

be filed, or should a receiver, trustee or other officer appointed by any court of competent jurisdiction seize the Properties or any portion thereof described in the Schedules hereto or the Hydrocarbons produced therefrom and hold possession for a period of 30 days, then, in addition to all other remedies available to Assignor at law or in equity,

(a) Assignor shall thereupon and thereafter have the continuing right, privilege and option (but shall be under no duty) to effect performance or observance, on behalf and at the expense of Assignee, of such covenant, agreement or undertaking which has not been performed or observed by Assignee, and in which event Assignor may advance funds and incur and pay bills for expenses for such purpose and shall be reimbursed out of the proceeds of the Hydrocarbons attributable to Assignee's interest in the Properties, together with interest on the unliquidated amounts thereof at the rate of 6% per annum from the date of such payment until paid, and any purchaser of the Hydrocarbons is authorized and directed to make payment to Assignor therefrom for the amount which Assignor shall certify that it has paid and which Assignee is obligated to pay hereunder; and

(b) Assignor, upon written notice to Assignee, shall succeed to all rights of Assignee with respect to the possession, operation, exploration, drilling and development of the Properties and (free of any cost, charge or expense to Assignor) may use, or join in the use of, all leasehold equipment and appurtenances thereto and situated upon or used in connection with the exploration, development or operation of the Properties or the producing, treating, storing or transporting of the Hydrocarbons therefrom, and Assignor shall have the right, on behalf and for the account of Assignee, to sell and utilize all of such Hydrocarbons attributable to Assignee's interest therein and to apply the proceeds thereof to the costs and expenses (including counsel fees) of the exploration, operation, drilling and development of the Properties and the sale and marketing of the Hydrocarbons produced therefrom and to reimburse Assignor for any amounts so expended by Assignor, and Assignee shall reimburse Assignor upon demand for all amounts so expended by Assignor (to the extent that such amounts are not paid out of the Hydrocarbons attributable to Assignee's interest in said leases), together with interest on the unliquidated amounts at the rate of 6% per annum from the date of such expenditure until paid; and

(c) Assignor shall be entitled to specific performance and observance of each of the covenants, agreements, undertakings or obligations of Assignee herein contained or to apply to any court of equity in aid of the execution of any right or power herein granted or for the appointment of a receiver of Assignee's interests in the Properties and the Hydrocarbons produced therefrom.

11. The PPI shall not be dischargeable out of the proceeds of the sale of any products of the Hydrocarbons which are the result of any manufacturing, processing or refining operation thereof, except to the extent of that part of the proceeds from the sale of such products which represents the fair market value at the wellhead of the Hydrocarbons subjected to such manufacturing, processing or refining operation.

12. No release by Assignor of any of the property herein assigned and conveyed from the PPI and no loss or failure of title to, or any abandonment of, any of the property herein assigned and conveyed shall have the effect of either reducing the amount of or the fraction of the Hydrocarbons attributable to the PPI or shall create any setoff or other prejudice to the PPI, and the same shall continue in full force and effect to the extent of the full stipulated fractions thereof as to the remainder of the property until the full amount thereof has been received by Assignor as herein provided.

13. As between Assignor and Assignee, Assignee assumes and shall pay all unpaid ad valorem taxes levied and assessed against, measured by, or imposed with respect to the Properties hereby conveyed or the Hydrocarbons produced therefrom.