

The Lumber Company hereby covenants that it is well and truly seized of a good and perfect title to the premises above conveyed and assigned and has good right and lawful authority to convey the same, and that the title so conveyed is clear, free and unincumbered, and that it will forever warrant and defend the same to the party of the second part and his successors in trust.

And the Lumber Company further covenants to pay the principal and interest of said bonds as the same become due and payable and to pay annually to the proper officers all taxes which shall be assessed on the real estate hereby mortgaged, on or before the same are sold for taxes at the annual tax sales; and the Lumber Company further covenants to insure and keep insured the sawmill, buildings and structures situate thereon and the machines and machinery therein against loss or damage by fire in the sum of not less than fifteen thousand dollars, loss, if any, payable to the party of the second part as trustee herein. And in default thereof it shall be lawful for the said trustee and his successors in trust, to effect such insurance, and the premium or premiums and other legal expenses, fees, costs and charges paid for effecting the same, together with interest thereon at the rate of six per cent. per annum, shall be a lien upon said mortgaged premises, added to the amount of said bonds and secured by these presents until the payment of said bonds. The Lumber Company further agrees that the trustee and his successors in trust, shall have the right to collect such insurance in case of loss and apply the net proceeds thereof in payment ratably of the bonds then outstanding and unpaid, unless the Board of Directors of the Lumber Company shall elect to repair and replace or rebuild the buildings or property destroyed, in which event, the trustee shall apply the proceeds of such insurance in repairing, replacing or rebuilding such buildings and property upon the mortgaged premises.

It is further mutually agreed that until default in the payment of the bonds hereby secured or any of them, or any interest accruing thereon as the same becomes due and payable, or in the performance of any of the agreements herein or in said bonds and coupons contained, said trustee shall hold said forty seven shares of the capital stock of the Skamania Boom Company without causing the same to be transferred on the books of the Company.