

the time, terms and place of such sale, and of the property to be sold, by advertisement as may be required by law for foreclosure sales under mortgage or deed of trust, and in addition, at least once a week for four successive weeks in one or more newspapers of general circulation published in said City of St. Louis.

Out of the proceeds of any foreclosure sale of any proceedings, the Trustee shall first pay the costs of such suit, all costs of advertising, sale and conveyance, including reasonable sums for attorneys' and solicitors' fees incurred in the enforcement hereof, and all other expenses and charges of this trust, including reasonable and any agreed compensation to the Trustee, and all moneys advances as herein authorized with interest (all of said fees to be fixed by court and charged as costs of suit, if the lien thereof is enforced in court, otherwise, to be fixed by the Trustee), and then apply the residue of such proceeds of sale, First: to the payment of the accrued interest on the notes in Series A for \$100,000.00 then outstanding and unpaid; and, Second: to the payment of the principal of all of said notes in Series A. outstanding and unpaid, without discrimination or preference, but ratably; and after satisfaction of all said notes in Series A and all accrued interest thereon, the surplus, if any, shall be retained by the Trustee for the benefit of the holders of the first mortgage bonds of the Oregon-Washington Timber Company and the notes in Series B for \$150,000 to be applied as follows:

In the event said notes in Series A. for \$100,000 have been paid then the residue of said proceeds shall be applied First: to the payment of such matured first mortgage bonds and matured interest upon the bonds of the Timber Company hereby secured (and not paid out of the sinking fund provided in the first mortgage deed of trust of said Timber Company and the proceeds of any sale or foreclosure under the terms of said first mortgage deed of trust of said Timber Company) and after payment of said first mortgage bonds, the balance, if any, remaining in the hands of the Trustee shall be held to await further default of said first mortgage bonds of said Timber Company or if all of said bonds of said Timber Company with interest thereon shall have been paid, then the residue of such proceeds and all sums remaining in the hands of the Trustee shall then be applied by the Trustee to the payment of said notes in Series B. for \$150,000.00 ratably and without discrimination or preference and the balance if any, shall be returned to the parties of the first part or to whomsoever shall be entitled to receive the same.

In the event that all of said notes in Series A., shall have been paid and that there shall be no default at the time existing in the payment of principal or interest of the first mortgage bonds of the Timber Company, the residue of the proceeds of such sale shall be held by the Trustee until default shall occur in the payment of such first mortgage bonds of the Timber Company and shall then be applied as above and,

In the event that at any time all of said notes in Series A., and all of the said first mortgage bonds of the Timber Company have been paid principal and interest, then the residue remaining in the hands of the Trustee shall be applied to the payment of the notes in Series B., for \$150,000.00 without discrimination or preference but ratably, and after satisfaction of said notes, the balance if any, remaining in the hands of the Trustee shall be returned to the parties of the first part or to whomsoever shall be entitled to receive the same.

It is understood and agreed that no sums arising from the sale of the property herein conveyed, shall be applied to the payment of said first mortgage bonds of the Timber Company unless and until the security therefor under the first mortgage deed of trust securing same shall have been first exhausted by sale or foreclosure but