faith endeavor to comply with the laws of the State of Oregon and of all other States in which it is doing business, and applicable ordinances and rules, regulations and orders, and with the laws of the United States of America.

Upon any failure of the Mortgagor to perform any of the Mortgagor's obligations or covenants set forth in this Section 4.04, the Mortgagee may at its option perform the same at the cost of the Mortgagor, and any amounts so paid by the Mortgagee, with interest thereon at the rate set forth in the Notes secured hereby, shall, if not repaid by the Mortgagor upon demand, thereupon become a part of the indebtedness secured by this instrument.

SECTION 4.05. So long as any of the Notes are outstanding:

(a) It will at all times keep proper books of record and account in which full, true and correct entries will be made of its transactions in accordance with good accounting practice.

(b) It will at all reasonable times make its books, records and properties available and open for inspection and examination by any person designated by the Mortgagee.

(c) It will deliver to the Mortgagee, (i) within 60 days after the end of such quarterly period (other than the last quarterly period in each fiscal year), a balance sheet and profit and loss and surplus statements of the Mortgagor (unaudited) as at the end of such quarterly period, all in reasonable detail and signed by a Responsible Officer of the Mortgagor; (ii) within 120 days after the expiration of each of the Mortgagor's fiscal years (commencing with the fiscal year ending April 30, 1955), a balance sheet and profit and loss and surplus statements of the Mortgagor for such fiscal year certified by an independent public accountant or accountants selected by the Mortgagor and satisfactory to the Mortgagee (who may be the public accountants regularly employed by the Mortgagor to audit and examine its books); (iii) within 120 days after each fiscal year of the Mortgagor (commencing with the fiscal year ending April 30, 1955), an Officer's Certificate to the effect that no event of default as specified in this Indenture exists and that no event, which with the passage of time or the giving of notice and the passage of time, would occasion such an event of default, has occurred and is then continuing; or that such

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