

If by decree of any court of competent jurisdiction, or by agreement, acquiescence, delinquency or failure of the Mortgagor, it loses its title to or rights in any of the mortgaged property, it will at once notify the Bankers thereof. If the property so lost is timber, it will, within 30 days after demand by the Bankers, either:

(a) Pay to the Corporate Trustee as a sinking fund the releasing price per thousand feet for such timber hereinafter specified; the number of feet to be fixed by the Bankers; or

(b) Place under the first lien hereof in a manner approved by the Bankers, other timber not then covered hereby which in the latter's opinion is at least equal in value to the timber so lost.

If the property so lost is other than timber the Mortgagor will, within 120 days after demand by the Bankers, pay to the Corporate Trustee a sum which the Bankers shall fix as the fair value thereof.

Section 4: Covenant to Pay Taxes: The Mortgagor will promptly and before they become delinquent, pay all taxes, assessments, rentals, royalties, fees, liens and charges lawfully imposed upon the mortgaged property or any part thereof, and upon the profits or income therefrom, and upon this mortgage and the debt secured hereby (subject, however, to the limitations as to taxes specified in the form of bond hereinabove set forth), and upon the lien or interest of the Trustee or bond holders hereunder, failing which the Trustee at their option may pay the same without inquiring into the validity thereof, and shall thereupon be subrogated to the rights of the governmental authority making such imposition. The Mortgagor may, however, in good faith, by appropriate legal proceedings, resist the payment of any such imposition deemed illegal or unjust, unless the Bankers in their discretion consider that the security afforded by this instrument will thereby be materially impaired or endangered. If any controversy should arise between the Mortgagor on the one part, and the taxing authority on the other part, as to the legality or regularity of any such imposition, the Trustee are hereby given full power, at their option, and at the Mortgagor's expense, to intervene in such controversy and to institute or maintain any proceedings they deem appropriate relative thereto. The Mortgagor expressly exercises the option to have the interests of itself and of the Trustee in the mortgaged property assessed and

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