

necessary for the carrying out of the terms, stipulations, conditions and provisions of this agreement, and full possession of said oil and the other property and interest in property is now delivered unto the actual possession of the Trustee; said oil to be held in storage and not otherwise in said tanks, warehouses, pipe lines and facilities named in the lease provisions thereof.

The Oil Corporation hereby represents that it is the absolute owner of the oil hereinbefore described, free and clear of all liens and encumbrances whatsoever, except a lien to secure the \$350,000 of drafts maturing January 7, 1924, and any renewals thereof; and it further covenants that all oil which now is in said tanks, storage warehouses and said pipe lines, and which shall hereafter be run into said tanks, storage warehouses, and said pipe lines and becomes 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 Trustees, its successor or successors or assigns against all lawful claims.

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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 interests 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 chattel 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 chattel mortgages, 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 anytime 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 shall at all times be of the value of at least four hundred and seventy five thousand Dollars, (\$475,000).

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 shall be of a value less than four hundred and seventy five thousand dollars (\$475,000) then and in such event, the Oil Corporation will, upon demand of the