

covenants and agrees that before manufacturing any of the timber standing on the lands described and mortgaged it will make a showing satisfactory to the Trustee by affidavit of the Company's President, that such entire mill and mill plant, including all buildings and other property and appliances used or intended to be used in connection therewith and as part of said manufacturing plant, are situated on property subject to the lien of this mortgage or deed of trust, either originally or in accordance with the terms of this Article.

Article IV. The Company, party of the first part, agrees that it will, at all times during the existence of any of the indebtedness secured hereby, keep or cause to be kept insured all said buildings now or hereafter erected on the real estate hereinabove described, and all the machinery and apparatus provided for use in connection with said lumber-mill plants that are usually insured by companies or individuals engaged in like business, and in the same manner and to the same extent, and shall cause such insurance to be made payable in case of loss to the Trustee hereunder, by proper stipulations inserted in the policies, as its interest may appear. The policies covering such insurance shall be held by the Company, unless the Trustee shall, in writing, request that the same be delivered to it.

In case of loss the Trustee shall allow the insurance money received on any policy of insurance on the property above required to be insured, procured by said company, to be applied by said Company towards the replacement of, or addition to, the property destroyed or injured, if the Company shall, in writing, by its President or Vice-President, so request. And thereafter, from time to time, the Trustee shall pay over to the Company for that purpose any or all of such insurance received on policies procured by the Company; but no such insurance money shall be so paid over until the Company shall present to the Trustee a statement, verified by the affidavit of the President or Vice-President of the Company, showing that the Company has theretofore made actual expenditures to an amount not less than the amount of insurance money sought to be obtained from the Trustee in or about the replacement of the property destroyed or damaged or in the acquisition of new and additional property which shall be subject to the lien of this instrument.

But if the Company shall not, within ninety days from the time of the payment of any insurance money to the Trustee, in writing, request the Trustee to hold such money for the purpose of enabling the Company to pay the cost of replacements or of new additional property as aforesaid, then such insurance money may by the Trustee be transferred or paid into the sinking fund provided for in Article II of this instrument, and it shall thereupon constitute a part of such sinking fund, and be subject to all of the provisions of this instrument relating to the disposition thereof. And if, at any time, there shall remain in the hands of the Trustee any insurance money held upon request of the Company as hereinabove provided for the use of the Company in making replacements or acquiring new or additional property, and for any reason, the Company no longer requires such use of the same, the Trustee, upon the written request of the Company, shall transfer or pay such money into the sinking fund, in the same manner and with like effect as if the Company within ninety days from the payment of any loss had failed to notify the Trustee that it desired to make use of such money.

In case of any loss covered by any policy of insurance, any appraisalment of adjustment of such loss and settlement and payment of indemnity therefor, which may be agreed upon between the Company and any insurance company, may be consented to and accepted by the Trustee, and the said Trustee shall be in no way liable or responsible for the collection or adjustment of any insurance in the case of any loss.

Article V. In case the Company shall fail seasonably to pay any lien or any tax, assessment or other governmental charge upon the property hereby mortgaged; so as to fully preserve the priority of this indenture as a first lien thereon, or to procure and maintain reasonable and proper insurance thereon as aforesaid, the Trustee, or the legal holder or