

intended to be exclusive of the other. No holder of any bonds or coupons hereby secured shall have any right to institute any suit, action or proceeding in equity or at law, in any court, for the foreclosure of this mortgage or for the execution of any trust hereof, or for the appointment of a Receiver, or any other remedy hereunder by reason of the failure of said Mortgagors, or either of them, to pay the amounts due upon said bonds or any interest thereon, or for the failure of the said Mortgagors, or either of them, to comply with any of the stipulations herein contained, excepting the same be done by and through the TRUSTEE, in which case the said bond holders shall first give to said TRUSTEE written notice of the default by said Mortgagors, and said TRUSTEE shall thereupon, before proceeding in any court, give said Mortgagors at least thirty days written notice of its intention to bring said action, suit or proceedings, and said holder or holders of said bond or bonds shall give to the said TRUSTEE adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby before said TRUSTEE shall be required to proceed in any such suit or action. Said TRUSTEE, its successors and assigns, shall not be under any obligation to take any action towards the execution of the trust herein expressed unless or until some one or more, as the case may be, of said bondholders or other person or persons in behalf of said bondholder or bondholders, shall give unto the said TRUSTEE good and sufficient indemnity against loss, expenses or liability that might be incurred thereby nor shall the TRUSTEE be bound to recognize any person as a bondholder until the bonds of such holder are submitted to the Trustee for inspection if required, and said TRUSTEE shall be entitled to employ counsel in case it shall be necessary to foreclose this mortgage or deed of trust, in which case the amount of fees to be allowed said attorney or attorneys shall be fixed by court. It is hereby declared and made a condition of this trust that all persons who shall acquire any interest, benefit or advantage by virtue of this instrument shall take the same subject to all the terms herein contained and subject to all the rights and powers hereby conferred. Said Mortgagors hereby covenant to and with said Trustee that they will pay, or cause to be paid, all taxes, rates, levies, charges or assessments which are or may be lawfully imposed or assessed by the United States or by the State of Washington or the State of Oregon, or any other power, where any of the property conveyed by this instrument is situated, and will keep and maintain the property hereby conveyed free from all liens, incumbrances, taxes, or assessments of every kind, nature and description, and will keep and maintain the property hereby conveyed in good condition and order, and will duly keep and observe all laws, ordinances or regulations heretofore or which may hereafter be enacted relating to or affecting the management or operation of any of the property hereby conveyed, and will keep the property hereby conveyed insured against loss by fire (except the timber upon said timber lands), and assign all policies of insurance to said TRUSTEE TO hold the same in trust for the bondholders as their interest may appear, and in case of the refusal of the said Mortgagors to pay such taxes, charges or liens, or to keep said property insured, said TRUSTEE may, at its election, procure said insurance and pay said taxes and liens, and all moneys so paid, with interest thereon at six per cent. per annum, shall become an additional indebtedness against said Mortgagors, and become an additional lien upon the property hereby conveyed, and be paid out of the proceeds of the sale of the property hereby mortgaged. In case of the refusal, failure or neglect of the TRUSTEE to execute its trust and its successors cannot be agreed upon, a successor may be appointed by any court of competent jurisdiction upon application of said Mortgagors or of the TRUSTEE or of outstanding bondholders. It is hereby covenanted, stipulated and agreed by and between all of the parties hereto that the trust created by this instrument is accepted by the TRUSTEE hereunder upon the express conditions that the said TRUSTEE, its successors or assigns, shall not in any way or manner be liable for the neglect or failure