

aforesaid, giving the name of the companies in which the policies are held, the dates, amounts and expirations of the policies respectively and the property covered thereby. Until default by the Timber Company in any manner hereunder, the Timber Company may, subject to the proviso hereinafter contained, retain possession of all insurance policies; but upon such default, or in case of any loss under any policies, the Timber Company agrees to promptly surrender such policies to the Trustee upon demand. If in the opinion of the Trustee any Company in which such insurance is effected is not good and responsible, or if in the opinion of the Trustee the form of any policy is not satisfactory, then and in either event the Trustee may require new policies to be taken out in lieu thereof, and the Timber Company agrees in such event to promptly obtain such new policies acceptable to the Trustee and to keep the same in force; and, in default of the Timber Company's so doing, the Trustee may, at its option, effect such insurance in the name of the Trustee for the time being; provided, however, that the Trustee may at all times demand an inspection of the policies and may further demand the custody thereof; and the Timber Company, upon such demand for inspection or custody, covenants to comply therewith.

In case of loss the Trustee shall allow any insurance money received to be applied toward the replacement of, or addition to, the property destroyed or injured, if said Timber Company shall, in writing, so request -- any surplus to be paid over by the Trustee to the Timber Company; but no insurance money shall be paid over to the Timber Company until it shall present to the Trustee a statement verified by the affidavit of the President or Vice-President thereof showing that the Timber 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 or about the acquisition of new and additional property, it being hereby agreed that the proceeds of the policies shall be paid out by the Trustee as the work of restoration progresses; but if said Timber Company shall not within six months from the time of the collection of such insurance money request from the Trustee, in writing, to apply such insurance money, then the same shall be paid in or transferred by the Trustee into the Sinking Fund provided for by Article Ninth of this instrument, and it shall thereupon constitute a part of such sinking fund and be subject to all the provisions of this instrument relating to the disposition thereof. In case of any loss covered by any policy of insurance, any appraisal or adjustment of such loss and settlement and payment of indemnity therefor which may be agreed upon between the Timber Company and any insurance company, may be consented to and accepted by said Trustee, and said Trustee shall in no way be liable or responsible for the collection of any insurance in case of any loss.

ARTICLE SEVENTH: The Timber Company covenants that it is well seized of all the properties above described or mentioned, and has full power to convey the same as hereby conveyed; that the same are free from taxes and assessments and sales therefor of every kind; that the same are free from all former grants and encumbrances, except that certain mortgage of even date herewith from the Timber Company to the Mississippi Valley Trust Company as Trustee, securing an issue of \$600,000 par value of First Mortgage bonds; said mortgage being prior and superior to the lien of the bonds secured hereby; that said Timber Company will forever warrant and defend to said Trustee, the peaceable and quiet possession of said property against all and every person or persons lawfully claiming the whole or any part thereof except as to said mortgage; that the Timber Company will pay all taxes and assessments, general and special, which may be levied or assessed upon any property hereby conveyed, as and when the same shall become due and payable; that it will