

lawful taxes, assessments or charges, then the Trustee may, at his option, pay the same, and shall first be reimbursed the amount so paid with interest at the rate of six per cent (6%) per annum out of the trust estate and the proceeds thereof, before payment of any of the principal of or the interest on any of said notes; but any such payment by the Trustee shall be without impairment of or prejudice to any of the rights under this indenture by reason of such default by the Companies.

Provided that nothing herein contained shall require the Companies to pay any such taxes, assessments, or charges so long as they shall in good faith by legal proceedings contest the validity thereof, in such manner as not to prejudice the title of the Trustee to the trust estate.

Section 4. That until all of the notes hereby secured, together with the interest thereon shall be fully paid and satisfied, they will keep and maintain their respective corporate existences and that they will comply with all laws enacted by the congress of the United States and with the constitutions and laws of the States of Oregon and Washington, and elsewhere, and with all lawful acts, rules, regulations and orders of any national or state, legislative, executive, administrative or judicial body, commission, or officer exercising any power of regulation or supervision over the Companies may contest the application of any such law, rule, regulation or order in any reasonable manner which will not affect the title of the Trustee to the trust estate.

Section 5. That the Timber Company will duly and punctually and at all times keep, observe, perform and comply with each and every of the terms, provisions, conditions, covenants and requirements of the Timber Company expressed or created in and by the said first and second mortgage deeds of trust of the Timber Company, and will at no time incur or cause, suffer or permit to be incurred or to occur any event of default with respect to any provision, covenant or requirement in or by said first and second mortgage deeds of trust.

And that the Railroad Company will duly and punctually and at all times keep, observe, perform and comply with each and every of the terms, provisions, conditions, covenants and requirements of the Railroad Company expressed or created in and by the said first mortgage deed of trust of the Railroad Company, and will at no time incur or cause, suffer or permit to be incurred or to occur any event of default with respect to any provision, covenant or requirement in or by said first mortgage deed of trust.

Section 6. That they will diligently preserve all franchises, rights, privileges, easements and locations now or hereafter granted or conferred upon them or any of them by the laws of the United States or of any state, municipality, county or other public or public quasi corporation; and that they or any of them will not do or omit to do any act or thing whereby any of their respective properties, rights, privileges, easements or locations may become lost or impaired or subject to forfeiture; and that duly and faithfully they will observe and perform all of the agreements or conditions required by them respectively to be performed under the terms and provisions of any grant, consent, lease, license or contract heretofore made or which may hereafter be made to or acquired by the Companies respectively, or any of them.

Section 7. That their respective businesses shall be continuously conducted