

SAML BOGGS NORTH STATIONERY CO KANSAS CITY MO 64104

amount expended by the obligor in such repairing, rebuilding or construction work, but no moneys shall be paid out by the Trustee until it shall have been furnished with a certificate made by an architect, engineer or contractor satisfactory to it that the unexpended proceeds of said insurance are sufficient to complete the repairing, rebuilding or construction of the improvements which have been destroyed or damaged to the condition in which they were in prior to such destruction or damage, free and clear of all mechanics, laborers, materialmen's or other liens or encumbrances. Any surplus funds remaining in the hands of the Trustee after the full and complete restoration of the destroyed or damaged premises, or any funds representing the proceeds of said insurance which may not be used for the above purpose, shall be held by the Trustee as additional security hereunder.

Any appraisal, adjustment or settlement of any loss or payment of insurance to the Trustee under said policies which may be agreed upon between the obligor and the insurer, may be consented to and accepted by the Trustee, and the Trustee shall in no way be liable or responsible for the adjustment of any loss or for the collection of any insurance in case of loss.

VI.

1. In case default shall be made in the payment of any interest on any bond or bonds at any time issued under and secured by this mortgage, or in case default shall be made in the payment of the principal of said bonds or any of them at the maturity thereof, or in case default shall be made for a period of 30 days after written notice to the obligor from the Trustee specifying such default in the full and faithful performance of any of the other covenants, conditions or agreements herein contained, then the Trustee may at its election, and shall, upon the written request of the holders of one-fourth (1/4th) in amount of the bonds hereby secured then outstanding, declare by notice in writing to the obligor the principal of all bonds hereby secured then outstanding to be due and payable immediately, and upon any such declaration, such principal shall become and be immediately due and payable, anything in this mortgage or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after such declaration, but before any further act shall have been done by the Trustee hereunder, all arrears of interest upon such bonds and the principal of all such bonds as may have matured by their terms shall have been paid by the obligor, and any other default hereunder by the obligor shall have been cured, then the Trustee may, by written notice to the obligor, rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or effect any subsequent default with respect to this mortgage and the bonds issued hereunder.

2. In the event that default be made by the obligor in any manner specified in Section 1 of this Article VI., then in either and every such case the Trustee may at its election, and shall upon the written request of the holders of one-fourth (1/4th) in amount of the bonds hereby secured then outstanding, with indemnity as hereinafter provided, proceed to foreclose the lien hereby created by such suit or suits as the Trustee, under the advice of its counsel, may deem advisable and most effectual to protect and enforce any of its rights or duties hereunder, and the rights of the holders of the bonds hereby secured.

3. In the event of any sale under this mortgage, the whole of the property heretofore or hereby conveyed, transferred and mortgaged may be sold in one lot or parcel as an entirety, without valuation or appraisal and, in case of any such sale, the whole of the principal sums of the bonds hereby secured, if not previously due, shall at once become due and payable.

4. The purchase money, proceeds or avails of any such sale, including any such income from the mortgaged premises not previously expended, shall be applied as follows:

(a) To the payment of the costs and expenses of such foreclosure and sale, including reasonable compensation to the Trustee, its agents and attorneys, and of all expenses, liabilities and advances made or incurred by the Trustee, together with interest thereon at the rate of 5% per annum;

(b) To the payment of the whole amount then owing or unpaid for principal and interest upon the bonds hereby secured, and in case such proceeds be insufficient to pay in full the whole amount so due then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest;

(c) To the payment of the surplus, if any, to the obligor, its successors or assigns, or to such person as may be lawfully entitled to receive the same.

5. The Trustee shall in its own name and as Trustee of an express trust, be entitled to sue for and recover judgment for any amount at any time due and unpaid upon said bonds and coupons either before or after or during the pendency of any proceedings for the enforcement of this mortgage, and the right of the Trustee to recover such judgment shall not be affected by the exercise of any right, power or remedy for the enforcement of this mortgage. No such suit or recovery by the Trustee shall in any manner affect any of the rights, powers or remedies of the Trustee hereunder. All moneys collected by the Trustee under the terms of this section shall be applied by it in the manner specified in Section 4 of this Article VI.

6. At any sale hereunder, the Trustee or any bondholder may bid for and purchase the properties or premises so sold upon compliance with the terms of sale, and may hold, retain and dispose of such properties or premises without accountability to the obligor. The Trustee or any bondholder so bidding shall be entitled, for the purpose of making payment for the property purchased, to use and apply any bond and matured and unpaid coupon hereby secured by presenting such bonds and coupons, in order that there may be credited as paid thereon the sums applicable to the payment thereof out of the net proceeds of such sale, and such purchaser shall thereupon be credited, on account of the purchase price, with the sums applicable out of such net proceeds to the payment of the bonds and coupons so presented.

7. No holder of any bond or coupon hereby secured shall have the right to institute any suit, action or proceedings at law or in equity for the foreclosure of this mortgage, or for the execution of any trust therein, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder shall previously have given to the Trustee written notice of any default herein and of the continuance thereof as hereinbefore provided, nor unless the holders of a majority in amount of the bonds secured hereby then outstanding shall have made written request upon the Trustee to act, and shall have afforded to the Trustee a reasonable opportunity to proceed, nor unless also they shall have indemnified the Trustee to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby, and such notification, request and indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this mortgage and to the commencement of any action for foreclosure or for the appointment of a receiver, or for any other remedy hereunder. The Trustee may, however, act without such notification, request or indemnity.