

taxed together, without separate valuation, to the Mortgagor the same as if the mortgaged property were undivided, and it hereby expressly waives any right of offset or deduction, which, under the law of any jurisdiction, or jurisdictions, it has or may have against any of the bonds issued hereunder.

Section 5: Covenant to Avoid Waste and Protect Timber: Except as herein expressly permitted, the Mortgagor will not cut or deaden, or extract anything from, any timber at any time covered hereby, nor permit the same to be done by others, nor commit or permit any waste or other damage to any of the mortgaged property, but will diligently protect the same. The Mortgagor will take all usual and reasonable precautions and steps to prevent damage to any mortgaged timber by fire or other causes, and to that end it will among other things maintain such reasonable system of fire protection, (either on its own account or jointly with others) with respect to the mortgaged timber, as is usual and customary in the locality where such timber lies, failing which the Trustees or Bankers may, in their discretion and at the Mortgagor's expense, take such precautions and such steps.

Section 6: Covenant Regarding Logging Operations: The Mortgagor will see to it that all logging operations on the mortgaged property are planned and conducted in an efficient and workmanlike manner and in orderly course and sequence, and that all timber in any logging district topographically is removed before such operations in that district cease, to the end that the timber area shall not be gutted, nor scattered nor isolated parcels left uncut, thus rendering the logging chance therefor less favorable than at the date hereof.

Section 7: Covenant to Keep Facilities in Good Condition: The Mortgagor will keep all plants, facilities and equipment (at any time covered hereby) in good working condition and supplied with motive power, and will make all needed repairs, additions, renewals and replacements, so that the same shall always be fit for their intended use; and to that end any worn-out, useless or obsolete equipment (which has first been superseded by new or improved equipment suitable for the purpose and fully paid for and freed from all liens except the lien hereby) may be removed from the premises described herein and disposed of free from the lien hereby.

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