

The Trustee shall be fully protected in acting upon any certificate, statement, report, order, notice, request, consent or document believed by it to be genuine and to be signed by the proper party and the Trustee shall not incur any liability on account of any act done or omitted to be done in good faith under the provisions of this Article.

ARTICLE THIRD: Until default shall have been made in any manner hereunder by the makers of said notes, they shall be permitted, except as to the second mortgage bonds of the Oregon-Washington Timber Company and the bonds of the Washington Northern Railroad Company, delivered therewith as additional security, and hereby conveyed as security, to retain the possession and control of the property hereby conveyed or intended so to be, to cut and move and sell the timber therefrom and to operate any railroad or railroads on the said land, and have the income therefrom.

The Blazier Company and the Railroad Company shall keep a true record of all timber cut or sold or removed from the lands hereby conveyed, and pay to the Trustee on account thereof the sums hereinafter provided on account of the sinking fund. Until such default, the Blazier Company shall take and use the income, rents, issues and profits of the property hereby conveyed, except the second mortgage bonds of the Oregon-Washington Timber Company and the bonds of the Washington Northern Railroad Company pledged thereto as additional security, in the same manner and to the same extent and with the same effect as if this indenture had not been made, and shall enjoy all the rights, powers and privileges belonging or incident to the full ownership of said property, except such rights, powers and privileges as are inconsistent herewith.

The parties of the first part for themselves and each of them hereby irrevocably constitute and appoint the Trustee the true and lawful attorney in fact for them, and each of them after default as aforesaid, to receive, receipt for, sue and recover any and all sums of money that may be or become due or owing to them or either of them for or on account of or in connection with any of the property hereby conveyed, during the existence of any part of the debt hereby secured, and to apply the money so collected toward the payment of said debt or for the operation or protection of the mortgaged properties.

ARTICLE FOURTH: Said Blazier Company covenants to keep all buildings now or hereafter erected on the property hereinabove described, insured against loss or damage by fire for the fair insurable value thereof, in good and responsible insurance companies and shall cause such insurance to be made payable, in case of loss, to such Trustee, by proper stipulations inserted in the policies. And in default of the Blazier Company's so doing, the Trustee may, at its option, effect such insurance in the name of the Trustee for the time being. In case of loss, the Trustee shall allow any insurance money received to be applied toward the replacement of or addition to the property so destroyed or damaged, if the Blazier Company shall in writing so request, and any moneys not so applied toward replacement of or addition to the property destroyed or injured shall constitute a part of the sinking fund and be subject to the provisions of this instrument relating to the disposition thereof. In case of any loss covered by any policy of insurance, any appraisal or adjustment of such loss and settlement in payment of indemnity therefor which may be agreed upon between the Timber Company and any insurance company may be consented to and accepted by said Trustee, and said Trustee shall in no way be liable or responsible for the collection of any insurance in case of loss.

ARTICLE FIFTH: The Blazier Company and the Railroad Company, each for itself, do