

the market, whichever is the lower, except crude oil in storage, which may be figured at market value, Liberty Bonds at their market value, and material on hand figured at cost or its reasonable value, whichever is the lower, but at no time shall the material on hand in figuring quick assets be valued in excess of \$750,000.

The Company further covenants that so long as any of the bonds secured by this indenture shall be outstanding and unpaid, the combined tangible assets of the Company and of Midco Gasoline Company, Midco Transportation Company and Midco Oil Sales Company shall at all times be not less than an amount equal to 300 per cent of the bonds of this issue from time to time outstanding and unpaid; and for the purpose of ascertaining from time to time the value of such combined tangible assets, the sound value thereof as of November 1, 1920., is hereby fixed at the sum of \$14,317,055.19, and it is understood and agreed that any property real or personal, purchased after November 1, 1920, by the Company or by any of the other three corporations above mentioned, shall be figured at cost price in computing such combined tangible assets at any time after November 1, 1920.

Section 15. The Company further expressly covenants that, so long as any of the bonds hereby are outstanding, no dividends shall be declared and paid in any calendar year by said four corporations, or any of them, in excess of an amount equal to one half of the combined earnings of said four corporations for such year, and that no dividends shall be at any time declared or paid, the payment of which would reduce the combined net quick assets of said four corporation as herein defined, below an amount equal to one-half of the total amount of bonds then outstanding hereunder.

Section 16. In the event of any sale of the trust estate, or of any part thereof, under any power or trust herein contained, the Company will, if and when required by the Trustees or the purchaser, execute a formal conveyance or assurance of the trust estate so sold to the Trustees or as the Trustees may direct.

Section 17. The Company covenants and agrees that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of any valuation, appraisal, stay, redemption or extension law, or statute or limitations, now or at any time hereafter in force in any state, nor after any sale made under foreclosure hereof, or otherwise, will it claim or exercise any right under any statute now or hereafter in force in any state to redeem the property so sold, or any part thereof. The Company hereby expressly waives the appraisal of any real estate hereby conveyed, and also waives all benefit and advantage of any other law or laws above mentioned in this section, and covenants that it will not invoke the same to hinder, delay or impede, nor will it in any way attempt to hinder, delay or impede the Trustees or the bondholders in foreclosing this Indenture, or the Trustees in the execution of any power herein given to them for the protection of this security and the enforcement of the rights of the bondholders hereunder.

Section 18. The Company will not, without the written consent of the Bankers, consolidate or merge with any other corporation, nor unless such corporation, or any new corporation formed by such consolidation or merger, shall agree with the Trustees for the time being of this Indenture, for the benefit of said Trustees and of the holders for the time being of the bonds, that it will perform and observe all of the covenants and agreements herein contained (including this covenant) to be performed and observed by the Company, and that all property, real and personal, leases, rights, agreements, easements, privileges and franchises then or thereafter acquired by such corporation, for or in connection with the property covered by this Indenture, or intended so to be, shall be subject to the lien hereof as fully and with the same force and effect as if acquired by the company.

Section 19. The Company shall deposit with the Corporate Trustee all abstracts of title to all properties owned by it in fee, and also to all plant site leases, and all leasehold estates owned by it under oil and gas leases now producing oil; and also abstracts of title to any such leasehold estates not now producing oil, if and when the same shall produce oil. Any abstract deposited under the terms hereof may be temporarily withdrawn at any time by the Company upon depositing with said Trustee the sum of \$25, which sum, less the reasonable charges of said Trustee, shall be repaid to the Company upon the return by it of such abstract; provided, however, that the Company will pay any sum in excess of such deposit which said Trustee may be required to pay in replacing any abstract not returned by the Company on request of said Trustee.

Section 20. The Company will duly record and deposit file and refile these presents in such manner and places and at such times as may be required by law, and will from time to time do or cause to be done all things required by law in order to preserve the lien of these presents as a mortgage or deed of trust, both of real and of personal property, and will furnish to the Trustees satisfactory evidence of the recording, depositing, filing and refiling, and of the doing of such other things, and will furnish similar evidence of recording, depositing, filing and refiling every additional instrument, and of the doing of all such other things as shall be necessary to preserve the lien of this Indenture, upon all and every part of the trust estate until the principal and interest of the bonds secured hereby shall have been paid in full.

Article III.

Trust Estate prior to Default.

Section 1. Until the existence of some event of default as hereinafter defined in Section 2 of Article IV hereof, the Company shall (except as herein