

ARTICLE IV.

PROVISION FOR REPORTS
AND AUDIT.

SECTION 1. THE COMPANY COVENANTS AND AGREES THAT

SO LONG AS ANY OF THE BONDS SECURED HEREBY ARE OUTSTANDING OR UNPAID IT WILL PROMPTLY FURNISH TO THE TRUSTEE HEREUNDER A SEMI-ANNUAL STATEMENT FROM ITS BOOKS SHOWING THE FINANCIAL CONDITION OF THE COMPANY ON THE FIRST DAY OF JANUARY AND THE FIRST DAY OF JULY IN EACH YEAR, SUCH STATEMENTS TO BE FURNISHED AS SOON AFTER THE DATES NAMED AS THEY CAN BE PREPARED BY ACCOUNTANTS, AND AT THE CLOSE OF EACH CALENDAR YEAR IT WILL CAUSE ITS ACCOUNTS TO BE AUDITED AND REPORTED UPON TO THE TRUSTEE BY A CERTIFIED PUBLIC ACCOUNTANT, AND WILL ALSO FURNISH TO THE TRUSTEE FROM TIME TO TIME SUCH OTHER STATEMENTS OR AUDITS SHOWING ITS FINANCIAL CONDITION AS MAY BE REQUESTED BY THE TRUSTEE. THE COMPANY FURTHER COVENANTS AND AGREES THAT SO LONG AS ANY OF ITS BONDS SECURED HEREBY SHALL BE OUTSTANDING AND UNPAID, THE TRUSTEE MAY BY ITS AGENTS, AT ALL REASONABLE TIMES, HAVE ACCESS TO THE COMPANY'S BOOKS AND ACCOUNTS.

ARTICLE V.

REPLACEMENT OF MORTGAGED
EQUIPMENT.

SECTION 1. THE COMPANY MAY REMOVE OLD, WORN OUT,

USELESS, OR OBSOLETE MACHINERY AND EQUIPMENT FROM THE PREMISES HEREBY MORTGAGED, PROVIDED THAT IT SHALL FORTHWITH REPLACE THE SAME WITH NEW MACHINERY AND EQUIPMENT IN LIEU THEREOF OF A FAIR CASH VALUE AT LEAST EQUAL TO THAT OF THE MACHINERY AND EQUIPMENT SO REPLACED, BUT IN THE EVENT THAT NO SUCH SUBSTITUTION SHALL BE MADE, THE PROCEEDS OF ALL SUCH MACHINERY AND EQUIPMENT SO DISPOSED OF IN EXCESS OF \$1000 FOR ANY ONE CALENDAR MONTH SHALL BE PAID TO THE TRUSTEE AND BECOME A PART OF THE SINKING FUND CREATED UNDER ARTICLE III. HEREOF.

ARTICLE VI.

INSURANCE.

SECTION 1. THE COMPANY COVENANTS AND AGREES THAT

IT WILL AT ALL TIMES SO LONG AS ANY OF THE BONDS SECURED HEREBY SHALL REMAIN UNPAID AND UNTIL THE COMPANY SHALL BE ENTITLED TO A FULL RELEASE OF AND DISCHARGE FROM THE LIEN HEREOF, KEEP INSURED AGAINST FIRE IN COMPANIES AND BY POLICIES APPROVED BY THE TRUSTEE, ALL MILLS, BUILDINGS, MACHINERY AND EQUIPMENT FROM TIME TO TIME SUBJECT TO THE LIEN HEREOF IN AN AMOUNT AT ALL TIMES EQUAL TO THE FACE OF THE BONDS OUTSTANDING HEREUNDER BUT NOT EXCEEDING NINETY PER CENT (90%) OF THE INSURABLE VALUE THEREOF, AND SHALL CAUSE SUCH INSURANCE SO PROCURED BY IT ON THE PROPERTY FROM TIME TO TIME SUBJECT TO THE LIEN HEREOF OR ON ANY PART THEREOF TO BE MADE PAYABLE IN CASE OF LOSS TO THE TRUSTEE AS ITS INTEREST MAY APPEAR BY PROPER STIPULATION ENDORSED ON THE POLICIES, SUCH POLICIES AND RECEIPTS FOR THE PREMIUMS THEREON TO BE DELIVERED TO AND HELD BY THE TRUSTEE.

SECTION 2. IT IS AGREED THAT IN THE EVENT ANY OF THE PROPERTY SUBJECT TO THE LIEN HEREOF SHALL BE DESTROYED OR DAMAGED BY FIRE AND ON ACCOUNT THEREOF INSURANCE MONEY SHALL BE RECEIVED BY THE TRUSTEE UNDER ANY POLICY OF INSURANCE PROCURED BY THE COMPANY, SUCH MONEY SHALL BE APPLIED TOWARD THE REPLACEMENT OF OR ADDITION TO THE PROPERTY DESTROYED OR DAMAGED IF THE COMPANY SHALL IN WRITING SIGNED 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 MONEY RECEIVED ON THE POLICIES PROCURED BY THE COMPANY; BUT NO SUCH INSURANCE MONEY SHALL BE PAID OVER UNTIL THE COMPANY SHALL DELIVER TO THE TRUSTEE A STATEMENT VERIFIED BY THE AFFIDAVIT OF ITS PRESIDENT OR VICE PRESIDENT SHOWING THAT THE COMPANY HAS THERETOFORE MADE OR CONTRACTED FOR ACTUAL EXPENDITURES TO AN AMOUNT NOT LESS THAN THE AMOUNT OF INSURANCE MONEY SOUGHT TO