

Section 8: Covenant to maintain Insurance: The Mortgagor will keep insured against loss by fire all lumber in its possession; and against loss by fire, engines, breakage and boiler explosions, to the largest possible per cent of their insurable value, such of its buildings (other than fireproof structures expressly excepted in writing by the Bankers in their discretion), facilities and equipment at any time covered hereby as are usually thus insured by parties engaged in like business, failing which the Corporate Trustee, at its option and at the Mortgagor's expense, may take out such insurance. The Mortgagor will always provide and maintain such fire protection facilities and keep the mortgaged premises in such condition that, in the judgment of the Bankers, full and adequate insurance at low rates may always be promptly obtained. The Mortgagor will carry such insurance only with reliable Companies, approved by the Bankers, and duly qualified to do business in the jurisdiction or jurisdictions where the mortgaged property is located. It will keep the Bankers supplied with details regarding all outstanding and regarding payments of premiums thereon. Forthwith upon request by the Corporate Trustee, all policies of insurance shall be deposited with it. All policies shall contain the New York Standard Mortgaged Clause. They shall stipulate that loss is payable to the Corporate Trustee as its interest may appear; Provided, However, that in case the aggregate loss paid under insurance policies hereunder because of any single casualty shall not exceed One Thousand Dollars (\$1,000), the amount so paid shall be forthwith turned over to the Mortgagor by the Corporate Trustee, free from the lien hereof.

This Instrument shall constitute a first lien on all insurance funds to which the Corporate Trustee is entitled hereunder, subject to the proviso last hereinabove set forth; but upon the Mortgagor's written request, the Corporate Trustee shall allow such funds, or any part thereof, to be applied towards repairing, replacing or adding to such of the mortgaged property as the Bankers approve, provided the Bankers are first furnished with evidence satisfactory to them that in such work the Mortgagor has either expended money or incurred debts at least equal to the sum so requested and that such repairs, replacements or additions are free from all liens except the lien hereof, or will be thus freed by application of the insurance funds requested. If desired by

(over)