

required insurance on behalf of Mortgagor (or insurance in favor of the Mortgagee alone) and pay the premiums thereon. In the event Mortgagee elects to obtain the required insurance on behalf of Mortgagor, Mortgagee shall not be obligated to insure the Mortgaged Premises in any amount in excess of the amount of the outstanding indebtedness secured hereby. Mortgagor shall assign to Mortgagee all right and interest in all such policies of insurance and authorize the Mortgagee to collect for, adjust or compromise any losses under any insurance policy on the Mortgaged Premises, and loss proceeds (less expense of collection) shall, at the Mortgagee's option, be applied on the debt, whether due or not, or to the restoration of the Mortgaged Premises, or be released to Mortgagor, but such application or release shall not cure or waive any default.

3. That no building or other property now or hereafter covered by the lien of this mortgage shall be removed, demolished or materially altered, without the prior written consent of the Mortgagee, except that the Mortgagor shall have the right, without such consent, to remove and dispose of, free from the lien of this mortgage, such equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal any such equipment shall be replaced with other equipment of a value at least equal to that of the replaced equipment and free from any title retention or security agreement or other encumbrance, and by such removal and replacement, the Mortgagor shall be deemed to have subjected such equipment to the lien of this mortgage, or (b) any net cash proceeds received from such disposition shall be paid over promptly to the Mortgagee to be applied to the last installments due on the indebtedness secured, without any charge for prepayment.

4. That the whole of the principal sum and the interest shall become due at the option of the Mortgagee: (a) after default in the payment of any installment of principal and/or interest; or (b) after default in the payment of any tax, water rate or assessment; or (c) after default either in assigning and delivering the policies of insurance herein described or referred to or in reimbursing the Mortgagee for premiums paid on such insurance, as herein provided, or (d) after default upon request in furnishing a statement of the amount due on this mortgage and whether any offsets or defenses exist against the mortgage debt, as hereinafter