

TIMBER LAND MORTGAGE RIDER A

The Mortgagor covenants and agrees:

42-374

FIRST. Definitions: That the term "Timber Lands" as hereinafter used refers to that part of the mortgaged property now maintained and operated primarily for the production of timber; that the terms "Mortgagor" and "Mortgagee" as herein used refer with equal effect to the Grantor or Trustor, and Beneficiary or Grantee in a Deed of Trust or Security Deed, as the case may be; that the term "Pulpmill" as hereinafter used refers to any mill or mills for the production of pulp; and that the term "Mortgage" refers to the security instrument of which these provisions are a part.

SECOND. Management, General: That the Timber Lands shall be operated for their highest and best use as timberlands, having due regard to soil conditions, stand arrangements and other factors relevant to the conduct of sound silvicultural and harvesting practices. The Mortgagor further agrees that any intermediate harvesting of timber shall be carried out in a manner calculated to produce the maximum growth on the maximum number of stems, consistent with the production of the highest quality and greatest quantity of timber and that all harvesting shall be carried on in a manner calculated to realize the maximum investment value in the mortgaged property.

A. Harvesting Operations: That all cutting operations shall be conducted in such a manner as to realize the greatest return from the individual tree and from the timber stand, to effect suitable utilization of the Timber Lands, to assure the early and complete regeneration of stands of desirable timber, and to bring about their optimum development both as to growth and quality; that trees shall be cut as close to the ground as practicable in order to leave the lowest stump with jump-butting to be used when necessary; that all desirable trees which are not at the time being harvested, including young trees, shall be protected against unnecessary injury from felling, skidding and hauling; and that all measures reasonably practicable be used to prevent soil erosion including the proper location of skidways and roads.

B. Restrictions on Grazing and Use of Fire: That the Mortgagor shall not permit grazing of livestock on the Timber Lands in such a way as to be injurious to forest regeneration, soils or forest growth, or (unless Timber Land Mortgage Rider C is attached to and made a part of the Mortgage) use of fire for eradication of noxious growth or for any other reason whatsoever except with the prior written consent of the Mortgagee.

C. Salvage: That to the extent economically feasible, all trees which are dead, diseased, fallen or otherwise damaged by casualty, shall be salvaged in accordance with sound silvicultural practices; that any timber salvaged shall be applied against and paid for under the release provisions in subparagraph(s) of Paragraph THIRD hereof; and that any salvage in excess of the volumes permitted under said subparagraph(s) shall be subject to the prior written approval of the Mortgagee.

D. Fire Protection: That all measures shall be taken which are reasonably necessary to protect the Timber Lands from loss by fire, which measures shall be at least equal to fire-control practices generally followed on timber-producing property in the same general area, including the adoption of suitable prevention and control measures, the maintenance of adequate fire-fighting equipment, proper disposal of slash and snags, and full cooperation with state and federal agencies on matters of fire prevention and control; that the Mortgagor shall annually during the month of January in each year submit to the Mortgagee a written report showing, for the preceding calendar year, the number of forest fires, the acres burned, and an estimate of the nature and extent of the resulting damage; and that if in the opinion of the Mortgagee such measures or equipment are inadequate, the Mortgagor will, upon written request of the Mortgagee, adopt additional measures and acquire and maintain additional fire-fighting equipment, all as the Mortgagee may request.

E. Maintenance of Roads: That an adequate system of roads and roadways shall be maintained in such manner as to permit access of mobile fire-fighting equipment to all parts of the Timber Lands.

F. Regeneration: That all reasonable measures shall be taken to insure proper regeneration of timber on the Timber Lands and when not accomplished by natural means within a reasonable time or if no natural seed source exists that the Mortgagor shall institute and maintain a planting program, designed adequately to reforest such land.

G. Control of Disease: That there shall be maintained at all times in a manner satisfactory to the Mortgagee and in accordance with sound silvicultural practices all reasonable and effective measures to prevent the development of and to control the spread of disease and insect infestation on the mortgaged property, including, but not limited to, the shifting of logging operations to remove diseased or insect-infested trees and other trees threatened with disease or insect infestation, and all such other accepted forest sanitation and control measures as are necessary to prevent the development and spread of disease and insect infestation; and that the Mortgagor shall annually, during the month of January in each year submit to the Mortgagee a written report showing, for the preceding calendar year, the amount and extent of damage to trees by disease or insect infestation.

H. Trespass: That the mortgaged property shall be marked to indicate the boundaries thereof in a conspicuous manner satisfactory to the Mortgagee; that such markings shall be renewed from time to time as may be necessary clearly to maintain public notice of boundaries; and that the Mortgagor shall cause the Timber Lands to be inspected for the purpose of preventing trespass of any type or nature, including unauthorized cutting of timber.

I. Contracts: That no contracts for the sale of timber wherein the buyer is granted the privilege of entry upon the mortgaged property for cutting and removal shall be made without the prior written approval of the Mortgagee.

J. Inspection: That the Mortgagee shall have the right to inspect the mortgaged property and each sawmill or other plants owned or operated by the Mortgagor, to examine the scaling sheets and books of account of the Mortgagor relating to the mortgaged property and each such sawmill or plant, and to discuss the business, finances and accounts of the Mortgagor with the Mortgagor and its agents, all at such reasonable times and intervals as the Mortgagee may desire.

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