

THIS PROVISION, HOWEVER, IS SUBJECT TO THE CONDITION THAT IF AT ANY TIME AFTER THE PRINCIPAL OF SAID BONDS SHALL HAVE BEEN SO DECLARED DUE AND PAYABLE, ALL ARREARS OF INTEREST UPON SUCH BONDS, WITH INTEREST ON THE OVERDUES INSTALLMENTS OF INTEREST AT THE RATE OF SIX AND ONE-HALF ($6\frac{1}{2}$) PER CENT PER ANNUM, THE PRINCIPAL OF ALL BONDS SECURED HEREBY WHICH HAVE MATURED BY THEIR TERMS, A PREMIUM OF ONE (1) PER CENT THEREON AND THE EXPENSES OF THE TRUSTEE SHALL BE PAID BY THE COMPANY AND ALL OTHER DEFAULTS SHALL HAVE BEEN CURED, THEN IN EVERY SUCH CASE THE HOLDERS OF A MAJORITY IN AMOUNT OF THE BONDS SECURED HEREBY THEN OUTSTANDING, BY WRITTEN NOTICE TO THE COMPANY AND TO THE TRUSTEE, LUMBERMENS TRUST COMPANY, MAY WAIVE SUCH DEFAULT AND ITS CONSEQUENCES AND OBTAIN FROM THE SAID TRUSTEE A RESCISSION OF SUCH DECLARATION OF THE MATURITY OF THE PRINCIPAL, BUT NO SUCH WAIVER SHALL EXTEND TO OR AFFECT ANY SUBSEQUENT DEFAULT OR IMPAIR ANY RIGHT CONSEQUENT THEREON.

SECTION 3. IF ONE OR MORE OF THE EVENTS OF DEFAULT SHALL HAPPEN, THE TRUSTEE, LUMBERMENS TRUST COMPANY, IN ITS DISCRETION MAY, AND UPON THE WRITTEN REQUEST OF THE HOLDERS OF TWENTY-FIVE (25) PER CENT IN AMOUNT OF THE BONDS SECURED HEREBY AND THEN OUTSTANDING SHALL, PROCEED TO PROTECT AND ENFORCE ITS RIGHTS AND THE RIGHTS OF THE BONDHOLDERS UNDER THIS INSTRUMENT, IN ACCORDANCE WITH THE REMEDY WHICH IN THE OPINION OF THE TRUSTEE, LUMBERMENS TRUST COMPANY, OR THE BONDHOLDERS SO REQUIRING THE SAID TRUSTEE TO ACT SHALL BE MOST EFFECTUAL TO PROTECT THE TRUSTEES AND THE BONDHOLDERS. THE TRUSTEE, LUMBERMENS TRUST COMPANY, IS ESPECIALLY ENTITLED TO SELL AT PUBLIC SALE AT ITS BANK IN PORTLAND, OREGON, THE STOCK IN COLUMBIA RIVER PAPER MILLS OF THE PAR VALUE OF \$450,000. AFTER ADVERTISING THE SAME FOR SALE ONCE EACH WEEK FOR FOUR SUCCESSIVE WEEKS IN A NEWSPAPER PUBLISHED AT PORTLAND, OREGON, AND OF GENERAL CIRCULATION THEREIN. THE SAID TRUSTEE IS EMPOWERED TO TRANSFER AND DELIVER TO THE PURCHASER AT ANY SUCH SALE THE CERTIFICATE OR CERTIFICATES EVIDENCING THE OWNERSHIP OF SAID STOCK, AND THE SAID TRUSTEE IS ALSO AUTHORIZED AND EMPOWERED TO EXECUTE ANY BILL OF SALE OR OTHER ASSURANCE WHICH SHALL BE ESSENTIAL OR USEFUL TO THE ASSERTION OF TITLE TO THE SAID STOCK BY THE SAID PURCHASER, ANY BONDHOLDER OR ANY COMMITTEE OF BONDHOLDERS MAY BID AT ANY SUCH SALE AND MAY PAY FOR THEIR BID BY ENDORSEMENT ON THE BONDS THEN OUTSTANDING AND SO HELD BY SUCH BONDHOLDERS OR SUCH COMMITTEE OF BONDHOLDERS TO THE EXTENT THAT THE SAID BONDS WOULD BE ENTITLED TO PARTICIPATE IN THE PROCEEDS OF SAID SALE. BUT THE PROCEEDS OF THE SAID SALE SHALL BE FIRST APPLIED TO THE PAYMENT OF THE REASONABLE EXPENSES THEREOF, INCLUDING THE COMPENSATION OF THE SAID TRUSTEE IN CONNECTION THEREWITH, THE COST OF ADVERTISING THE SAID SALE AND A REASONABLE ATTORNEY'S FEES FOR THE SERVICES OF THE SAID TRUSTEE'S ATTORNEY IN THAT CONNECTION.

THE TRUSTEE, PACIFIC-SOUTHWEST TRUST AND SAVINGS BANK, MAY ALSO PROCEED TO SELL AT LOS ANGELES, OR ELSEWHERE IN THE STATE OF CALIFORNIA WHERE ANY OF THE PROPERTY COVERED BY THE LIEN OF THIS INSTRUMENT MAY BE SITUATED, ALL, OR ANY OF THE REAL AND PERSONAL PROPERTY COVERED BY THE LIEN OF THIS INSTRUMENT SITUATED IN THE STATE OF CALIFORNIA, AFTER ADVERTISING THE SAID SALE ONCE A WEEK, FOR FOUR SUCCESSIVE WEEKS IN A NEWSPAPER PUBLISHED AT LOS ANGELES, CALIFORNIA, AND OF GENERAL CIRCULATION THEREIN, AND UPON GIVING NOTICE OF SUCH SALE IN SUCH OTHER MANNER AND AT SUCH OTHER PLACES AS MAY BE REQUIRED BY LAW. ALL OF THE PROVISIONS HEREINBEFORE CONTAINED WITH REFERENCE TO THE RIGHT OF THE BONDHOLDERS