

to the precautions against fire imposed by law, it will at its own expense cause the timber hereby mortgaged to be regularly and efficiently patrolled to the extent that is customary and usual in the case of like timber similarly situated.

The Company agrees and covenants that it will duly and punctually pay or cause to be paid to the holder of every bond and coupon issued hereunder and secured hereby the principal and interest accruing thereon, all in gold coin of the United States of America, of or equivalent to the present standard of weight and fineness (notwithstanding any law which may now or hereafter make anything else legal tender for the payment of debts), at the date and place and in the manner mentioned in said bond or in the coupons thereto appertaining, according to the true intent and meaning thereof, subject only to the right of the Company to redeem any of said bonds under Article VII hereof, without deduction from either principal or interest for any tax or taxes which may be imposed upon the Company or the property hereby mortgaged, including taxes based on this deed of trust or mortgage and the indebtedness at any time secured thereby, whether treated as an interest in the property hereby mortgaged or otherwise, and without deduction for normal federal income tax.

And the Company, for itself and its successors, does covenant, grant, bargain and agree to and with the Trustees that at the time of the ensembling and delivery of these presents it is well seized of the premises above conveyed, as of a good, sure, perfect, absolute and indefeasible estate of inheritance in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell, convey and mortgage the same in manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and encumbrances, of what kind or nature soever; and that it will forever warrant and defend the same against all lawful claims.

By "stumpage" as used in this instrument shall be held to be meant standing trees which are of such size and character as will permit them to be cut into merchantable saw logs, and sawed into merchantable lumber.

Article II. The Company agrees that in the event that the timber hereby mortgaged, or any part thereof, shall be injured or damaged by fire, by winds, or by the elements to an extent sufficient in the opinion of the Bankers appreciably to affect the value of the same as security for the payment of the indebtedness hereby secured and then outstanding, the Company shall within sixty days after the Bankers shall make written demand upon the Company so to do, pay to La Crosse Trust Company, Trustee, for the account of sinking fund the sum of fifty cents for each one thousand feet of stumpage so injured or damaged. The descriptions of the several tracts of land on which the standing timber has been injured or damaged and the amount of standing timber thereon shall be determined by the Bankers. The salvage of any timber so injured or damaged and on account of which damage payments are made shall nevertheless remain subject to the terms of this mortgage notwithstanding such payments, and should the Company desire to cut or to remove such timber it shall have the right so to do upon payment to the Trustees for the account of sinking fund such additional sum or sums for each one thousand feet of stumpage for any such damaged timber as will bring the total amount paid into sinking fund the following:

For each one thousand feet of stumpage in Cowlitz County, Washington, the sum of one dollar and fifty cents;

For each one thousand feet of stumpage in Skamania County, Washington, and in Clackamas County and in Marion County, Oregon, the sum of one dollar; thereby completing the payment into sinking fund of the stipulated sum for each one thousand feet of stumpage as hereinafter particularly provided.

But in the event of any damage by fire, winds or the elements, in lieu of the payments