

MORTGAGE RECORD-Y

SKAMANIA COUNTY, WASHINGTON

550

PIONEER, INC., TACOMA-2241

Mortgage Record Y

policy or policies, if any, shall be made payable as provided in the mortgage to the Reconstruction Finance Corporation, and as in the mortgage to the Peoples National Bank of Washington in Seattle, then to the trustee herein, it being distinctly understood that such insurance, in the event of any loss, shall, after payment of the first and second mortgages, be primarily for the security of the holders of the mortgage notes executed in connection herewith and secured hereby. The policy or policies of such insurance shall be kept by the mortgagor after the Reconstruction Finance Corporation and the Peoples National Bank of Washington in Seattle have been paid, and the mortgagor will keep the premiums on said insurance policies fully paid and shall not permit or suffer any cause or condition to arise whereby said insurance may become void or voidable. Proper officers of the mortgagor shall, during April of each year, transmit to the trustee their certificate setting forth the amounts of insurance in effect, and the names of the companies issuing such policies, and the trustee shall have the right to rely upon such certificate. The proceeds of any insurance which may be received shall be applied by the trustee as follows, to-wit:

First: To the payment of any reasonable expenses, costs and attorney's fees incurred by it in the collection of the same.

Second: To the payment of the trustee's expenses and compensation.

Third: The balance remaining shall be held by the trustee in a special fund, and in the event this mortgage is in default, then the trustee shall pay said fund to the note holders pro rata, according to their interest unless sixty-six and two-thirds per cent ($66 \frac{2}{3}\%$) of the indebtedness hereby secured shall within thirty days after the loss occurred, request the trustee in writing not to pay said balance to the note holders.

In the event sixty-six and two-thirds per cent ($66 \frac{2}{3}\%$) of the indebtedness hereby secured shall request the trustee not to pay said balance to the note holders as above provided, or in the event this mortgage is not in default, then the balance remaining, if any, shall be held by the trustee in a special fund, to be drawn therefrom by the mortgagor for the purpose of rebuilding any building or restoring any equipment destroyed by fire or tornado, or to repair the same, if any be partially destroyed. Such moneys shall be kept in said special fund and the officers of the mortgagor shall, from time to time, certify their disbursements for repairs or rebuilding, and upon receiving such certificate, the trustee shall reimburse the mortgagor for such expenditures in accordance with such certificate. Upon receiving a certificate by the officers of the mortgagor that said buildings or equipment have been restored or rebuilt, the trustee shall pay to the mortgagor the residue on hand in any such fund, and the trustee shall have the right to rely upon such certificates, and shall be relieved from all responsibility by reason of making such disbursements on such certificates.

In the event of the failure or default of the mortgagor to insure said buildings and equipment, as aforeaid, or to pay the premiums thereon, the trustee may pay the same at its election and any money so paid shall be secured by these presents, together with interest thereon, at the rate of eight per cent (8%) per annum which shall be payable on demand.

It is agreed that the mortgagor shall have the right to carry such amount of business interruption insurance, and other insurance, as the mortgagor deems proper, and such insurance shall be payable directly to the mortgagor.

VIII. The mortgagor is given the right on any date to pay any additional sum mortgagor may desire to be used by the trustee in paying the principal, or part of the principal, of the notes, it being understood that in paying off the principal or any part of the principal of the said notes, the mortgagor shall pay to the trustee, and the trustee shall pay to the owner of the notes a ten per cent (10%) premium upon the amount so paid in advance of the