

92964

Return to: ②

FRONIER NATIONAL FIRE INSURANCE CO.
719 SECOND AVE., SEATTLE, WASH. 98104
Ann. Rusboldt

BOOK 58 PAGE 168

SECOND MORTGAGE

Dated as of August 19, 1981

from

LEWIS COUNTY TIMBER COMPANY

to

ITT RAYONIER INCORPORATED

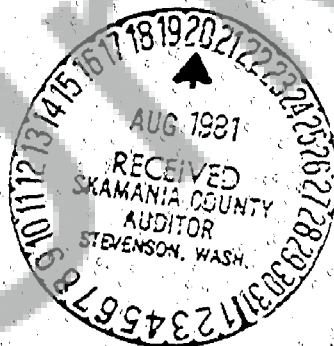


TABLE OF CONTENTS

	<u>Page</u>
Parties.....	1
Recitals:	
Purpose of Mortgage.....	1
Validity of Mortgage.....	1
Granting Clauses:	
Grant and Conveyance.....	1
Granting Clause FIRST	
Timberland.....	1
Granting Clause SECOND	
Other Property.....	2
Habendum.....	3
General Covenant.....	3
Subordination Covenant.....	3

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

Section 1.01. Definitions.....	3
Affiliate.....	3
Business Day.....	3
Contribution Agreement.....	3
Cutting Contract.....	3
Event of Default; Default.....	4
General Partner.....	4
Lien.....	4
Maintenance Agreement.....	4
Merchantable Timber.....	4
Mortgage.....	4
Note.....	4
Opinion of Counsel.....	4
Option Agreements.....	4
Permitted Exceptions.....	5
Person.....	5
Purchase Agreement.....	5
Purchased and Contributed Timber.....	5
Raymidga.....	5
Rayonier.....	5
Subordination Agreement.....	5
Subsidiary.....	5
Timber.....	6
Timberland.....	6
Trust Estate.....	6

	<u>Page</u>
Trust Indenture.....	6
Trustee.....	6
SECTION 1.02. Notices, Etc. to Mortgagee and Company.....	6
SECTION 1.03. Effect of Headings and Table of Contents.....	7
SECTION 1.04. Successors and Assigns.....	7
SECTION 1.05. Severability Clause.....	7
SECTION 1.06. Payments Due on Non-Business Days; Limited Liability.....	7
SECTION 1.07. Counterparts.....	7
SECTION 1.08. Security Agreement.....	7
SECTION 1.09. Governing Law.....	8
SECTION 1.10. Obligations Unaffected.....	8
ARTICLE II	
COVENANTS	
SECTION 2.01. Payment of Principal and Interest.....	8
SECTION 2.02. Performance of Covenants.....	8
SECTION 2.03. Payment of Taxes.....	8
SECTION 2.04. Payment or Performance by Mortgagee.....	8
SECTION 2.05. Timberland Maintenance.....	9
SECTION 2.06. Proceedings Involving Mortgagee or Company.....	10
SECTION 2.07. Liens.....	10
SECTION 2.08. Protection of the Trust Estate.....	10
SECTION 2.09. Notice of Default; Furnishing of Documents.....	10
SECTION 2.10. Maintenance of Good Standing.....	11
SECTION 2.11. Recording and Filing.....	11
SECTION 2.12. Further Assurances.....	11
ARTICLE III	
TRUST ESTATE	
SECTION 3.01. Insurance Proceeds and Condemnation Awards.....	11
SECTION 3.02. Mortgagee to Exercise Rights of Owner.....	12
SECTION 3.03. Release and Substitution of Timberland.....	12

Page

ARTICLE IV

REMEDIES

SECTION 4.01.	Events of Default.....	15
SECTION 4.02.	Acceleration of Maturity.....	16
SECTION 4.03.	Remedies.....	16
SECTION 4.04.	Application of Moneys.....	17
SECTION 4.05.	Collection of Indebtedness and Suits for Enforcement by Mortgagee.....	18
SECTION 4.06.	Mortgagee May File Proofs of Claim.....	18
SECTION 4.07.	Waiver of Stay or Extension Laws; Marshalling of Assets.....	19
SECTION 4.08.	Restoration of Rights and Remedies.....	19
SECTION 4.09.	Remedies Cumulative.....	19
SECTION 4.10.	Delay or Omission Not a Waiver.....	20

ARTICLE V

SECTION 5.01.	Reconveyance.....	20
---------------	-------------------	----

SECOND MORTGAGE

THIS SECOND MORTGAGE (hereinafter called this "Mortgage") is dated as of August 19, 1981, from LEWIS COUNTY TIMBER COMPANY, a limited partnership organized under the laws of the State of Washington (the "Company") with its principal office c/o ITT Rayonier Incorporated, 18000 Pacific Highway South, Seattle, Washington 98188, as Mortgagor, to ITT RAYONIER INCORPORATED, a Delaware corporation (the "Mortgagee"), with its principal office at 1177 Summer Street, Stamford, Connecticut 06904, as Mortgagee (capitalized terms used herein have the meanings provided in Section 1.01);

W I T N E S S E T H:

WHEREAS, for its lawful purposes, the Company has duly authorized the issue of a purchase money Secured Note due August 1, 1996 (herein called the "Note") in an aggregate principal amount of \$16,400,000 to Mortgagee, and, to secure the Note, the Company has authorized the execution of this Mortgage; and

WHEREAS, all acts and things necessary to make the Note and this Mortgage valid and legally binding obligation of the Company, for the uses and purposes herein set forth, in accordance with its terms, have been done and performed;

NOW, THEREFORE, THIS MORTGAGE WITNESSETH that, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Note and of all other amounts payable to or for the benefit of the Mortgagee hereunder, the Company hereby IRREVOCABLY GRANTS, BARGAINS, SELLS AND CONVEYS to the Mortgagee and its successors and assigns the following described properties, to wit:

FIRST

TIMBERLAND

All right, title and interest of the Company in and to all of the real property located in the Counties of Lewis, King, Grays Harbor, Mason, Skamania and Jefferson, State of Washington, described in Exhibit A attached hereto and made a part hereof; together with all buildings, structures, fixtures and other improvements now or hereafter located on or placed or erected in or upon said real property or any part or parcel thereof; together with all and singular the tenements, hereditaments,

easements, leases, right of way, licenses, tenancies, permissions, water rights and appurtenances and other rights and privileges thereunto belonging or in anywise now or hereafter appertaining; together with all Timber and crops now located on or hereafter planted or growing in the soil of said real property, or any part or parcel thereof, and all additions, substitutions and replacements thereof (but excluding cut Timber remaining on said real property); together with all interests, estates or other claims, both at law and in equity, which the Company now has or may hereafter acquire in said real property; and together with all governmental permits relating to said real property, all names under or by which said real property may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks, trade names, patents pending and goodwill.

EXCEPTING THEREFROM any title to or claim of interest in any minerals located in, on or under said real property.

ALL OF which real property, lands, buildings, structures, fixtures, improvements, tenements, hereditaments, easements, leases, rights of way, licenses, tenancies, permissions, water rights, appurtenances, rights, privileges, Timber, rights, titles, interests, claims, demands and other matters are hereinafter referred to as the "Timberland," and shall to the extent permitted by law, be considered as real property forming a part of the real property hereby conveyed. To the extent that any of the Timberland is not so considered but is held to be personal property subject to the Uniform Commercial Code of Washington, then the Company hereby grants to the Mortgagee a security interest in, and all of the rights and remedies of a secured party under the Uniform Commercial Code of Washington with respect to, said personal property.

SECOND

OTHER PROPERTY

All other property and assets of whatsoever kind, nature or description which may hereafter from time to time be, or be required to be, granted, bargained, sold, and conveyed to the Mortgagee by any Person and accepted by the Mortgagee.

THIS MORTGAGE is for the purpose of securing the performance of each agreement of the Company herein contained and the payment of a sum not to exceed at any one time \$16,400,000, with interest, in accordance with the terms of the Note, and all renewals, modifications and extensions hereof or thereof, and also all further sums as may be advanced or loaned hereunder to the Company or any of its successors or assigns, together with interest thereon at such rate as shall be agreed upon.

TO HAVE AND TO HOLD the said property unto the Mortgagee, its successors and assigns, forever in mortgage, for the benefit and security of Mortgagee and its successors and assigns and for the uses and purposes and subject to the terms and provisions set forth in this Mortgage.

It is hereby covenanted and agreed by and between the parties hereto that the terms and conditions upon which the property herein granted, bargained, sold and conveyed is to be held and disposed of are as herein provided.

It is hereby further covenanted and agreed by and between the parties hereto that the Lien of this Mortgage is subject to and subordinated to the Lien of the Trust Indenture by the terms and conditions of the Subordination Agreement.

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. Definitions. Except as otherwise expressly provided or unless the context shall otherwise require, the terms defined in this Section shall have the meanings assigned to them in this Section, and shall include the plural as well as the singular.

"Affiliate" of any Person shall mean any other Person directly or indirectly controlling, directly or indirectly controlled by or under direct or indirect common control with such Person. For the purpose of this definition, the term "control" when used with respect to any specified Person shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Business Day" shall mean any day on which the Trustee shall be open to the public in Seattle, Washington for the transaction of its normal banking business.

"Contribution Agreement" shall mean the Contribution Agreement, dated as of July 31, 1981, between the Company and Raymidga.

"Cutting Contract" shall mean the Cutting Contract, dated as of August 19, 1981, between the Company and Rayonier or, if the Cutting Contract is no longer in effect, a cutting contract with an unrelated third Person which, in the Opinion of Counsel, has been validly assigned to the Mortgagee as security for the Note.

"Event of Default" shall have the meaning specified in Section 4.01, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "Default" shall mean any of such events, whether or not such requirement has been satisfied.

"General Partner" shall mean Raymidga or its successor as general partner of the Company pursuant to the applicable provisions of the Company's partnership agreement.

"Lien" shall mean any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and including but not limited to the security interest lien arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. For the purposes of this Mortgage, the Company shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sales contract, financing lease or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes.

"Maintenance Agreement" shall mean the Maintenance Agreement, dated as of August 19, 1981, between the Company and Rayonier.

"Merchantable Timber" shall mean hardwood trees and conifer trees which meet the standards at the time prescribed for merchantable logs by the Puget Sound, Grays Harbor or Columbia River Log Scaling and Grading Bureaus for such logs as may be delivered to each such market.

"Mortgage" shall mean this Mortgage, as the same may be amended, modified and supplemented from time to time in accordance with the provisions hereof.

"Note" shall mean the Secured Note defined in the First Recital.

"Opinion of Counsel" shall mean an opinion or opinions in writing signed by counsel satisfactory to the Mortgagee, who may be counsel for the Company.

"Option Agreements" shall mean the Option Agreement, dated as of August 19, 1981, between the Company and Rayonier and the Option Agreement, dated as of August 19, 1981, between the Company and Raymidga.

"Permitted Exceptions" as used in Section 3.03(a) shall mean (a) any one or more of the following exceptions, none of which would materially interfere with the conduct on such Timberland of the commercial cultivation and harvesting of Timber:

(i) The Trust Indenture and any Lien which is subordinate to the Lien of this Mortgage;

(ii) The rights of Rayonier and Raymidga under the Option Agreements;

(iii) Liens for taxes which are not delinquent or which are being contested in good faith and by appropriate proceedings;

(iv) Any riparian rights;

(v) Title to that portion of such Timberland within the bounds of any roads, highways, cemeteries and railroads;

(vi) Encumbrances consisting of zoning regulations, easements, rights of way, survey exceptions and other similar restrictions on the use of real property or minor irregularities in title thereto; or

(b) Any other matters acceptable to the Mortgagee.

"Person" shall mean an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

"Purchase Agreement" shall mean the Purchase Agreement, dated as of August 19, 1981, between the Company and Rayonier.

"Purchased and Contributed Timberland" shall mean the Timberland purchased by the Company from Rayonier pursuant to the Purchase Agreement or contributed to the Company by Raymidga pursuant to the Contribution Agreement.

"Raymidga" shall mean Raymidga Co., a Delaware corporation.

"Rayonier" shall mean ITT Rayonier Incorporated, a Delaware corporation.

"Subordination Agreement" shall mean the Subordination Agreement dated August 19, 1981, between Rayonier and the Company with respect to subordination of the Lien of the Second Mortgage to the Lien of the Trust Indenture.

"Subsidiary" shall mean any person at least 51% of the total combined voting power of all classes of voting stock of which

shall, at the time as of which any determination is being made, be owned by the Company either directly or through Subsidiaries.

"Timber" shall mean any and all timber, logs, trees and wood, of any size and whether merchantable or not, situate, standing, being and growing, now or in the future, on specified land, and all timber rights of whatever kind and nature with respect to such land.

"Timberland" shall mean the Timberland as defined in Granting Clause First and all other real property on which timber is situate which is hereafter granted, bargained, sold and conveyed to the Mortgagee and accepted by the Mortgagee hereunder.

"Trust Estate" shall mean as of any particular time the property which is subject or is intended to be subject at said time to the Lien of this Mortgage.

"Trust Indenture" shall mean the Trust Indenture, Deed of Trust, Security Agreement and Assignment of Leases and Rents dated as of August 19, 1981 between the Company and Trustee which creates a lien on the Timberland and other property as security for promissory notes in the original aggregate principal amount of \$34,600,000, purchased from the Company by Aetna Life Insurance Company, Connecticut General Life Insurance Company, The Equitable Life Assurance Society of the United States, John Hancock Mutual Life Insurance Company, and The Northwestern Mutual Life Insurance Company.

"Trustee" shall mean Seattle-First National Bank and its successors as Trustee pursuant to the applicable provisions of the Trust Indenture.

SECTION 1.02. Notices, Etc. to Mortgagee and Company. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Mortgage to be made upon, given or furnished to, or filed with,

(1) the Mortgagee by the Company shall be sufficient for every purpose hereunder if in writing and either mailed, first-class postage prepaid, or sent by telecommunications equipment (including, without limitation, the use of telecopier or word processing equipment) to the Mortgagee addressed to 1177 Summer Street, Stamford, Connecticut 06904, and such other address previously furnished in writing to the Company by the Mortgagee expressly for such purpose, and

(2) the Company by the Mortgagee shall be sufficient for every purpose hereunder if in writing and either mailed, first-class postage prepaid, or sent by telecommunications equipment (including, without limitation, the use of telecopier or

word processing equipment) to the Company addressed to it c/o ITT Rayonier Incorporated, 18000 Pacific Highway South, Seattle, Washington 98188, Attention: Vice President, Northwest Regional Operations (with a copy of such notice addressed to Rayonier at 1777 Summer Street, Stamford, Connecticut 06904 (Attention: Treasurer)), or such other address previously furnished in writing to the Mortgagee by the Company expressly for such purpose. Any notice by mail shall be deemed received on the seventh day after mailing and any such notice transmitted by telecommunications equipment shall be deemed received on the date actually received.

SECTION 1.03. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.04. Successors and Assigns. All covenants and agreements in this Mortgage by the Company and the Mortgagee shall bind, and to the extent permitted hereby shall inure to the benefit of and be enforceable by, their respective successors and assigns, whether so expressed or not.

SECTION 1.05. Severability Clause. Any provision of this Mortgage or the Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 1.06. Payments Due on Non-Business Days; Limited Liability. In any case where the date of maturity of interest on or principal of the Note shall not be a Business Day, then payment of interest or principal shall be made on the next succeeding Business Day, and interest shall accrue thereon until payment is made. The General Partner of the Company shall not be liable for any amounts due and owing under the Note or this Mortgage in excess of its interest in the assets of the Company.

SECTION 1.07. Counterparts. This Mortgage is being executed in several counterparts, each of which is an original, but such counterparts shall together constitute but one and the same instrument. It shall not be necessary in making proof of this Mortgage to produce or account for more than one such counterpart.

SECTION 1.08. Security Agreement. This Mortgage constitutes a security agreement for purposes of the Uniform Commercial Code of the applicable jurisdictions.

SECTION 1.09. Governing Law. This Mortgage shall in all respects be governed by, and construed in accordance with, the laws of the State of Washington.

SECTION 1.10. Obligations Unaffected. The mutual obligations set forth in this Mortgage shall be unaffected and the estates, rights, title and interests herein granted shall not be merged or extinguished by the fact that prior to the time of execution the Mortgagee was the general partner of the Company and at the time of execution and thereafter the Mortgagee is an Affiliate of the general partner of the Company.

ARTICLE II

COVENANTS

SECTION 2.01. Payment of Principal and Interest. The Company will duly and punctually pay or cause to be paid the principal of and interest on the Note in accordance with the terms of the Note and this Mortgage.

SECTION 2.02. Performance of Covenants. The Company shall, and shall cause each of its Subsidiaries, if any, to keep, observe, perform, carry out and execute in every particular the covenants, agreements, obligations and conditions to be kept, observed, performed, carried out and executed by it in this Mortgage, the Note, and in all other instruments now or hereafter evidencing, securing or in any manner relating to the indebtedness secured hereby.

SECTION 2.03. Payment of Taxes. The Company shall, and shall cause each of its Subsidiaries, if any, to pay, before the same become delinquent or any penalty attaches thereto for non-payment or late payment, all taxes, assessments, water, sewer and other rents, charges, excises, levies, license fees, permit fees and all other charges (in each case, whether general or special, ordinary or extraordinary, or foreseen or unforeseen) of every character (including all penalties or interest thereon) now or hereafter levied, assessed, confirmed or imposed on, or in respect of, or which may be a Lien upon the Timberland or any part thereof, or any estate, right or interest therein, or upon the rents, issues, income, royalties or profits thereof, and shall submit to the Mortgagee such evidence of the due and punctual payment of all such taxes, assessments and charges as the Mortgagee may require; provided, however, that none of such taxes and other charges need be paid if and so long as they are being contested in good faith and by appropriate proceedings.

SECTION 2.04. Payment or Performance by Mortgagee. If the Company shall default in the performance or observance of any

covenants, conditions or agreements in this Mortgage, the Note, or the Trust Indenture on its part to be performed or observed, the Mortgagee (after giving the Company such notice as may be reasonable in the circumstances) may do all acts and make all expenditures necessary to remedy such default, and the defaulting party shall promptly reimburse the Mortgagee, with interest at the rate of 14.75% per annum, for any and all expenditures so made, and, until the Mortgagee has been reimbursed for such expenditures, the amount thereof shall be a debt due from the defaulting party to the Mortgagee and payment thereof shall be secured hereby in like manner and extent as if the amount and description thereof were written herein. The Mortgagee is hereby empowered to enter and to authorize others to enter on the Timberland or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or agreement, without thereby becoming liable to the Company or any Person in possession holding under the Company. The Mortgagee shall be under no obligation to make any such expenditures, nor shall the making thereof relieve the Company of any default in that respect.

SECTION 2.05. Timberland Maintenance.

(a) The Company shall not commit or suffer any strip or waste of the Timberland or any part thereof. The Company shall comply with all laws, ordinances and regulations now or hereafter affecting the Timberland (including, without limitation, all environmental, ecological and pollution laws, ordinances and regulations) and shall not commit any act or suffer or permit any act to be done in or upon the Timberland in violation of any law, ordinance or regulation if any such non-compliance or violation would have a material adverse effect on the condition (financial or otherwise) of the Company. Notwithstanding the foregoing, the Company need not comply with any law, ordinance or regulation if and as long as the same is being contested in good faith and by appropriate proceedings.

(b) The Company shall maintain or cause to be maintained with responsible insurers and in conformance with standard forest industry practice proper liability and casualty insurance with respect to the Timberland. The Company shall give prompt written notice to the Mortgagee of the occurrence of any casualty to the Timberland or any part thereof.

(c) The Company shall operate the Timberland as a timber producing property, having due regard to soil conditions, stand arrangements and other factors relevant to the conduct of sound silvicultural and harvesting practices. Any intermediate harvesting of Timber shall be carried out in a manner reasonably calculated to produce the maximum economic growth of Merchantable

Timber, and all harvesting shall be carried out in a manner calculated to fully preserve the security afforded to the Mortgagee by the Timberland.

SECTION 2.06. Proceedings Involving Mortgagee or Company. The Company shall appear in and contest any action or proceeding purporting to affect the security of this Mortgage or the rights or powers of the Mortgagee. To the extent permitted by applicable law, if any action or proceeding be commenced, including, without limiting the generality of the foregoing, any condemnation action or proceeding, to which action or proceeding the Mortgagee is made a party or appears as a party plaintiff or defendant by reason of its status hereunder or otherwise, or in which the Mortgagee deems it necessary to defend or protect the security, title, lien or interest under this Mortgage or the validity or priority thereof or the possession of all or any part of the Timberland, all sums paid by the Mortgagee for its expenses incurred in any action or proceeding, including attorneys' fees, shall be repaid by the Company, and such sums shall be immediately due and payable and shall become part of the indebtedness secured hereby.

SECTION 2.07. Liens. Neither the Company nor any Subsidiary shall create, assume or suffer to exist any Lien upon any of its property or assets (including, without limitation, the Trust Estate), whether now owned or hereafter acquired, which may be prior to the lien of this Mortgage, excepting the lien of the Trust Indenture or any other lien securing debt used to refund or refinance the debt secured by the Trust Indenture.

SECTION 2.08. Protection of the Trust Estate.

(a) The Company will from time to time execute and deliver all such financing statements, continuation statements, supplemental mortgages, instruments of further assurance and other instruments, and will take such other action, as the Mortgagee may reasonably request to (i) better grant to the Mortgagee all or any portion of the Trust Estate; (ii) maintain and preserve the Lien of this Mortgage, (iii) enforce any instrument included in the Trust Estate and (iv) preserve and defend title to the Trust Estate and the right of the Mortgagee therein against the claims of all Persons.

(b) The Company will not sell, lease, transfer or otherwise dispose of any portion of the Trust Estate except as expressly permitted by this Mortgage.

SECTION 2.09. Notice of Default; Furnishing of Documents. If the Company shall have knowledge of a Default, it will give prompt telex, telegraphic or telephonic notice (confirmed by

written notice sent in the manner provided in Section 1.02) to the Mortgagee, which notice shall set forth in reasonable detail the circumstances known to it with respect to each such Default and shall describe in reasonable detail the action it is taking or proposes to take in respect thereto.

SECTION 2.10. Maintenance of Good Standing. The Company will do and cause to be done all things necessary to preserve its existence as a limited partnership in good standing under the law of the State of Washington except that the technical dissolution of the Company of the General Partner is removed or replaced shall not constitute a breach of this covenant.

SECTION 2.11. Recording and Filing. The Company will at all times cause to be kept recorded and filed this Mortgage, any and all supplemental mortgages and instruments of conveyance, transfer, assignment or further assurance, and any required financing and continuation statements and all other required papers in such manner and in such places as, in the Opinion of Counsel, are required by law in order fully to perfect, preserve and protect the Lien of this Mortgage on the Trust Estate. The Company will pay or cause to be paid all taxes, fees and other charges in connection with such recording and/or filing.

SECTION 2.12. Further Assurances. The Company will, upon reasonable request, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectively the purposes of this Mortgage, especially to make subject to the Lien hereof any property agreed to be subjected hereto or intended so to be and to transfer to any new mortgagee the Trust Estate and funds held in trust hereunder.

ARTICLE III

TRUST ESTATE

SECTION 3.01. Insurance Proceeds and Condemnation Awards. The Company shall give the Mortgagee prompt written notice of the receipt by the Company of any insurance proceeds and any condemnation awards, other proceeds or receipts in respect of a condemnation proceeding (including a sale in lieu of condemnation) greater than \$250,000 per occurrence and shall deliver with such notice a certificate indicating whether the occurrence giving rise to such receipt has resulted in the Timberland having a fair market value less than the sum of (i) the aggregate outstanding principal amount of debt secured by the Trust Indenture (the "Secured Debt") and (ii) the outstanding principal amount of the Note. In the event such certificate indicates that the fair market value of the Timberland is less than such sum, the Company agrees, subject to the terms of the Trust Indenture, to apply to

the prepayment of the outstanding principal amount of the Note (together with accrued interest but without premium) an amount equal to the lesser of (x) all such proceeds, awards and receipts received as a result of such occurrence or (y) an amount which will result in the sum of the remaining outstanding principal amount of the Note being not greater than the fair market value of the Timberland.

SECTION 3.02. Mortgagee to Exercise Rights of Owner. The Mortgagee, whether or not an Event of Default shall exist under this Mortgage, shall at all times have the right to exercise or enforce any and all rights in respect of the Trust Estate as in its discretion it shall determine is necessary to protect the Trust Estate.

SECTION 3.03. Release and Substitution of Timberland.

(a) At any time and from time to time so long as no Event of Default or Default shall have occurred and be continuing, the Company may transfer or otherwise dispose of a portion or portions of the Timberland having a fair market value which, when added to the fair market value (determined at the respective date of each such transfer or disposition) of all previous transfers and dispositions under this Section 3.03(a), shall not exceed in the aggregate 5% of the fair market value (determined at the date of the proposed transfer or disposition) of all of the Timberland, and the Mortgagee shall release the same from the Lien of this Mortgage, provided that in accordance with the provisions of Section 3.03(b) there is substituted for such Timberland to be released, subjected to the Lien of this Mortgage (subject to no Lien or encumbrance other than Permitted Exceptions) and insured under the title insurance policy referred to in paragraph 3 of the Purchase Agreement, other Timberland having a fair market value at least equal to the market value of the Timberland to be released, and provided further that the Mortgagee receives the documents and information specified in Section 3.03(b).

(b) The Mortgagee agrees to execute and deliver the documents and instruments necessary to effectuate a release and substitution of Timberland pursuant to Section 3.03(a) but only after receipt by the Mortgagee of all of the following:

(i) An application of the Company which (A) specifies that a release and substitution of Timberland is being sought under Section 3.03(a) and identifies the specific Timberland to be released and substituted, and (B) contains the Company's warranty that all information presented in connection with such application is then true, complete and correct in all material respects, and that no fact has been omitted which is

required to keep the information furnished from being untrue, incorrect or misleading in any material respect, and that all such information may be relied upon by the Mortgagee as being likewise true, complete and correct in all material respects as of the date of consummation of such release and substitution;

(ii) A legal description of each tract of Timberland to be released and substituted;

(iii) Evidence of compliance by the Company with the title insurance and other requirements of Section 3.03(a);

(iv) A certification of the Company to the effect that:

(A) the fair market value of the Timberland to be released is not more than the fair market value of the Timberland to be substituted therefor;

(B) no Default or Event of Default has occurred and is continuing and, after giving effect to such release and substitution, no Default or Event of Default will exist;

(C) after giving effect to such release and substitution, access to all of the Timberland will be adequate for the commercial cultivation and harvesting of Timber; and

(D) such release and substitution will not impair the security under this Mortgage or be prejudicial to the holder of the Note and is desirable in the proper conduct of the business of the Company, or is otherwise in the best interest of the Company; and

(v) All instruments and documents legally necessary for the consummation of the release and substitution;

(c) At any time and from time to time so long as no Event of Default or Default shall have occurred and be continuing, the Company may sell or otherwise dispose of: (A) portions of the Timberland (other than sales of Timber only to unrelated third Persons and other than condemnation sales), provided that the fair market value (determined at the respective date of each such sale or disposition) of all Timberland so sold or disposed of pursuant to this Section 3.07(c) does not exceed in the aggregate \$3,750,000 (as certified by the Company), and (B) Merchantable Timber by stumpage sales to unrelated third Persons permitted by the Trust Indenture and, in the event the Trust Indenture is no longer outstanding, stumpage sales to unrelated third Persons, provided that not more than 25% (computed on

a non-cumulative basis) of the amount of Merchantable Timber to be cut during any 12-month cutting period under the Cutting Contract may be so sold or disposed of and provided further that not more than 50% of the amount of Merchantable Timber to be cut during any 12-month cutting period under the Cutting Contract may be subject to any such sale or disposition and remain standing, uncut or unpaid for at any time. The Mortgagee shall, upon written request made by the Company, execute such instruments as are necessary to release such Timberland or Merchantable Timber, as the case may be, from the Lien of this Mortgage, provided that such release shall be effected by the Mortgagee only upon the delivery to the Mortgagee of a certificate of the Company, dated the date of such release (i) stating that no Event of Default or Default has occurred and is continuing and, after giving effect to such release, no Default or Event of Default will exist; (ii) setting forth the legal description of the Timberland or Merchantable Timber to be so sold or disposed of; (iii) in the case of a release of Timberland, setting forth the aggregate fair market value (determined at the respective date of each such sale or disposition) of all Timberland previously so sold or disposed of; (iv) in the case of a release of Timberland, setting forth the fair market value of the Timberland proposed to be so sold or disposed of; (v) in the case of a release of Timberland, stating that following such release access to the remainder of the Timberland will be adequate for the commercial cultivation and harvesting of Timber; (vi) in the case of a release of Merchantable Timber, stating that such sale or disposition will not result in a breach of clause (B) of this Section 3.03(c); and (vii) stating that such release will not impair the security under this Mortgage or be prejudicial to the holder of the Note and is desirable in the proper conduct of the business of the Company, or is otherwise in the best interest of the Company.

(d) From time to time hereafter, the Company may sell to Rayonier and Raymidga, pursuant to the Option Agreements, portions of the Purchased and Contributed Timberland for the consideration specified in the Option Agreements. The Mortgagee shall, upon written request made by the Company, execute such instruments as are necessary to release such Timberland from the Lien of this Mortgage; provided that such release shall be effected by the Mortgagee only upon the delivery to it of a certificate of the Company, dated the date of such release, (i) stating that no Event of Default or Default has occurred and is continuing and, after giving effect to such release, no Default or Event of Default will exist; (ii) setting forth the legal description of the Timberland to be released; and (iii) stating that such release is being requested pursuant to one of the Option Agreements.

(e) The Mortgagee shall not be required to make any release of the Timberland, other than pursuant to the provisions of this Section.

(f) Notwithstanding any other provisions of this Mortgage, until such time as an Event of Default occurs and is continuing, the Company is authorized to sell, transfer and dispose of Timber to Rayonier in accordance with the terms of the Cutting Contract and to any unrelated third Person pursuant to a cutting contract complying with the requirements of Section 3 of the Cutting Contract. Such Timber shall not constitute rents or proceeds of the Timberland and shall be free and clear of the Lien of this Mortgage upon cutting thereof by Rayonier in accordance with the terms of the Cutting Contract or upon cutting thereof under the cutting contract with such third Person, as the case may be. To the extent the Company grants to the Mortgagee a security interest in Timber under Granting Clause First, the authorization provided herein shall be sufficient under R.C.W. 62A-9-306(2) to release from said security interest Timber sold, transferred and disposed of by the Company to Rayonier and cut by Rayonier in accordance with the terms of the Cutting Contract or by the Company to an unrelated third Person and cut by such third Person in accordance with the terms of the cutting contract with such third Person, as the case may be.

ARTICLE IV

REMEDIES

SECTION 4.01. Events of Default. Any one of the following events or conditions shall constitute an Event of Default:

(a) the Company defaults in payment of principal or interest of the Note when the same shall become due and payable, whether at maturity, or by declaration as authorized in this Mortgage or otherwise;

(b) the Company defaults in the payment of principal or interest on the indebtedness secured by the Trust Indenture or in the performance or observance of any other agreement, term or condition contained in the Trust Indenture and the Trustee proceeds to exercise any remedy provided it under Section 6.03(a) or (b) in the Trust Indenture;

(c) the Company defaults in the performance or observance of any other agreement, term, condition or covenant contained herein (other than a default described in to clauses (a) and (b) above) or in the Maintenance Agreement or the Cutting Contract, and such default is not remedied within 30 days after the date notice of such default shall have been received by the

Company, and such default does not occur during such time as the General Partner of the Company is an Affiliate of the Mortgagee;

(d) the Company makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due;

(e) any order, judgment or decree is entered under the bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law (herein called the "Bankruptcy Law") of any jurisdiction adjudicating the Company bankrupt or insolvent;

(f) the Company petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company or of any substantial part of the assets of the Company, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings relating to the Company under the Bankruptcy Law of any other jurisdiction, whether now or hereafter in effect;

(g) any such petition or application is filed, or any such proceedings are commenced, against the Company and the Company by any act indicates its approval thereof, consent thereto or acquiescence therein; or an order for relief is entered in an involuntary case under the Bankruptcy Law of the United States, as now or hereafter constituted; or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(h) any order, judgment or decree is entered in any proceedings against the Company decreeing the dissolution and winding up of such party and such order, judgment or decree remains unstayed and in effect for more than 60 days.

SECTION 4.02. Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, the Mortgagee may declare the Note to be due and payable immediately by a notice in writing to the Company and upon any such declaration such principal, together with accrued interest thereon, shall become forthwith due and payable, without any presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived to the fullest extent permitted by applicable law.

SECTION 4.03. Remedies. The Company agrees, to the full extent that it lawfully may, that, if one or more Events of

Default shall have occurred and be continuing and the Note shall have been declared due and payable pursuant to Section 4.02, then and in every such case the Mortgagee may, to the extent permitted by applicable law, exercise the following rights, privileges and remedies in addition to any other right, privilege or remedy otherwise available to the Mortgagee hereunder or at law or in equity:

(a) Sale of Trust Estate. The Mortgagee may, without further demand or notice of any kind which is hereby expressly waived by the Company, proceed to foreclose this Mortgage and cause the Sheriff to sell the Trust Estate at a foreclosure sale in the manner provided by law (including the right, title and interest of the Mortgagee in and to the Timberland). In case of such sale, the premises, real, personal or mixed, may be sold as an entirety or in parcels by one sale or several sales held at one time or at different times, all as the Mortgagee in its unrestricted discretion may elect, and the Company for and on behalf of itself and all persons claiming by, through or under it, waives any and all right to have the property and estates marshalled upon any foreclosure sale and agrees that upon foreclosure the premises may be sold as an entirety and not in parcels.

(b) Receiver. The Mortgagee shall have the right to exclude the Company and all Persons claiming under the Company from the Timberland; to apply for the appointment of a receiver of the Trust Estate, as a matter of right and without notice to the Company and without regard to the value of the Trust Estate or any part thereof as security for the indebtedness secured hereby or the solvency of the Company or any Person liable for the payment of all or any part of such indebtedness; to exercise all rights of the Company with respect to the Trust Estate; and to apply any moneys received thereby as set forth in Section 4.04.

(c) Other Actions. The Mortgagee shall have the right to cause any action at law or in equity or other proceeding to be initiated and prosecuted to collect or enforce the Note and its security interest in the Timberland.

SECTION 4.04. Application of Moneys. Except as otherwise specifically provided herein, all moneys received by the Mortgagee, under any of the provisions of this Mortgage as part of the Trust Estate, whether as rents, income or profits from the Trust Estate after entry therein or as proceeds of the operation or sale of the Trust Estate shall, be applied as follows:

First: To the payment of all amounts payable to the Mortgagee as reimbursement for all reasonable expenses, disbursements and advances incurred or made by it in accordance with any

provision of this Mortgage (including the reasonable compensation, disbursements and expenses of its agents and counsel) except any such expenses, disbursements or advances as may be attributable to its negligence or bad faith, including all proper costs and expenses of taking, holding, managing and selling the Trust Estate;

Second: In case the Note shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Note for principal and interest, with interest on the overdue principal and interest at the rate of 14.75% per annum;

Third: All surplus then remaining to the Company or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 4.05. Collection of Indebtedness and Suits for Enforcement by Mortgagee. The Company covenants that if default is made in the payment of the principal or interest on the Note when due, the Company will, upon demand of the Mortgagee, pay to it the whole amount then due and payable on the Note for principal and interest, with interest upon the overdue principal and, to the extent that payment of such interest shall be legally enforceable, upon overdue interest, at the rate of 14.75% per annum; and, in addition thereto, all other amounts then due and owing under this Mortgage and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Mortgagee, its agents and counsel.

SECTION 4.06. Mortgagee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Note or the property of the Company or of such other obligor or other creditors, the Mortgagee (irrespective of whether the principal of the Note shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Mortgagee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Note and all other amounts due and owing under this Mortgage and to file such other papers or documents as may be necessary or advisable in order to have the claim of the Mortgagee (including any claim for the reasonable compensation, expenses, disbursements

and advances of the Mortgagee, its agents and counsel) allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same.

SECTION 4.07. Waiver of Stay or Extension Laws; Marshalling of Assets. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisement, valuation, stay, extension or upset price statute wherever enacted, now or at any time hereafter in force, in order to prevent or hinder the enforcement of this Mortgage or the absolute sale of the Trust Estate or any part thereof, or the possession thereof by any purchaser at any sale under this Article; and the Company (to the extent that it may lawfully do so), for itself and all who may claim under it, hereby waives the benefit of all such laws, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Mortgagee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 4.08. Restoration of Rights and Remedies. If the Mortgagee has instituted any proceeding to enforce any right or remedy under this Mortgage, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Mortgagee, then and in every such case the Company and Mortgagee shall, subject to any determination in such proceeding, be restored respectively to their former positions hereunder, and thereafter all rights and remedies of the Mortgagee shall continue as though no such proceeding had been instituted.

SECTION 4.09. Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other right or remedy, and every right shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law, in equity or otherwise, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

SECTION 4.10. Delay or Omission Not a Waiver. No delay or omission of the Mortgagee to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein.

ARTICLE V

SECTION 5.01. Reconveyance. If the Company shall pay or cause to be paid to the Mortgagee all principal of and interest on the Note and all other amounts payable hereunder at the times and in the manner stipulated herein and therein, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Mortgagee shall execute a full reconveyance, cancelling and discharging the Lien of this Mortgage and deliver the same to the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Mortgage to be duly executed under seal, all as of the day and year first above written.

LEWIS COUNTY TIMBER COMPANY

By RAYMIDGA CO.,
General Partner

Attest:

Secretary

[Corporate Seal]

Attest:

Secretary

[Corporate Seal]

By

Vice President

ITT RAYONIER INCORPORATED

By

Vice President

STATE OF WASHINGTON)
COUNTY OF SHAWANNA) SS.

I DO HEREBY CERTIFY THAT THE WITHIN

DOCUMENT OF WRITING FILED BY

Shawanna County Title Co

at Stevenson, Wa

AT 9:10 A. Aug 20 19 81

WA 58

O. mtg LATP : 168

REC'D BY A COPY, WASH.

J. J. Messenger

CITY AUDITOR

A. News

Registered ☒
Indexed, Dir. ☒
Indirect ☒
Rec'd ☒
Mailed ☒

STATE OF Connecticut)
COUNTY OF Fairfield) ss.

On this 17th day of August, 1981, before me personally appeared Randall S. Johnson and John B. Canning, to me known to be the Vice President and Secretary respectively, of RAYMIDGA CO., the corporation to me known to be the general partner in LEWIS COUNTY TIMBER CO., a Washington limited partnership, the limited partnership that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation and said limited partnership, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument on behalf of the corporation, that the seal affixed is the corporate seal of the corporation, and that the corporation was authorized to execute said instrument on behalf of the limited partnership.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Janet E. Long
NOTARY PUBLIC in and for the State
of Connecticut
residing at Stamford

JANET E. LONG
NOTARY PUBLIC
My Commission Expires March 31, 1984

STATE OF Connecticut)
COUNTY OF Fairfield) ss.

On this 17th day of August, 1981, before me, a Notary Public in and for the State of Connecticut, personally appeared Stewart G. Gordon and John B. Canning, to me known to be the Vice President and Assistant Secretary respectively, of ITT RAYONIER INCORPORATED, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument, and that the seal affixed thereto is the corporation seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Janet E. Long
NOTARY PUBLIC in and for the State
of Connecticut
residing at Stamford, CT

JANET E. LONG
NOTARY PUBLIC
My Commission Expires March 31, 1984

EXHIBIT A

The following described real estate situated in the County of
Lewis, State of Washington:

Township 11 North, Range 2 East, W.M.

Section 1:

Parcel 1: ALL.

Section 10:

Parcel 2: Northeast Quarter; Southwest Quarter;
Northeast Quarter of the Northwest Quarter.

Section 11:

Parcel 3: ALL EXCEPT the west half of the south-
west quarter and the northwest quarter
of the northwest quarter.

Section 12:

Parcel 4: ALL.

Township 11 North, Range 4 East, W.M.

Section 3:

Parcel 5: Southwest Quarter of the Northwest
Quarter. EXCEPT that portion of said
southwest quarter of the northwest
quarter lying northeasterly of a line
projected from the northwest corner
of said south-west quarter of the
northwest quarter to the southeast
corner thereof.

Southwest Quarter. EXCEPT that por-
tion of the northeast quarter of the
southwest quarter lying northeasterly
of a line projected from the north-
west corner of said northeast quarter
of the southwest quarter to the south-
east corner thereof.

Southwest Quarter of the Southeast
Quarter. EXCEPT that portion of said
southwest quarter of the southeast
quarter lying northeasterly of a line
projected from the midpoint of the
north line of said southwest quarter
of the southeast quarter to the mid-
point of the east line of said southwest
quarter of the southeast quarter.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO
WA.

-2-

Section 10:

Parcel 6: Government Lots Three-Six (3-6) inclusive, Eleven (11), Twelve (12) and the South Half.

Section 11:

Parcel 7: South Half.

Section 14:

Parcel 8: ALL EXCEPT the south half of the southwest quarter.

Section 15:

Parcel 9: ALL EXCEPT the southeast quarter of the southeast quarter and the east quarter of the southwest quarter of the southeast quarter.

Township 11 North, Range 5 East, W.M.

Section 4:

Parcel 10: South Half of the Northwest Quarter; the Southwest Quarter; the West half of the Southeast Quarter.

Section 8:

Parcel 11: ALL EXCEPT the southeast quarter.

Section 9:

Parcel 12: ALL.

Section 17:

Parcel 13: ALL.

Township 11 North, Range 6 East, W.M.

Section 3:

Parcel 14: Southwest Quarter of the Northeast Quarter; the West Half of the Southwest Quarter; the North Half of the Southeast Quarter; Government Lots Five-Eleven (5-11) inclusive.

Section 4:

Parcel 15: Government Lots One-Four (1-4) inclusive, Eight (8) and Nine (9).

Section 14:

Parcel 16: ALL.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

-3-

Township 12 North, Range 1 East, W.M.Section 30:Parcel 17: West Half of the Northeast Quarter.Township 12 North, Range 2 East, W.M.Section 15:

Parcel 18: West Half. EXCEPT that portion of the northwest quarter of the northwest quarter lying north and west of Primary State Highway No. 5, described as follows: Beginning at the northwest corner; thence south along the west section line approximately 100 feet to a point where said section line intersects the northwest boundary line of the right of way of Primary State Highway No. 5; thence in a northeasterly direction along said right of way boundary line to a point where said boundary line intersects the north section line; thence west along said north section line approximately 60 feet to the Point of Beginning.

Section 22:

Parcel 19: Northwest Quarter; the West Half of the Northwest Quarter of the Northeast Quarter and the South Half of the Northeast Quarter. EXCEPT the north 440 feet of the east 1980 feet of said south half of the northeast quarter.

Section 23:

Parcel 20: Southwest Quarter; the South Half of the Southeast Quarter. EXCEPT that part of the south half of the southeast quarter which lies north of a line 30 feet distant as measured at right angles northerly from the centerline of the existing road. Said centerline of said road is described as follows, bearings and distances taken along tangents of said centerline: Beginning at the intersection of said road centerline and the east line of Section 23, 454 feet north of the southeast corner of said section; thence south $64\frac{1}{2}^\circ$ west 354 feet; thence south $72\frac{1}{2}^\circ$ west 126 feet; thence north 87° west 177 feet; thence north $68\frac{1}{2}^\circ$ west 250 feet; thence north 85° west 620 feet; thence south $84\frac{1}{2}^\circ$

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

-4-

west 270 feet; thence north $81\frac{1}{4}^{\circ}$ west 115 feet; thence north $57\frac{1}{4}^{\circ}$ west 120 feet; thence north $35\frac{1}{4}^{\circ}$ west 183 feet; thence north 62° west 125 feet; thence north $76\frac{1}{4}^{\circ}$ west 113 feet; thence south 65° west 262 feet; thence south $40\frac{1}{4}^{\circ}$ west 208 feet more or less to the intersection of said road centerline with the north-south centerline of said Section, 360 feet, more or less, north of the south quarter corner of said Section.

Section 25:Parcel 21: ALL.Section 26:

Parcel 22: East Half, the North Half of the Northwest Quarter; the Southeast Quarter of the Northwest Quarter; and that portion of the Southwest Quarter described as follows: Beginning at the west one-quarter corner of Section 26, then S $1^{\circ}17'39''$ W along the west line of said Section 26 a distance of 555.00 feet; then S $63^{\circ}44'19''$ E 732.35 feet; thence S $1^{\circ}40'03''$ W 473.89 feet to the northerly right-of-way line of the Winston Creek County Road; thence S $59^{\circ}06'45''$ E along said northerly line 399.92 feet; thence S $66^{\circ}25'15''$ E 705.35 feet; thence S $55^{\circ}51'13''$ E 383.03 feet; thence S $43^{\circ}54'25''$ E 917.16 feet to the south one-quarter corner of said Section 26; thence north to the northeast corner of said southwest quarter; thence west to the northwest corner of said southwest quarter, being the Place of Beginning. EXCEPT a portion of the northwest quarter of the southwest quarter, more particularly described as follows: Beginning at the west quarter corner; thence south along the west line of said Section 400 feet to the True Point of Beginning of the land to be described; thence continuing south along the west line of said Section 155 feet; thence south $64^{\circ}20'$ east 200 feet; thence northwesterly 301 feet, more or less, to the Point of Beginning. ALSO EXCEPT the County Road, as described in Quit Claim Deed recorded March 22, 1898 under Auditor's File No. 10542.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

Section 35:

Parcel 23: Northeast Quarter of the Northeast Quarter; the North Half of the Northwest Quarter of the Northeast Quarter; that portion of the Southeast Quarter of the Northwest Quarter of the Northeast Quarter and of the east 60 feet of the Southwest Quarter of the Northwest Quarter of the Northeast Quarter lying northerly of the Winston Creek County Road, and that portion of the east 600 feet of the Northwest Quarter of the Northeast Quarter lying southerly of said County Road. EXCEPT that portion of said County Road lying in said northeast quarter of the northeast quarter.

Section 36:

Parcel 24: South Half of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter.

Township 12 North, Range 3 East, W.M.

Section 1

Parcel 25: ALL EXCEPT Government Lot One (1) and the southeast quarter of the northeast quarter.

Section 3:

Parcel 26: ALL EXCEPT the south half of the southeast quarter.

Section 4:

Parcel 27: ALL EXCEPT that portion of the southwest quarter of said Section, described as follows: Beginning at the southwest corner of said southwest quarter; thence north 400 feet along the west line of said southwest quarter; thence east 270 feet to the True Point of Beginning; thence west 270 feet to the west line of said southwest quarter; thence north 1613 feet along said west line; thence east 60 rods; thence south 42 rods; thence southwesterly to the True Point of Beginning.

Section 5:

Parcel 28A: North Half. EXCEPT the southeast quarter of the northwest quarter thereof.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

-6-

Parcel 28B: South Half of the Southeast Quarter. EXCEPT a tract of land in the north-east quarter of the southeast quarter of the southeast quarter described as follows: Beginning at the northeast corner of said southeast quarter of the southeast quarter; thence 170 feet west along the north line of said southeast quarter of the southeast quarter to a point; thence south approximately 15 feet to the north boundary of the Lewis County Road; thence southeasterly along the east boundary of said County Road to a point where it intersects the east line of said southeast quarter of the southeast quarter; thence north along the east line of said southeast quarter of the southeast quarter approximately 514 feet to the Point of Beginning. ALSO EXCEPT the Young County Road.

Section 6:

Parcel 29: Government Lots One (1) and Two (2).

Section 8:

Parcel 30: Northeast Quarter of the Northeast Quarter of the Northeast Quarter.

Section 9:

Parcel 31: North Half of the North Half.

Section 10:

Parcel 32: North Half of the North Half.

Section 11:

Parcel 33: ALL EXCEPT all that part of the south half of the southwest quarter, lying southwesterly of the following described line: Beginning at the northwest corner of the southwest quarter of the southwest quarter; thence southeasterly to the south one-quarter corner and the terminus of said line. ALSO EXCEPT Primary State Highway No. 5.

Section 12:

Parcel 34: South Half. EXCEPT that part lying southeasterly and south of a line described as follows: Beginning at the southeast corner of the northeast quarter of the southeast quarter; thence northerly along the east line of said Section a distance of 400.0 feet; thence westerly parallel to the south line of said northeast quarter.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

-7-

of the southeast quarter to a point on the west line of said Subdivision; thence southwesterly to the southwest corner of the southeast quarter of the southeast quarter of the southwest quarter and the terminus of said line. ALSO EXCEPT Primary State Highway No. 5. ALSO EXCEPT Riffe-Morton Highway.

Section 13:

Parcel 35: That portion of the North Half of the Northwest Quarter lying northwesterly of the following described line: Beginning at the southwest corner of the north half of the northwest quarter; thence north $58^{\circ}57'36''$ east to the northwest corner of the northeast quarter of the northeast quarter of the northwest quarter and the terminus of said line.

Section 14:

Parcel 36A: That part of the Northwest Quarter of the Northeast Quarter lying northerly of a line beginning at the north one-quarter corner; thence on a bearing south $60^{\circ}54'03''$ east to the northeast corner of the southeast quarter of the northwest quarter of the northeast quarter.

Parcel 36B: That part of the Northwest Quarter of the Northeast Quarter lying northerly of a line beginning at the northwest corner of the southwest quarter of the northeast quarter; thence south $60^{\circ}37'52''$ east to the southeast corner of the northeast quarter of the northeast quarter.

Section 19:

Parcel 37: South Half of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter.

Section 20:

Parcel 38: South Half of the Southwest Quarter and the Southeast Quarter of the Southeast Quarter.

Section 25:

Parcel 39A: Southwest Quarter of the Southwest Quarter. EXCEPT the southeast quarter of the southeast quarter of the southwest quarter of the southwest quarter thereof. ALSO EXCEPT County Roads.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

-8-

Parcel 39B: Southwest Quarter of the Northwest Quarter. EXCEPT that portion of the southwest quarter of the northwest quarter described as follows: Beginning at the northwest corner of the said southwest quarter of the northwest quarter; thence east along the northerly line of said southwest quarter of the northwest quarter 1010 feet to a point; thence south 69° west 668.2 feet to a point; thence north 78° west 211 feet to a point; thence north 43° west 263 feet to the Point of Beginning. ALSO EXCEPT Kiser County Road.

ALSO the East Half of the Northwest Quarter TOGETHER WITH those portions of vacated Jim Kiser County Road No. 587, which attach by operation of law. EXCEPT that portion of the northeast quarter of the northwest quarter of said Section lying northerly of Jim Kiser County Road No. 587. ALSO EXCEPT that portion of the east half of the east half of the northeast quarter of the northwest quarter that lies south of the Kiser County Road and that portion of the east half of the east half of the southeast quarter of the northwest quarter that lies north of the County Road. ALSO EXCEPT the Kiser County Road. ALSO EXCEPT Thomas County Road.

Section 26:

Parcel 40: South Half of the Southwest Quarter and the Southeast Quarter.

Section 27:

Parcel 41: South half of the Southeast Quarter.

Section 28:

Parcel 42: Northwest Quarter EXCEPT beginning at the south east corner of said quarter section; running thence north along the eastern boundary thereof, a distance of 29½ rods; thence in a westerly direction 55 rods; thence south 29½ rods to the southern boundary line of said quarter section; thence easterly along said south line 55 rods to the Place of Beginning.

Section 29:

Parcel 43: North Half and the Southwest Quarter.

Section 30:

Parcel 44: ALL.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

Section 31:

Parcel 45A: ALL EXCEPT beginning at the south one-quarter corner; thence south $89^{\circ}39'$ west 425.5 feet along the south boundary of Section 31; thence north $1^{\circ}52'$ west 622.7 feet to an iron pipe; thence north $88^{\circ}59'$ east 386.2 feet; thence north $88^{\circ}07'$ east 51.6 feet to the north and south centerline of Section 31; thence south $0^{\circ}44'$ east 628.6 feet along said north and south centerline to the Point of Beginning. ALSO EXCEPT beginning at the south one-quarter corner; thence north $89^{\circ}55'$ east 732.6 feet; thence north $6^{\circ}32'$ west 196.3 feet; thence north $59^{\circ}51'$ east 326.2 feet; thence north $10^{\circ}33'$ west 166.2 feet; thence north $82^{\circ}48'$ west 129.2 feet; thence north $65^{\circ}24'$ west 320.2 feet; thence south $88^{\circ}31'$ west 192.8 feet; thence south $80^{\circ}58'$ west 217.2 feet; thence south $88^{\circ}07'$ west 144.9 feet to a point on the north and south centerline of Section 31; thence south $0^{\circ}44'$ east 628 feet along said centerline to the south one-quarter corner to the Point of Beginning. ALSO EXCEPT that portion of the Cowlitz, Chehalis and Cascade Railway right of way in the southwest quarter of the southeast quarter, as described in Warranty Deed recorded May 12, 1926 under Auditor's File No. 189060. ALSO EXCEPT Winston Creek County Road.

Parcel 45B: That portion of the following described property lying within the Southeast Quarter of the Southwest Quarter: a strip of land 130 feet wide, 30 feet of which lies on the northerly side and 100 feet lies on the southerly side of the following described centerline: Beginning at a point in the west line of Section 31, 1867.4 feet southerly, measured along said west line, from the quarter corner between Sections 31 and 36; thence north $71^{\circ}16'$ east 46.8 feet to a point; thence on an arc of a 4° curve to the right through a central angle of $20^{\circ}52'$, 521.6 feet to a point; thence south $87^{\circ}52'$ east, 868.4 feet to a point; thence on the arc of a 4° curve to the right through a central angle of $24^{\circ}36'$, 705 feet to a point; thence south $63^{\circ}16'$ east, 1446.2 feet to a point on the south line of Section 31, 1808.1 feet west of the southeast corner thereof. EXCEPT Winston Creek County Road as described in Deed recorded August 10, 1978 under Auditor's File No. 850366.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

Section 32:

Parcel 46: ALL EXCEPT the northeast quarter of the northeast quarter.

Section 33:

Parcel 47: Northeast Quarter of the Southeast Quarter; the South Half of the Southeast Quarter; the West Half.

Section 34:

Parcel 48: Southeast Quarter; the Northwest Quarter. EXCEPT the northwest quarter of the northwest quarter.

Section 35:

Parcel 49: ALL EXCEPT the northeast quarter of the southeast quarter. ALSO EXCEPT the southwest quarter of the southeast quarter. ALSO EXCEPT Hagen County Road.

Township 12 North, Range 4 East, W.M.

Section 6:

Parcel 50: Government Lots One (1), Two (2), Three (3), and the Southwest Quarter of the Northeast Quarter.

Section 18:

Parcel 51: North Half of the Southeast Quarter; South Half of the Northeast Quarter; that portion of Government Lot Six (6) lying north and easterly of a line described as follows: Beginning at the southeast corner of the southwest quarter of the northwest quarter of the southeast quarter; thence southeasterly to a point, said point being the southwest corner of the northwest quarter of the southeast quarter of the southeast quarter; the East Half of the northwest Quarter. EXCEPT beginning at the northwest corner of the east half of the northwest quarter; thence east 214.5 feet; thence southerly to a point 181.5 feet east and 198 feet south of the northwest corner of the southeast quarter of the northwest quarter; thence west 181.5 feet; thence north to the Point of Beginning. ALSO EXCEPT all that part of the southeast quarter of the northwest quarter lying westerly and southwesterly of a line described as follows: Beginning at a point on the north line of the southeast quarter of the northwest quarter 185.76 feet northeasterly from the northwest corner thereof; thence southerly to the center of Section 18.

Section 20:

Parcel 52: Southwest Quarter of the Northeast Quarter. ALSO those portions of the Northwest Quarter of the Northwest Quarter, Government Lot One (1), the Southeast Quarter of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter, lying northeasterly and northerly of the following described line: Beginning at the midpoint of the west line of said northwest quarter of the northwest quarter; thence southeasterly to the midpoint of the south line of said northwest quarter of the northwest quarter; thence southeasterly to the midpoint of the west line of said southeast quarter of the northwest quarter; thence southeasterly to the midpoint of the south line of said southeast quarter of the northwest quarter; thence southeasterly to the midpoint of the west line of the northwest quarter of the southeast quarter; thence southeasterly to the midpoint of line extended from the west line to the east line of the southwest quarter of the southeast quarter, said line lying 350 feet northerly of and parallel to the south line of the southwest quarter of the southeast quarter; thence easterly, parallel to the south line of the southwest quarter of the southeast quarter, to the east line of said southwest quarter of the southeast quarter.

Section 24:

Parcel 53: Northwest Quarter of the Northwest Quarter and the East Half.

Section 27:

Parcel 54: North Half of the Southeast Quarter. EXCEPT that portion of the northeast quarter of the southeast quarter lying southeasterly of a line drawn from the midpoint of the south line to the midpoint of the east line of said northeast quarter of the southeast quarter.

Section 28:

Parcel 55: Northeast Quarter of the Northwest Quarter; Northwest Quarter of the Northwest Quarter. EXCEPT that portion lying southwesterly of a line projected from the northwest corner of said northwest quarter of the northwest quarter to the southeast corner thereof.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

-12-

Northeast Quarter of the Southeast Quarter. EXCEPT that portion lying southwesterly of a line projected from the northwest corner of said northeast quarter of the southeast quarter to the southeast corner thereof.

Section 32:

Parcel 56: Northeast Quarter of the Southwest Quarter and the Southeast Quarter of the Northwest Quarter. EXCEPT that portion described as follows: Beginning at the northwest corner of said southeast quarter of the northwest quarter; thence south $88^{\circ}10'29''$ east 1333.79 feet; thence south $1^{\circ}22'58''$ west 971.98 feet; thence north $52^{\circ}14'46''$ west 1656.44 feet to the Point of Beginning.

Section 35:

Parcel 57: That part of the Northwest Quarter of the Northwest Quarter lying northeasterly of the following described line: Beginning at the northwest corner of said northwest quarter of the northwest quarter; thence southeasterly to a point on the east line of said northwest quarter of the northwest quarter 350 feet northerly of the southeast corner thereof and the terminus of said line.

Township 12 North, Range 5 East, W.M.

Section 1:

Parcel 58: Southwest Quarter of the Southeast Quarter.

Section 10:

Parcel 59: Northeast Quarter.

Section 12:

Parcel 60: North Half of the Northeast Quarter.

Section 30:

Parcel 61: Northeast Quarter; the East Half of the Northwest Quarter; the Northeast Quarter of the Southwest Quarter and the Northeast Quarter of the Southeast Quarter.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

Section 31:

Parcel 62: Government Lots One (1) and Two (2) and that part of Government Lot Three (3) lying northwesterly of a line projected from the midpoint of the west line of Government Lot Three (3) to the northeast corner thereof.

Township 12 North, Range 6 East, W.M.

Section 33:

Parcel 63: ALL.

Township 13 North, Range 2 East, W.M.

Section 24:

Parcel 64: Southeast Quarter.

Section 25:

Parcel 65: Southwest Quarter and that portion of the South Half of the Northwest Quarter lying south of the Tilton River. EXCEPT the J.M. Flynn County Road as described in deed recorded November 28, 1917 under Auditor's File No. 99972.

Section 26:

Parcel 66: Southeast Quarter of the Northeast Quarter; the Southwest Quarter of the Southwest Quarter; the Southeast Quarter of the Southwest Quarter and the Southeast Quarter. EXCEPT that part of the southeast quarter of the southwest quarter and that part of the southeast quarter described as follows: Beginning at the southwest corner of the southeast quarter of the southwest quarter; thence in a northeasterly direction to a point on the east-west centerline of Section 26, said point being 400 feet west of the northeast corner of the southeast quarter; thence in a southeasterly direction to a point on the east line of Section 26, said point being 400 feet south of the northeast corner of the southeast quarter; thence in a southwesterly direction to the southwest corner of the southeast quarter; thence west along the south line of Section 26 to the Point of Beginning. ALSO EXCEPT the south 835 feet of the east 1100 feet of the southeast quarter.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

Section 35:

Parcel 67: Southeast Quarter of the Northeast Quarter; the West Half of the Northeast Quarter; the North Half of the Southwest Quarter and the Northwest Quarter. EXCEPT the northeast quarter of the northwest quarter. ALSO EXCEPT beginning at the southwest corner of the northwest quarter; thence in a northerly direction along the west line of Section 35 to a point 660 feet, more or less, from the Point of Beginning; thence in a northeasterly direction to a point on the north line of the southwest quarter of the northwest quarter, said point being 850 feet, more or less, from the west line of Section 35; thence in a northeasterly direction to the northwest corner of the northeast quarter of the northwest quarter; thence easterly along the north line of said Section 35, to the northeast corner of the northwest quarter of said Section 35; thence southerly along the east line of the northwest quarter to the southeast corner of the northeast quarter of the northwest quarter; thence in a southwesterly direction to a point on the west line of the southeast quarter of the northwest quarter, said point being 200 feet north of the southwest corner of the southeast quarter of the northwest quarter; thence in a southwesterly direction to the Point of Beginning. ALSO EXCEPT that portion of said southeast quarter of the northeast quarter lying southeasterly of Flynn County Road.

Township 13 North, Range 3 East, W.M.

Section 35:

Parcel 68: South Half of the Northwest Quarter; the East Half of the Southeast Quarter; the East Half of the West Half of the Southeast Quarter.

Township 13 North, Range 4 East, W.M.

Section 24:

Parcel 69: North Half of the Northeast Quarter; the Southeast Quarter of the Northeast Quarter and the South Half of the Southwest Quarter.

Section 26:

Parcel 70: North Half of the South Half.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

Section 31:

Parcel 71: West Half.

Township 14 North, Range 5 East, W.M.

Section 30:

Parcel 72: Southeast Quarter.

Township 14 North, Range 1 West, W.M.

Section 24:

Parcel 73: Northeast Quarter.

Township 15 North, Range 4 West, W.M.

Section 32:

Parcel 74: West Half. EXCEPT Lincoln Creek County Road. ALSO EXCEPT Manners County Road. ALSO EXCEPT Meyers County Road.

Township 15 North, Range 5 West, W.M.

Section 24:

Parcel 75: Southwest Quarter of the Northeast Quarter; South Half of the Northwest Quarter and the Southwest Quarter.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

LEWIS CO.
WA.

The following described real estate situated in the County of
King, State of Washington:

BOOK 58 PAGE 208

Township 22 North, Range 9 East, W. M.

Parcel 76:

Section 2: Government Lots One (1) through Four (4) inclusive, EXCEPT those portions as conveyed to Chicago, Milwaukee and St. Paul Railway Company of Washington, a corporation, by Deeds recorded under Auditor's File Nos. 456311 and 545387, and EXCEPT those portions of Government Lot One (1) as conveyed to the State of Washington, under Auditor's File Nos. 6591231 and 7412180269.

Section 12: North half of the Northeast Quarter, Southwest Quarter of the Northeast Quarter and the Southeast Quarter of the Northwest Quarter EXCEPT those portions as conveyed to Chicago, Milwaukee and St. Paul Railway Company of Washington, a corporation, by Deeds recorded under Auditor's File Nos. 456311 and 545387.

Township 23 North, Range 9 East, W.M.

Parcel 77:

Section 28: That portion of the Southwest Quarter lying southerly of the southerly margin of Chicago, Milwaukee and St. Paul Railway Company right-of-way.

Parcel 78:

Section 33: That portion of the Southeast Quarter of the Northeast Quarter lying southwesterly of the southwesterly margin of Chicago, Milwaukee and St. Paul Railway Company right-of-way.

Parcel 79:

Section 34: Southwest Quarter of the Southwest Quarter and those portions of Government Lots One (1), Two (2) and Three (3) and portion of the Southeast Quarter lying southwesterly of the southwesterly margin of Chicago, Milwaukee and St. Paul Railway Company right-of-way.

Township 22 North, Range 10 East, W. M.Parcel 80:

Section 6: Government Lot Three (3) and that portion of Government Lot Six (6) and the Northeast quarter of the Southwest Quarter lying northeasterly of the northerly margin of State Highway No. 2, (SR-90), as described in Deed to the State of Washington, recorded under Auditor's File No. 7112150012.

Parcel 81:

Section 18: Northeast Quarter, EXCEPT that portion lying within the Chicago, Milwaukee and St. Paul Railway Company right-of-way.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

KING COUNTY,
WA.

The following described real estate situated in the County of
Grays Harbor, State of Washington:

Township 16 North, Range 9 West, W. M.

Section 5:

Parcel 82: Northeast Quarter of the Southeast Quarter.

Parcel 83: Southeast Quarter of the Southeast Quarter.

Section 8:

Parcel 84: Northeast Quarter of the Northeast Quarter.

Parcels 85, 86, 87, 88: Omit

The following described real property situated in the County of Grays Harbor, State of Washington:

Township 18 North, Range 9 West, W. M.

Section 18:

Parcel 89: The East Half of the Southwest Quarter; the Southwest Quarter of the Southwest Quarter; the Northwest Quarter of the Southwest Quarter EXCEPT the North 287.13 feet thereof; the Northwest Quarter of the Southeast Quarter; and the South Half of the Southeast Quarter.

Section 19:

Parcel 90: The Northeast Quarter; the North Half of the Northwest Quarter; and the North Half of the Northwest Quarter of the Southeast Quarter of the Northwest Quarter.

Section 20:

Parcel 91: The Northwest Quarter of the Northwest Quarter.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

GRAYS HARBOR COUNTY,
WA.

Township 18 North, Range 9 West, W. M.

Section 13:

Parcel 92: The Southwest Quarter of the Northwest Quarter; the Northwest Quarter of the Southwest Quarter; and the South Half of the Southeast Quarter.

Section 14:

Parcel 93: The West Half of the Southeast Quarter; the West Half of the Southwest Quarter; the Southeast Quarter of the Southwest Quarter; and the Southeast Quarter of the Southeast Quarter.

Section 15:

Parcel 94: The Southeast Quarter of the Southeast Quarter.

Section 23:

Parcel 95: The Northeast Quarter.

Section 24:

Parcel 96: The Northwest Quarter of the Northwest Quarter; the Southeast Quarter of the Northwest Quarter; and the North Half of the Southwest Quarter.

Township 16 North, Range 9 West, W.M.

Section 34:

Parcel 97: Government Lots Six (6), Seven (7), Eight (8) and Ten (10); and the South Half.

Township 18 North, Range 10 West, W. M.

Sections 19 and 20:

Parcels 98 and 99: The West Half of the Northeast Quarter; the East Half of the Northwest Quarter; Government Lots 1, 2, 3 and 4; the East Half of the Southwest Quarter; and the Southeast Quarter of Section 19;

The West Half of the Southwest Quarter of Section 20;

That portion of the East Half of the Northeast Quarter of Section 19 the West Half of the Northwest Quarter and the Southeast Quarter of the Northwest Quarter of Section 20, lying Southwesterly and Westerly of the following described line:

Beginning at the Northeast Section Quarter Corner of said Section 19; thence Westerly along the North line of said Section 19, a distance of 130 feet to a

point, which point is the true point of beginning; thence South 38° West a distance of 200 feet; thence South 5° East a distance of 80 feet; thence South 64° East a distance of 120 feet; thence South 71° East a distance of 260 feet; thence South 55° East a distance of 105 feet to a point, which point is also the Southwesterly line of the 4013.24 road right-of-way; thence South 16° East along said 4013.24 road right-of-way a distance of 200 feet; thence South 27° East a distance of 95 feet; thence South 36° East a distance of 100 feet; thence South 45° East a distance of 250 feet; thence South 58° East a distance of 100 feet; thence South 72° East a distance of 100 feet; thence South 81° East a distance of 200 feet; thence South 88° East a distance of 200 feet; thence North 89° East a distance of 80 feet; thence South 17° East, leaving said Southwesterly line of said 4013.24 road right-of-way, a distance of 80 feet; thence South 9° East a distance of 100 feet; thence South 27° East a distance of 130 feet; thence South 36° East a distance of 150 feet; thence South 27° East a distance of 120 feet; thence South 77° West a distance of 200 feet; thence South 85° West a distance of 170 feet; thence South 83° West a distance of 580 feet; thence South 86° West a distance of 240 feet; thence South 6° West a distance of 120 feet; thence South 1° West a distance of 200 feet; thence South 3° East a distance of 470 feet; thence South 8° West to its intersection with the South line of said Southwest Quarter of the Northwest Quarter of said Section 20; thence Westerly along said South line of said Southwest Quarter of the Northwest Quarter of said Section 20 to its intersection with the West line of said Section 20 which point ends the description of the line.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

GRAYS HARBOR COUNTY
WA.

Section 29:

Parcel 100: The West Half of the Northeast Quarter; the East Half of the Northwest Quarter; the Northwest Quarter of the Northwest Quarter; and the Northeast Quarter of the Northeast Quarter.

Section 30:

Parcel 101: The Northeast Quarter of the Northeast Quarter.

Township 20 North, Range 8 West, W. M.

Section 22:

Parcel 102: The Northeast Quarter; the North Half of the Northwest Quarter; the Southeast Quarter of the Northwest Quarter; the North Half of the Southwest Quarter; the Southeast Quarter of the Southwest Quarter; the West Half of the Southeast Quarter; and the Southeast Quarter of the Southeast Quarter.

The following described real estate situated in the County of
Mason, State of Washington:

Township 24 North, Range 3 West, W. M.

Parcel 103:

Section 3: South Half of the Northwest Quarter.

Parcel 104:

Section 3: North Half of the Southwest Quarter.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

MASON COUNTY,
WA.

The following described real estate situated in the County
of Skamania, State of Washington:

Township 10 North, Range 6 East, W. M.

Parcel 105:

Section 1: The Northeast Quarter

The following described real property situated in the County of Jefferson:

Parcel 106

Township 26 North, Range 12 West, W. M.
Township 25 North, Range 12 West, W. M.

A tract of land and timber thereon located in the Southeast Quarter of the Southwest Quarter, the Southeast Quarter, and the South Half of the Northeast Quarter of Section Thirty-three (33) and the Southwest Quarter of Section Thirty-four (34), Township Twenty-six (26) North, Range Twelve (12) West, and Government Lot Three (3) of Section Three (3), Township Twenty-five (25) North, Range Twelve (12) West, Willamette Meridian, being more particularly described as follows:

BEGINNING at the South Quarter Corner of said Section Thirty-three (33), thence North 52°00' West a distance of 83.4 feet; thence North 44°15' West a distance of 35.0 feet to a point on the Southeasterly right-of-way line of logging spur "1725", said point being 10+ feet distant, measured perpendicularly, from center line station 8+00 for said logging spur "1725"; thence North 18°30' West a distance of 130.0 feet; thence North 14°00' West a distance of 135.6 feet; thence North 12°00' East a distance of 74.1 feet; thence North 15°00' East a distance of 55.0 feet; thence North 12°00' East a distance of 122.1 feet to a point on the southeasterly bank of a 6-foot wide creek flowing southwesterly; thence North 01°00' West a distance of 56.0 feet; thence North 47°30' East a distance of 146.0 feet; thence North 32°00' East a distance of 162.0 feet; thence North 12°00' West a distance of 97.0 feet; thence North 17°00' East a distance of 163.0 feet; thence North 45°00' East a distance of 165.0 feet; thence North 88°00' East a distance of 76.0 feet; thence North 54°00' East a distance of 67.0 feet; thence North 10°00' East a distance of 196.0 feet;

thence North 21°00' East a distance of 177.0 feet; thence North 25°00' East a distance of 84.0 feet; thence North 16°30' West a distance of 115.2 feet; thence North 2°30' West a distance of 174.0 feet; thence North 20°30' West a distance of 188.0 feet; thence North 61°00' East a distance of 88.5 feet; thence North 73°00' East a distance of 130.7 feet; thence North 56°00' East a distance of 174.4 feet; thence North 31°00' East a distance of 149.8 feet; thence North 54°30' East a distance of 179.1 feet; thence North 60°00' East a distance of 179.0 feet; thence North 43°00' East a distance of 139.8 feet; thence North 69°00' East a distance of 96.0 feet; thence North 23°00' East a distance of 89.6 feet; thence North 36°30' East a distance of 178.5 feet; thence North 21°00' East a distance of 89.0 feet; thence North 44°00' East a distance of 58.1 feet; thence North 39°00' East a distance of 171.0 feet; thence North 42°30' East a distance of 191.9 feet; thence North 23°00' East a distance of 48.0 feet; thence North 74°30' East a distance of 130.0 feet; thence North 82°00' East a distance of 80.1 feet; thence South 80°00' East a distance of 137.5 feet; thence South 34°00' East a distance of 192.0 feet; thence South 51°00' East a distance of 89.0 feet; thence South 56°00' East a distance of 105.1 feet; thence North 43°30' East a distance of 77.2 feet; thence North 60°30' East a distance of 126.5 feet; thence North 70°30' East a distance of 78.7 feet; thence South 72°00' East a distance of 226.5 feet; thence South 38°00' East a distance of 127.5 feet; thence South 22°00' East a distance of 115.7 feet; thence South 12°00' East a distance of 85.4 feet; thence South 11°00' East a distance of 135.0 feet; thence South 57°00' East a distance of 178.6 feet; thence South 61°30' East a distance of 109.1 feet; thence South 55°00' East a distance of 148.8 feet; thence North 58°00' East a distance of 147.4 feet; thence North 85°00' East a distance of 78.0 feet; thence South 78°00' East a distance of 131.6 feet; thence South 57°00' East a distance of 87.6 feet; thence South 23°30' East a distance of 81.0 feet; thence South 51°30' East a distance of 121.8 feet; thence

South 60°00' East a distance of 49.9 feet;
 thence South 30°30' East a distance of 144.5
 feet; thence South 59°00' East a distance of
 42.1 feet; thence South 39°30' East a distance
 of 127.1 feet; thence South 45°30' East a
 distance of 91.0 feet; thence South 37°00'
 East a distance of 112.9 feet; thence South
 40°00' East a distance of 142.2 feet; thence
 South 41°30' East a distance of 179.5 feet;
 thence South 47°00' East a distance of 103.8
 feet; thence South 42°30' East a distance of
 40.7 feet; thence South 33°00' West a distance
 of 118.0 feet; thence South 35°00' West a
 distance of 105.0 feet; thence South 21°30'
 West a distance of 79.0 feet; thence South
 28°00' West a distance of 271.3 feet; thence
 South 01°30' West a distance of 104.0 feet;
 thence South 08°00' West a distance of 181.1
 feet; thence South 32°30' West a distance of
 100.0 feet; thence South 55°00' West a
 distance of 140.9 feet; thence South 53°30'
 West a distance of 13.0 feet to a point on the
 northeasterly right-of-way line of logging
 spur "1725", said point being 10+ feet
 distant, measured perpendicularly, from center
 line station 88+10 for said logging spur
 "1725"; thence South 38°00' East a distance of
 200.0 feet; thence South 01°00' West a
 distance of 175.7 feet; thence South 24°00'
 East a distance of 138.0 feet; thence South
 29°00' West a distance of 151.0 feet; thence
 South 07°30' East a distance of 50.0 feet;
 thence South 29°30' East a distance of 185.0
 feet; thence South 70°00' East a distance of
 189.0 feet; thence South 59°30' East a
 distance of 448.0 feet; thence North 75°00'
 East a distance of 138.1 feet; thence South
 27°00' East a distance of 151.7 feet; thence
 South 32°00' East a distance of 81.0 feet;
 thence South 63°30' East a distance of 76.0
 feet; thence South 71°00' East a distance of
 87.0 feet; thence South 02°30' East a distance
 of 53.0 feet; thence South 00°30' East a
 distance of 833.4 feet; thence South 13°30'
 East a distance of 82.5 feet to northwesterly
 right-of-way line of logging spur; thence
 South 73°00' West a distance of 317.0 feet;
 thence North 69°30' West a distance of 121.0
 feet; thence North 41°30' West a distance of
 182.0 feet; thence South 87°30' West a
 distance of 156.0 feet; thence North 30°45'

West a distance of 530.4 feet; thence North 30°00' West a distance of 183.9 feet; thence South 47°00' West a distance of 71.0 feet; thence South 83°00' West a distance of 150.0 feet; thence North 80°00' West a distance of 109.6 feet; thence North 13°00' West a distance of 168.0 feet; thence North 39°00' East a distance of 75.4 feet; thence North 03°15' West a distance of 255.7 feet; thence North 22°00' East a distance of 104.2 feet; thence North 05°00' West a distance of 86.0 feet to the west one-sixteenth (1/16th) corner common to Section Three (3), Township Twenty-five (25) North, Range Twelve (12) West and Section Thirty-four (34), Township Twenty-six (26) North, Range Twelve (12) West, W. M.; thence North 86°30' West a distance of 192.9 feet; thence North 88°30' West a distance of 155.1 feet; thence North 53°00' West a distance of 55.0 feet; thence North 27°00' West a distance of 103.0 feet; thence South 63°30' West a distance of 151.8 feet; thence South 67°00' West a distance of 144.0 feet; thence North 67°30' West a distance of 72.0 feet; thence West a distance of 217.3 feet; thence North 82°45' West a distance of 175.3 feet; thence South 82°00' West a distance of 172.2 feet to the Southeast Corner of said Section Thirty-three (33); thence North 89°30' West a distance of 2,630.0 feet to the point of beginning,

EXCEPTING from said Parcels 1 through 106 inclusive any title to or claim of interest in any minerals located in, on, or under said real property.

PIONEER NATIONAL TITLE
INSURANCE COMPANY

JEFFERSON COUNTY,
WA.