

3. Mortgagor will continuously maintain hazard insurance of such type or types as Mortgagee may from time to time require in amounts equal to the full insurable value thereof on the improvements now or hereafter on the premises, and will pay promptly when due any premiums therefor. All insurance shall be carried in companies satisfactory to the Mortgagee and the policies and renewals thereof shall be held by Mortgagee (or persons authorized by Mortgagee to hold the same), and shall have attached thereto loss payable or mortgagee clauses in favor of and in form acceptable to Mortgagee. The policies shall provide against termination or cancellation for any reason without five days' prior notice to Mortgagee, to Bankers Trust Company, 16 Wall Street, New York, New York 10015 addressed to the attention of the Corporate and Pension Division and to Phillips, addressed in care of its Sales Department, Bartlesville, Oklahoma. In the event of loss, Mortgagor will give immediate notice by mail to Mortgagee, who may make proof of loss if such proof is not promptly made by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to the Mortgagor and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged, it being understood that Mortgagee shall exercise such option in accordance with the wishes of Phillips. In the event of foreclosure of this Mortgage or other transfer of title to the mortgaged property in lieu of foreclosure, all right, title and interest of the Mortgagor in and to the insurance policies then in force shall pass to the purchaser or grantee. Notwithstanding any other provision of this Mortgage, it is understood that Mortgagee shall delegate to Phillips any right granted to Mortgagee by this paragraph 3 with respect to requiring certain type or types of insurance to be maintained, determining the companies in which such insurance shall be carried and determining acceptable forms of loss payable or mortgagee clauses.

4. If an award in condemnation be made with respect to all or any part of the property subject hereto, the entire amount of such award attributable to Mortgagor's and Mortgagee's interest shall be paid directly to Mortgagee rather than to Mortgagor and Mortgagee jointly, and the condemning authority is hereby authorized and directed to make such payment accordingly. The proceeds of any such award, or any portion thereof, shall be applied by Mortgagee at its option either to reduction of the indebtedness secured hereby or to the restoration or repair of the property, (provided that if such proceeds are less than \$2000 they will be paid over to Phillips Petroleum Company and will be applied by it to the restoration or repair of the property or that, upon appropriate certification by Phillips Petroleum Company, such proceeds may be paid to Mortgagor), it being understood that Mortgagee shall exercise such option in accordance with the wishes of Phillips Petroleum Company.

5. If, notwithstanding the foregoing provisions, payment of any proceeds on account of insurance or condemnation is made to Mortgagor directly or to Mortgagor and Mortgagee jointly, Mortgagor shall immediately transfer and deliver such proceeds, or his entire interest therein, to Mortgagee.

6. If Mortgagor should default in the performance of any of the obligations herein set forth, Mortgagee, in addition and without prejudice to any other remedy which it may have, may itself correct the default and any sums so expended by Mortgagee shall be immediately due and payable by Mortgagor to Mortgagee, together with interest on such sums at the highest legal rate from and after the date of such expenditure until repaid, and such expenditure, together with such interest, shall be secured hereby.