

thereto, all liability and obligations of the respective parties hereto and hereunder, not in default under (A) and (B) of sub-paragraph (b) of this Paragraph 2, with respect to such destroyed or damaged machinery or part, including but not limited to the payment of rent by Lessee with respect thereto, shall terminate and be satisfied in full. In making any replacement, restoration, or repair as in this sub-paragraph (e) provided Whitin or its assignee shall first apply any insurance recovery or recoveries with respect to the destroyed or damaged machinery, or part, towards the cost of such replacement, restoration or repair, however, if there is no such insurance recovery or recoveries or an insufficient insurance recovery or recoveries with respect to such damaged machinery, or part, to cover the cost of its replacement, restoration or repair, then Lessee at its sole option, may require Whitin to replace, restore or repair such destroyed or damaged machinery or part with reasonable promptness upon paying to Whitin an amount which, plus any insurance recovery or recoveries with respect to such destroyed or damaged machinery, or part, will be sufficient to cover the cost of replacement, restoration or repair of such destroyed or damaged machinery or part.

(f) For the purpose of the application of the provisions of this Paragraph 2, where only a part of the leased machinery shall be destroyed or damaged by fire or otherwise, the rental payments hereunder applicable to such part and to the balance of the machinery leased hereunder not destroyed or damaged, shall be agreed upon between Whitin and Lessee, and in the absence of such agreement shall be settled as a dispute under Paragraph 13 hereof. In the event of such partial destruction or damage rent shall continue to be paid on the balance of the machinery not destroyed or damaged, at the agreed upon or settled rental allocable hereunder thereto, provided, however, that in the event of such partial destruction, Lessee may elect to terminate this lease under sub-paragraph (e) of this Paragraph 2 with respect to all the machinery leased hereunder, both the part destroyed or damaged and the part not destroyed or damaged, and in the event of such election sub-paragraph (e) shall apply as though all of the machinery