

agreed to by the party of the first part may be consented to and accepted by said Trustee, but said Trustee shall in no way be liable or responsible for the collection of any insurance in case of loss.

APPLICATION OF PROCEEDS. Section 3. In the event of any loss or damage to said property, First Party shall immediately notify the Trustee in writing, and the proceeds of any insurance collected by the Trustee on account thereof shall be applied as hereinbelow authorized.

MINOR LOSS OR MAJOR LOSS. In the event any loss or damage to said property be of such a nature and extent that the amount of insurance collectible on account thereof does not exceed twenty five per cent (25%) of the total amount of insurance required under the terms of this Mortgage Deed of Trust, covering the risk in question, then such damage shall be considered a minor loss, and the amount so collected by the trustee on account thereof shall be applied to or toward the repair or restoration of the property so damaged, in such manner as the First Party and the Trustee shall mutually agree; but if the amount of such collectible insurance exceeds twenty five per cent (25%) of such total insurance, then such damage shall be considered a major loss, and the Trustee shall elect, within thirty (30) days after settlement with the insurance companies, whether said proceeds shall be applied toward the restoration of said improvements or toward the payment of said notes and coupons, and said proceeds shall be applied accordingly. But if the Trustee shall not make such an election, and give written notice thereof to the party of the first part, said proceeds shall be applied by the Trustee, at the option of the party of the first part, to the restoration of the property destroyed or damages, or to the payment of said notes and coupons.

SUPERVISION OF ARCHITECT. If the damage shall be other than a minor one, any repair or restoration thereof shall be made under the supervision of an Architect satisfactory to the Trustee; and the proceeds of loss paid on proper certificates of said Architect as the work of restoration progresses.

PROCEEDS APPLIED TO RESTORATION. If the proceeds of insurance are applied to the repair or restoration of the property damaged or destroyed, but such proceeds are not sufficient to pay for the entire cost of such repair or restoration, then First Party agrees, before any of such proceeds shall be expended toward such restoration, or repair to deposit with the Trustee or to expend in or about such repair or restoration, such an additional amount of money as may be necessary to complete such work. In the event said proceeds be more than sufficient to so repair or restore said property the damaged, such excess may be applied to the Trustee to the payment of such outstanding notes as it may determine.

PROCEEDS APPLIED TO NOTES. If the proceeds of insurance are applied to the payment of said notes and coupons, said proceeds shall be applied by the Trustee to the payment thereof in the same manner as that hereinafter provided for the application thereof to of the proceeds of a sale of the mortgaged property on foreclosure, and in such event the Trustee may publish a notice similar to the notice described in Article 1, section 8, hereof, specifying the date upon which said payment or payments shall be made and thereupon it shall be the duty of all note-holders to present their notes at the office of the Trustee Mississippi Valley Trust Company, on or before the date so specified, for either full or partial payment, as the case may be. In the case of only a partial payment on account of the principal of each note, interest shall cease from and after the said date upon that portion of the principal so paid or to be paid, and the principal of all outstanding notes shall be treated as proportionately reduced, whether or not all of said notes are then presented and said payments actually made; and in the case of a full payment of said