

and interests and royalties in such oil rights, all oil production and all equipment, appliances and other property actually in use in the production of oil solely, whether owned directly or indirectly, for such consideration, if any, as the Company may see fit.

ARTICLE VIII.

APPLICATION OF MONEY RECEIVED BY THE CENTRAL COMPANY.

SECTION 1.--So long as any Bonds of the 1927 Series are outstanding, all moneys received by the Central Company as proceeds of released property or of property taken by the power of eminent domain or as insurance money, shall be held by the Central Company and shall be paid over by the Central Company (unless some default described in clauses (a), (b) or (c) of Section 1 of Article IX hereof, or one of the Events of Default as defined in said Section 1 of Article IX shall have occurred, and in either case be then continuing) to or upon the order of the Treasurer of the Company to reimburse the Company for moneys expended by it since November 30, 1926, and irrespective of whether expended prior or subsequent to the receipt of such money by the Central Company, or the release or taking of property, proceeds of which make up or are included in such money.

(a) For the replacement of property destroyed by fire or other casualty (to the extent that insurance moneys are in the hands of the Central Company), upon receipt by the Central Company of a certified copy of a resolution of the Board of Directors of the Company requesting such payment and a statement signed by the President or a Vice-President and the Treasurer or an Assistant-Treasurer of the Company, stating with reasonable detail the amount of expenditures made for such replacement, and that the replaced property has been acquired by the Company, and that the replaced property is subject to no lien other than that to which the destroyed property was subject; or

(b) For the acquisition by the Company of additional property, or the making of extensions, additions or improvements, of the nature which might be the basis for the issuance of Residue Bonds, pursuant to Article II;

Provided, however, that no cash shall be paid to the Company to reimburse it for expenditures of the nature specified in Clause (b) above until the Central Company shall have received a certified copy of a resolution of the Board of Directors of the Company requesting such payment and the appropriate documents required to be delivered to it in accordance with the provisions of Section 2 of Article VI (except that the statements required by Paragraphs A of said Section shall describe only the property, permanent improvements, extensions or additions acquired or constructed as to which reimbursement is being requested and except that it shall state that the property does not include any of the nature described in Clauses (a), (b), (c), (e), and (f) of Subdivision II of Section 2 of Article II) and in addition thereto in all cases in which the sum requested exceeds \$250,000 a report of an appraiser or appraisers who shall be selected by the Central Company and whose compensation shall be paid by the Company appraising the property for the reimbursement of the cost of which payment has been requested, which appraisal shall show the value of such property over and above the principal amount of all indebtedness secured by lien upon such property prior to the lien hereof, to be not less than the amount of the payment requested.

SECTION 2.--The resolutions and certificates, and the instruments and opinions hereinbefore in this Article provided for, shall be full authority to the Central Company for the payment of any moneys as requested therein, and the Central Company may conclusively rely upon the truth of any statement made in any such resolution, certificate, instrument or opinion, whether such statement be required by any provision of this Article or be voluntarily made; but before making any such payment the Central Company may, in its discretion, cause to be made such independent investigation as it may see fit, and the reasonable expense thereof shall be paid by the Company, or if paid by the Central Company, shall be repaid by the Company upon demand, with interest at the rate of six per cent. per annum.

SECTION 3.--Any such moneys in the hands of the Central Company, and not theretofore paid over or requested to be paid over to reimburse the Company as aforesaid shall, on the election and in accordance with the request of the Company, evidenced by a copy of a resolution certified to have been adopted by its Board of Directors, be applied by the Central Company to one or more of the following purposes as specified in such request:

(1) To the purchase of Bonds of any one or more series issued and outstanding hereunder at not exceeding their respective redemption prices, if any, in force at the time of purchase, or their principal amount and accrued interest in the case of series for which no redemption price has been fixed; or

(2) To the redemption of Bonds of any one or more series issued and outstanding hereunder, in accordance with the provisions of Article IV of this Indenture, or of any indenture supplemental hereto which may prescribe terms of redemption of future series.

Any such moneys in the hands of the Central Company for a period in excess of two years and not theretofore paid over to reimburse the Company as aforesaid, or applied to the purchase or redemption of Bonds as aforesaid, shall be forthwith applied by the Central Company to the redemption of Bonds of the different series issued hereunder in proportion, as near as may be, to the amount of Bonds of the different series outstanding at the time.

All Bonds of the 1927 Series purchased or redeemed pursuant to this Section shall be purchased or redeemed through the Bankers.

Upon the retirement of all of the Bonds of the 1927 Series any of the moneys received by the Central Company as hereinabove in Section 1 of this Article described shall be paid to or upon the order of the Company, as requested in a resolution of the Board of Directors of the Company certified as such by the Secretary or an Assistant Secretary of the Company, unless otherwise provided in an indenture or indentures supplemental hereto.

ARTICLE IX.

REMEDIES UPON DEFAULT.

SECTION 1.--In case so long as any Bonds of the 1927 Series are outstanding one or more of the following events, herein termed Events of Default, shall happen, that is to say,

(a) default shall be made in the payment of any instalment of interest on any of the Bonds when the same shall become payable, as therein and herein expressed, and such default shall continue for sixty days; or

(b) default shall be made in the payment of the principal of any of the Bonds when the same shall become due and payable, either at maturity, by call for redemption, by declaration or otherwise; or

(c) default shall be made in the payment of any instalment of the Sinking Funds therein or in any supplemental indenture provided for, and shall continue for sixty days; or

(d) default shall be made in the observance of any of the covenants, agreements, or conditions on the part of the Company in the Bonds or in this Indenture expressed, except as in Article VI specifically excepted, and the Company shall not remedy such default within ninety days after written notice of such default shall have been served upon the Company by the Central Company which shall serve such notice at the request of the holders of five per cent. in amount of the Bonds of the 1927 Series then outstanding; or

(e) the Company shall be adjudged bankrupt or insolvent, or a receiver by reason of insolvency or bankruptcy shall be appointed of any substantial part of the property of the Company and not be dismissed within sixty days after appointment; or