

Promptly obtained. The mortgagor will carry such insurance only with reliable companies, approved by the Lumber Company, and duly qualified to do business in South Carolina. It will keep the Lumber Company supplied with details regarding all outstanding policies and regarding payments of premiums thereon. Forthwith upon request by the Lumber Company, all policies of insurance shall be deposited with it. All policies shall contain the New York Standard Mortgagee Clause. They shall stipulate that loss be payable to the Lumber Company as its interest may appear.

This Instrument shall constitute a first lien on all insurance funds; but upon the mortgagor's written request, the Lumber Company may allow such funds, or any part thereof, to be applied toward repairing, replacing or adding to such of the mortgaged property as the Lumber Company approves, provided the latter is first furnished with evidence satisfactory to it 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. The Lumber Company may at its option pay such debts direct to the creditors of the mortgagor if the mortgagor makes no such request within sixty (60) days after the Lumber Company received such insurance funds the latter shall apply said funds to the prepayment of bonds and interest thereon as hereinabove provided. Likewise all surplus insurance funds shall be so applied if the cost of such work is less than the amount of insurance moneys received.

Within fifteen (15) days after December 31, 1928, the mortgagor shall furnish to the Lumber Company an audit of the mortgagor's books, made at the mortgagor's expense by accountants satisfactory to the Lumber Company for the purpose of determining the amount of the mortgagor's net earnings from every source through operations between the date hereof and December 31, 1928 inclusive. A similar audit shall be furnished at the

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