

This note is subject to all the terms and conditions of the trust mortgage of even date herewith made to the National Bank of Washington, Tacoma, Washington, and which is given to secure this note, which mortgage is a subordinate mortgage, and there are prior mortgages.

The maker shall make all payments on this note to the National Bank of Washington, Tacoma, Washington, and such payments when so received, shall be paid to the registered owners of these notes in accordance with said trust mortgage.

This note shall be registered with the Trust Department of the National Bank of Washington, Tacoma, Washington, at its branch in Chehalis, Washington, in the name of the payee of this note, and that this note may be assigned by the payee, but that said assignment shall only be binding after such assignment has been entered upon the records of the Trust Department of the National Bank of Washington, Tacoma, Washington.

Payments of interest or principal by the National Bank of Washington, Tacoma, Washington, to the registered owner, according to the records of said bank, shall be a complete release and payment of any interest or principal so paid.

The National Bank of Washington, Tacoma, Washington, shall have the right to require presentation of this note before making payment of any principal or interest; however, failure to require such presentation, shall not be cause for any liability for making payment of principal or interest, provided the same is paid to the registered owner.

In the event this note is assigned by the registered owner hereof, or transferred by operation of law, the trustee may require the surrender of this note before such assignment, or transfer, shall become effective, and in the event this note is assigned, or transferred, and surrendered, the trustee shall have the right to cancel this note, provided a new note is executed by the Stevenson Plywood Corporation, payable to the assignee or transferee in the principal amount due on this note, with interest from the date that interest is due on this note, and said new note is delivered to the trustee for delivery to the assignee or transferee.

In the event this 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 by the Stevenson Plywood Corporation, and the Stevenson Plywood Corporation shall have the right, in the event it is satisfied that this instrument is lost or destroyed, and that it has received satisfactory security, to issue a new note for the balance due upon this note, with interest, and deliver the same to the trustee, and the trustee shall deliver said note to the payee thereof, and register the same in the name of the payee, and in such event, this note shall be void.

No recourse shall be had for the payment of the principal on, or the interest on, this note, or for any claim based thereon, or otherwise, in respect thereof, against the signers of this note or against any incorporator, stockholder, director, or officer, as such, past, present, or future, of the Stevenson Plywood Corporation, or of any other successor corporation and such liability being by the acceptance of this note and as part of the consideration for the issuance thereof expressly waived and released by the holder thereof.

This note shall be delivered to the trustee at such time as any partial or final payment of principal, is made. The trustee shall endorse such payments at the time it is made upon this note.

STEVENSON PLYWOOD CORPORATION

By

M. W. BRACHVOGEL, President

By

DON G. ABEL, Secretary