policies standard mortgage clauses acceptable to THE TRUSTEE in favor of THE TRUSTEE, as its rights and interests may appear, and that all such policies, with such clauses so attached, will be delivered by THE COMPANY to and be held by THE TRUSTEE.

Section 2 - Losses by Fire or Storm

In the event of loss from any cause covered by such insurance policies, THE COMPANY agrees to repair all damage done, and restore the property to a condition equal to that before the damage occurred; provided, however, that so long as no default as herein defined shall have occurred, THE TRUSTEE is authorized to pay out of the money or monies collected from the insurance company or companies sufficient amounts to reimburse THE COMPANY for such restoration on the presentation of proof that such reconstruction or repairs shall have been properly completed. In the event that the total cost of this restoration or repair is less than the sum of money or monies collected from the insurance company or companies, the balance shall be paid by THE TRUSTEE to THE COMPANY unless there be a default as herein defined, but if such balance exceeds TEN THOUSAND DOLLARS ($10,000.00), any amount in excess of said sum of TEN THOUSAND DOLLARS ($10,000.00) shall be paid to apply upon the Bonds hereby secured of the latest then existing date of maturity.

ARTICLE VII

FINANCIAL STATEMENTS

THE COMPANY covenants and agrees that so long as any of the Bonds of this issue shall be outstanding, it will furnish to JEFFERSON STANDARD LIFE INSURANCE COMPANY, and also to THE TRUSTEE upon request, within ninety (90) days following the close of each fiscal year of THE COMPANY, duplicate copies of a complete annual audit of THE COMPANY prepared and certified by independent certified public accountants approved by the JEFFERSON STANDARD LIFE INSURANCE COMPANY or THE TRUSTEE. Such audit shall be accompanied by a certificate signed by the President or a Vice President of THE COMPANY, stating that all terms and conditions of the Bonds and this Trust Indenture have been complied with and are in effect, and that no default exists therein or in connection therewith, or stating the nature of such default, if any default exists.

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