State, legislative, executive, administrative or judicial body, commission or officer exercising any power of regulation or supervision over it or over any part of the Trust Estate; provided, however, that the Company may contest any such law, act, rule, regulation, or order in an lawful and reasonable manner which will not affect the title of the Trustee to any part of the Trust Estate.

That the Company will promptly pay all rents, royalties, and payments due or to become due under the terms of each and all of the leases and contracts hereinabove described, at the respective times therein specified for payment, and will otherwise fully perform all the covenants, terms and conditions of said leases and contracts and each of them; and further, that it will faithfully observe and perform all obligations and make all other payments required by the terms of any other agreements, franchises, right or privilege included in the Trust Estate at the times and in accordance with the specified conditions, and that it will never do or leave undone any act the doing or omission of which shall cause a forfeiture, question or cancellation of said leases, agreements, contracts, franchises, rights, title or privileges to the end that the interest of the Company therein and the Trust Estate may be at all times substantially preserved as security for the said notes.

It being expressly agreed that the Company will not cancel or surrender any of the leases or contracts included in this indenture, or the oil and or gas leases included herein, or other contracts included herein, without giving the Trustee sixty (60) days notice of such intention so to do, and without first receiving written consent of Trustee thereto; nor shall the Company increase any royalty payments under any lease or contract included herein without written notice to the Trustee, and without first receiving written consent of Trustee thereto.

The Company will from time to time punctually pay and discharge when due and before the same become delinquent all taxes, assessments, and governmental charges of every kind and character, levied, imposed or assessed under any present or future law of the United States or ^{of} any State or subdivision thereof, upon the Trust Estate, or any thereof, including all oil or gas produced therefrom; and further, that it will pay and discharge all taxes and charges levied or assessed upon the income or profits derived from the Trust Estate or upon the interest of the Trustee in said Estate, so far as it may lawfully do without affecting the validity or negotiability of the said notes; the lien whereof might or could be held to