

the election of Mortgagee to treat such as an Event of Default, as defined herein.

3. Except as hereinafter specifically provided, and except as is contemplated or permitted by the Loan Agreement, no Property now or hereafter covered by the lien of this Mortgage shall be removed, demolished or materially altered, without the prior written consent of Mortgagee; provided, however, that nothing contained herein shall prohibit the substitution of fixtures and personalty, with fixtures and personalty of at least similar kind, quality, and utility, free from any other security interest in or encumbrance on or reservation of title thereto, except such security interests encumbrances or reservations of title as are contemplated by or permitted by the Loan Agreement.

4. Nothing contained in paragraphs 2 or 3, or elsewhere in this Mortgage, shall prohibit the use, by Mortgagor, AN, or its partners, or their licensees, assignees or successors, in the ordinary course of business, of any or all timber and other wood products now or hereafter located on the Property. Such use, and all actions necessary, desirable or incidental to such use (including, by way of illustration but not limitation, road building, brush clearing, hauling, etc.) shall not constitute waste or violate any of the provisions of this Mortgage, any provisions herein to the contrary notwithstanding. Such timber and other wood products shall be deemed released from any and all liens held by Mortgagor upon removal of the same from the Property.

5. Anything in this Mortgage to the contrary notwithstanding, the Mortgagor may, but shall not be obligated to, keep the Property insured against loss by fire, windstorm, lightning, explosion, tornado, earthquake, flooding, and other hazards and casualties.

Mortgagor may, but shall not be obligated to, maintain liability and other insurance insuring Mortgagor against liability claims, damage and losses to persons and property arising by reason of its occupation and use of the Property or arising by reason of the continuance and operation of its business.

6. The Mortgagor upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion thereof, shall notify the Mortgagee of the pendency of such proceedings. The Mortgagee may at Mortgagee's expense participate in any such proceedings, and the Mortgagor from time to time will deliver to the Mortgagee all instruments requested by it to permit such participation.

7. The Mortgagor, from time to time when the same shall become due and payable, will pay and discharge or cause to be paid and discharged when due all taxes, assessments, and governmental charges or levies imposed upon it or upon any of its property, real, personal or mixed, or upon any part of such Property, before such obligations shall become in default, as well as all lawful claims for labor, materials and suppliers or otherwise which, if unpaid, might become a lien or charge upon such Property or any part thereof; provided, however, that the Mortgagor shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the