

give notice and conduct said sale in any manner provided for or permitted by the laws of Oklahoma. Demand for the performance of any covenant or agreement herein is also hereby expressly waived.

All Oil herein mentioned and referred to shall be merchantable oil or products or hyproducts thereof, as hereinbefore defined.

The Oil Corporation will replace all Oil lost through any cause other than the negligence of the Trustee.

COMPARED

At any sale, The Bank, any acceptor, purchaser, or any holder of any such acceptance, or draft, or the Trustee, may purchase the said Oil.

The Oil Corporation authorizes the Trustee in the event of sale, to execute and deliver to the purchaser a bill of sale conveying to the purchaser the Oil sold thereat; which bill of sale shall convey absolutely all of the right and title of the Oil Corporation therein, and any statement of facts or recital by the Trustee in relation to the nonpayment of the indebtedness secured to be paid, the notice of sale, receipt of the money and execution of the conveyance to the purchaser shall be received as conclusive evidence of such facts as against the Oil Corporation.

It is further understood and agreed by and between the parties hereto that in the event of any sale by the Trustee, the proceeds of such sale shall be applied, first, to the payment of the reasonable and necessary expenses, fees and advances of the Trustee and of the Bank pursuant to the provisions hereof and of the said acceptance agreement and in respect to the property or the sale of the Oil; second, to the payment of the acceptances or drafts, principal and interest intended to be secured hereby; and the residue, if any, shall be paid to the Oil Corporation upon demand. In the event of any sale, the proceeds thereof shall immediately be deposited in The Chase National Bank of the City of New York as a trust fund, in the name of said Exchange Trust Company of Tulsa, Oklahoma, as Trustee, and shall be paid out and distributed only upon check duly signed by it as Trustee (after the payment of the expenses, fees and advances aforesaid), to the holders of said drafts or acceptances and/or said Acceptors as his or their interest may appear, which drafts or acceptances, upon payment thereof, principal and interest, shall be surrendered to and cancelled by the Trustee; and the residue of said fund, if any, after the payment of said acceptances, or drafts, shall be paid by the Trustee to the Oil Corporation. The Trustee may, however, and upon the request in writing of The Bank shall, in lieu of making the payments last hereinabove provided, pay said monies over to The Chase National Bank of the City of New York, and the receipt of The Bank shall operate as a full and complete discharge of the Trustee from any further accountability with respect to the proceeds of said sale. The Trustee may rely upon the certificate of The Bank as to the ownership of any draft or acceptance and the amount to be paid to the holder or holders thereof.

The Trustee named herein hereby accepts the pledge and trust created by this agreement without representations as to and responsibility for the validity or legality of this agreement, and the pledge or lien created thereby, and agrees faithfully and honestly to discharge the duties of pledgee and trustee under the terms of the same, and further agrees that it will keep and hold, in the manner herein provided, in its exclusive possession all of the Oil now subject or which may hereafter be subject to the terms of this agreement (except when and as The Bank may otherwise direct the Trustee), and that it will use all reasonable care and diligence in protecting the same, and will employ such agents as are necessary in the premises. It is further agreed that the Trustee in all other matters than the holding, reporting and releasing of said Oil shall not be liable except for its wilful wrong conduct. The Bank shall not be responsible for any action hereby contemplated or authorized to be taken