

sell any Account Receivable or interest therein (any of the foregoing actions, "compromise") unless (a) the amount owing under any Account Receivable so compromised does not exceed \$40,000 and (b) the aggregate amount owing under all Accounts Receivable so compromised after the date hereof does not exceed \$500,000.

V

REPORTS, INVOICES AND RECORDS

Section 5.01. The Trust will furnish to Mortgagee such reports and other information concerning the Collateral as Mortgagee may reasonably request in writing. The Trust will maintain such records concerning the Collateral as will enable Mortgagee to determine the status thereof and the Trust will permit Mortgagee, at reasonable times and places, to inspect the Trust's records and all other papers in the Trust's possession pertaining thereto.

VI

POWER OF ATTORNEY: PERFORMANCE OF OBLIGATIONS

Section 6.01. The Trust hereby appoints Mortgagee, with full power of substitution, the attorney-in-fact of the Trust, for the purposes of, upon the happening of an Event of Default or as otherwise specifically set forth herein, carrying out the provisions of this Agreement and taking any action and executing any instrument which Mortgagee may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest.

Section 6.02. If the Trust shall fail to do any act or thing which it has covenanted to do hereunder, or if any representation or warranty of the Trust shall be breached, Mortgagee may (but shall not be obligated to), upon reasonable prior written notice to the Trust, perform such act or thing on behalf of the Trust or cause it to be done or remedy any such breach, and there shall be added to the liabilities of the Trust hereunder the cost or expense incurred by Mortgagee in so doing, and any and all amounts expended by Mortgagee in taking any such action shall be repayable to it upon demand being made to the Trust therefor and shall bear interest at the rate provided for Loans in the Loan Agreement from and including the date advanced to the day of repayment.

VII

DEFAULT AND REMEDIES

Section 7.01. The occurrence of an Event of Default under the Loan Agreement or the Mortgage or any default in Mortgagor's obligations under this Agreement shall constitute an Event of Default under this Agreement.

