

payment by the mortgagor to the trustee of the following amounts in lawful money of the United States:

(a) The sum of \$645,155.00, with the interest thereon from date hereof at six per cent (6%) per annum, according to the terms of the notes of even date herewith, and hereafter described, on April 5, 1969, with provisions (among others) for periodical payments upon interest and principal, for acceleration of all sums then due in certain contingencies, and for attorneys' fees in the event of suit thereon;

(b) All sums which the trustee may advance for the account of the mortgagor, and all expenditures hereafter incurred by the trustee, in accordance with subsequent provisions hereof, or in accordance with the terms of said notes, which said moneys are hereby declared to be a superior lien to the lien of said notes.

II. The mortgagor covenants to and with the trustee that it is the owner in fee simple of said premises and that they are free from all encumbrances except a mortgage to the Reconstruction Finance Corporation, and a mortgage to the Peoples National Bank of Washington in Seattle, and that it will warrant and defend the title thereto against all lawful claims whatsoever. Said mortgage to the Reconstruction Finance Corporation, and the Peoples National Bank of Washington in Seattle, both prior and superior mortgages to this mortgage, and this mortgage is subject to all the terms and conditions of said mortgage to the Reconstruction Finance Corporation and the Peoples National Bank of Washington in Seattle.

Provided always, and these presents are made upon the express condition that if the said mortgagor shall well and truly keep and perform all and singular the stipulations and covenants herein set forth, then this instrument shall become null and void, and the estate hereby created shall cease and terminate; otherwise to be and remain in full force.

III. That the mortgagor shall pay, or cause to be paid, certain debenture notes in the total sum of \$645,155.00, originally numbered 1 to 91, both inclusive, with interest thereon at the rate six per cent (6%) per annum, payable annually, all of said notes being executed by the mortgagor, and payable to the registered owners, according to the register record of the trustee. Each of said notes, except as to distinguishing number and amount, is in the form as set forth in Schedule "C", attached hereto and made a part hereof. All interest payments on said notes are deferred until the mortgage to the Reconstruction Finance Corporation is fully paid, at which time said deferred interest shall be due and payable.

Each of said notes shall be registered and counter-signed by the trustee in the name of the payee of said note, with the address of said payee. All payments of principal and interest on said notes shall be made by the trustee to the registered owner thereof according to its record. The trustee may require said note to be delivered for endorsement of such payments of principal and interest.

It is understood that in the event any note is assigned by the registered owner thereof, or transferred by operation of law, then the owner of said note shall deliver the same to the trustee before such assignment, or transfer, shall become effective, and in the event any note is assigned or transferred and delivered, the trustee shall deliver said note to the mortgagor for cancellation, provided a new note or notes are executed by the mortgagor, Stevenson Plywood Corporation, payable to the assignee or transferee, in the principal amount then due on said note, with interest due from the date to which interest had been paid on said note, and said new note shall be delivered to the trustee for delivery to the assignee or transferee.

In the event any note becomes lost or destroyed, then the registered owner, or his representative, shall be required to submit such proof and such security as may be required,