sell, convey, assign and transfer unto the Bank, its successors and assigns, all oil, gas and other hydrocarbons, together with all proceeds derived from the sale thereof (including but not limited to all moneys due and to become due under sales contracts, transportation contracts and processing contracts), produced and to be produced to the credit of the mortgaged property. All parties producing, purchasing, taking, processing or receiving any oil, gas or other hydrocarbons attributable to the mortgaged property or having in their possession any such oil, gas or other hydrocarbons, or proceeds thereof, for which they or others are accountable to the Bank by virtue of the provisions hereof, are hereby authorized by the Grantor to treat the Bank as the assignee and transferee of the Grantor and entitled in the place and stead of the Grantor to receive the same; and such parties, and each of them, shall be fully protected in so treating the Bank and shall be under no obligation to see to the proper application by the Bank of any such proceeds received by it. The Grantor hereby authorizes and empowers the Bank to demand, collect and receive said oil, gas and other hydrocarbons, and the proceeds therefrom, and to execute any and all transfer orders, division orders and other instruments that may be necessary to effect such demand, collection and receipt; nevertheless the Grantor agrees that the Grantor will execute and deliver any and all transfer orders, division orders and other instruments that may be requested by the Bank for the purpose of effectuating the payment to the Bank of the proceeds assigned hereby. The Bank shall have no responsibility to enforce collection of any proceeds so assigned and shall have no other responsibility in connection therewith, except to account for funds actually received. All funds received by the Bank by virtue of the assignment hereby made shall be applied upon the indebtedness secured by this instrument except as otherwise agreed by the Grantor and the Bank.

ARTICLE IV

REMEDIES IN EVENT OF DEFAULT

Section 4.1 In case any one or more of the following Events of Default shall occur and be continuing:

(a) Failure by the Grantor to pay any interest upon or principal of the Note, or of any other indebtedness (including future advances) secured hereby, when the same shall become due and payable (whether by acceleration or otherwise); or

(b) Default by the Grantor in the due performance or observance of any covenant, warranty or condition herein contained, which shall have continued unremedied for a period of 20 days after it shall have become known to the Grantor, or the uninsured loss or destruction of or damage to, or the taking by eminent domain of, all or any material portion of the mortgaged property; or

(c) The Grantor shall (i) become insolvent or be unable to pay its debts as they mature, (ii) apply for or consent to the appointment of a receiver, trustee or liquidator of the Grantor or of all or a substantial part of its assets or of any of the mortgaged property, (iii) be adjudicated a bankrupt or insolvent, or file a voluntary petition in bankruptcy, (iv) make a general assignment for the benefit of creditors, (v) file a petition or an answer seeking reorganization or an arrangement with creditors or to