

year. Immediately upon the receipt of any such payments, the Mortgagee will apply the same on account of the payment of said promissory note, and the remaining installments then owing thereunder shall be reduced by the ratio that such payments so received bears to the entire balance owing on said promissory note immediately before the receipt of such payments, respectively.

Section 3. Reduction in Amortization Payments. Should the Mortgagor's claim for immediate full amortization of plant and equipment covered by Certificates of Necessity Nos. WD-N4061, WD-N-12214, WD-N-14363 and WD-N-14372 be allowed in whole or in part, or should the Mortgagor obtain Certificates of Non-necessity with respect to such plant and equipment, so that the Mortgagor receives from the United States Government a refund, repayment or credit for any part or all of the Federal Income and/or Excess Profits Taxes paid by it with respect to the fiscal year which ended on November 30, 1942, the balance of such refund, repayment or credit remaining after the payment of any additional taxes imposed upon the Mortgagor for the fiscal years ended November 30, 1943, and November 30, 1944, in connection with the allowance or partial allowance of the Mortgagor's claim for immediate full amortization or the Mortgagor's obtaining of Certificates of Non-necessity, shall be paid to the Mortgagee, in reduction of the principal amount then owing on said promissory note, immediately after the Mortgagor's (a) receipt of such refund or repayment, or (b) application of such credit to the payment of Federal Income and/or Excess profits Taxes. In any of such events, the remaining monthly installments owing under said promissory note shall be reduced by the ratio that said refund, repayment or credit bears to the entire balance owing on said promissory note immediately before such reduction.

Section 4. Anticipation Payments. At its option, the Mortgagor may pay any or all installments of said promissory note prior to their respective dates of maturity.

Section 5. Warranty of Title. The Mortgagor warrants to the Mortgagee that the Mortgagor has title to the Mortgaged property, and every part thereof, free and clear of all encumbrances, except this mortgage.

Section 6. Repairs, Maintenance and Inspection.

The Mortgagor at all time will maintain, preserve and keep the Mortgaged property and every part thereof in good repair, working order and condition, and from time to time will make all needful and proper repairs, additions and improvements thereto, and renewals, replacements, extensions and betterments thereof. The Mortgagee from time to time may inspect the Mortgaged Property between 8:00 A. M. and 5:00 P. M. on any days, except Sundays and legal holidays.

Section 7. After-acquired Property. Promptly upon acquiring, after the date hereof, (a) any additional personal property of the same general type as any of the personal property covered by this mortgage, or (b) any additional real property, the Mortgagor will notify the Mortgagee of such acquisition, giving the nature, description, quantity or amount of such property so acquired, the interest of the Mortgagor therein, the cost thereof to the Mortgagor, and its physical location. All such property, or the interest of the Mortgagor therein, shall forthwith, and without further act, become subject to the lien of this mortgage. Whenever the aggregate cost to the Mortgagor of any such additional property not covered by a Supplemental Mortgage as herein provided exceeds fifteen thousand dollars (\$15,000.00), the Mortgagor will immediately execute in favor of the Mortgagee a Supplemental Mortgage in form and substance satisfactory to the Mortgagee, covering such additional property, and will forthwith deliver such Supplemental Mortgage to the Mortgagee.

Section 8. Compliance with Applicable Laws. The Mortgagor will comply with all applicable, statutes, requirements, rules, regulations, orders and decrees of any Federal, State, municipal or other governmental authority, except such as may be contested by the Mortgagor in good faith without, in the option of the Mortgagee, jeopardizing any part of the Mortgaged Property, or the security of the Mortgagee hereunder.

Section 9. Payment of Taxes, Assessments and Liens.

(a) The Mortgagor will pay and discharge as they become due and payable all taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged property, or any part thereof, or any charge which, if unpaid, would become a lien or charge thereon prior or equal to the lien of this mortgage, or would have priority or equality in the distribution of the proceeds of any sale of the Mortgaged Property, or any part thereof. In any event, however, the Mortgagor shall have the right in good faith to contest any tax assessment or other charge which it believes to be unjust or illegal.

(b) The Mortgagor will not suffer any mechanic's laborer's statutory, tax or other lien which might or could be prior or equal to the lien of this mortgage to be created or to remain outstanding upon any of the Mortgaged Property.