

construed as preventing the acquisition by the Oklahoma Company of all or any part of the property of the Delaware Company.

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SEC. 12. The Companies further covenant that no dividend or dividends (other than stock dividends) shall be declared or paid by the Oklahoma Company on any of its capital stock at any time outstanding, except in the event and to the extent that the combined surplus earnings of the Companies, arising from operations subsequent to October 31, 1923, on the basis of a consolidated statement, shall suffice for the payment of such dividend or dividends, nor then, if after the payment of any such dividend or dividends the current assets of the Companies (on the basis of a consolidated statement) as defined in Section 13 of this Article, would amount to less than two and one quarter ($2\frac{1}{4}$) times the outstanding indebtedness of the Companies as defined in said Section 13.

The term "surplus earnings" as used herein shall be deemed to be the combined earnings of the Companies in excess of operating expenses, fixed charges and all other charges against income (after eliminating all inter-company, duplicate and / or offsetting items in accordance with standard accounting methods employed to ascertain the consolidated earnings of a corporation and its affiliated companies), including in such operating expenses, fixed charges and other charges against income, insurance, rentals, damages, license fees, repairs, maintenance, reasonable depreciation, income taxes and other taxes inventory and other losses, interest on and annually maturing installments of the principal of the bonds hereby secured, interest on all other funded and unfunded indebtedness and all other proper charges against income. The term "surplus earnings" as used in this Section shall not, however, be deemed to include profits derived from the appreciation in value or from the sale or other disposition of capital assets, or surplus created by the retirement or reduction of, or change in, any of the authorized and / or outstanding capital stock of the Companies, or either of them.

SEC. 13. The Companies further covenant that the combined current assets of the Companies shall always amount to at least one and three fourths times their combined outstanding indebtedness. The term "current assets" as used in this Section shall be deemed to include only United States government bonds and certificates of indebtedness and other high-grade investment securities for which there is a ready market, products manufactured and in process of manufacture, stocks of merchandise and current materials and supplies, (all inventoried at cost or at the market value, whichever is the lower) prepaid insurance, cash on hand and in bank and good and collectible bills receivable and accounts receivable representing current transactions in the ordinary course of business and due in not more than one year from their respective dates.

The term "outstanding indebtedness" as used in this Section shall be deemed to embrace not only obligations incurred or executed by the Companies, or either of them but also all other obligations howsoever incurred for which the Companies, or either of them, are in any way liable or which are secured by a lien upon any of the property of the Companies, or either of them. There shall be included in such outstanding indebtedness proper sums to represent accrued and unpaid taxes, rentals, interest, royalties, license fees and other like items. The combined current assets and combined outstanding indebtedness of the Companies shall be arrived at on the basis of a consolidated statement of the Companies, after eliminating all inter-company, duplicate and / or offsetting items, all in accordance with standard accounting methods employed to ascertain the consolidated current assets and consolidated liabilities of a corporation and its affiliated companies.

SEC. 14. The Companies covenant that they are respectively duly authorized, under