

hereby expressly waived, but the Trustee may, at its option, 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.

It is further expressly stipulated and agreed that the Oil and/or Supplemental Oil herein mentioned and referred to shall be merchantable oil or products or by-products thereof, as hereinbefore defined.

COMPARED

It is also expressly agreed that the Oil Corporation will replace all Oil, Supplemental Oil Treating Materials and/or Warehouse Supplies lost through any cause other than the negligence of the Trustee.

At any sale, the Bankers, any acceptor, purchaser, or any subsequent holder of the Junior Drafts, or the Trustee for the benefit of such holders may purchase the said Oil, Supplemental Oil, Treating Materials and/or Warehouse Supplies.

The Oil Corporation authorizes the Trustee in the event of sale, to execute and deliver to the purchaser a bill of sale, to execute and deliver to the purchaser a bill of sale conveying to the purchaser the Oil, Supplemental Oil Treating Materials and/or Warehouse Supplies sold and hereat: 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 non-payment of the indebtedness secured to be paid, the notice of sale, re-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 in respect to the property, or the sale of the Oil, Supplemental Oil, Treating Materials and/or Warehouse Supplies: second, to the payment of the Junior Drafts, principal and interest, and/or the payment of the obligations of the Oil Corporation to the Acceptors under any acceptance agreement in respect of the Junior Drafts: 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 with the Bankers 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 Junior Drafts and/or said Acceptors as their interest may appear, and said Draft or Drafts 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 Draft or Drafts, shall be paid by the Trustee to the Oil Corporation. The Trustee may, and upon the request in writing of the Bankers shall, in lieu of making the payments provided in the above provision herein, pay said monies over to the Bankers, and the receipt of the Bankers 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 bankers as to the ownership of any Junior Draft 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, and agrees faithfully and honestly to discharge the duties of pledges 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, Supplemental Oil, Treating Materials and/or Warehouse Supplies, now subject or which may hereafter be subject to the terms of this agreement (except when and as the Bankers may otherwise direct