

**SECOND AMENDED AND RESTATED
CERTIFICATE OF LIMITED PARTNERSHIP
AND
LIMITED PARTNERSHIP AGREEMENT
OF
LEWIS COUNTY TIMBER COMPANY**

This SECOND AMENDED AND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP AND LIMITED PARTNERSHIP AGREEMENT of Lewis County Timber Company, a limited partnership (the "Partnership"), is made as of this nineteenth day of August, 1981, for the purpose of amending and restating the Certificate of Limited Partnership of the Partnership dated March 31, 1981, as previously amended and restated by the First Amended and Restated Certificate of Limited Partnership and Limited Partnership Agreement, dated as of July 31, 1981 (the "Partnership Agreement"), and as filed in the office of the County Clerk of the Counties of King, Lewis, Mason, Grays Harbor, Skamania and Jefferson in the State of Washington.

The undersigned Raymidga Co., as a general partner, and separately in its capacity as the present limited partner (the "Withdrawing Limited Partner"), ITT Rayonier Incorporated, as a general partner (the "Withdrawing General Partner"), and the limited partners whose names and addresses are set forth on Schedule A hereto, acting pursuant to the provisions of Chapter 25.08 of the Revised Code of Washington, hereby amend and restate the Partnership Agreement as follows:

1. DEFINITIONS. As used herein, the following terms have the following respective meanings:

Appraisal—as defined in subsection 12.3.

Assets—assets and properties of every kind and description, real, personal and mixed, tangible and intangible, of the Partnership, including cash and all interests of the Partnership in any other property or asset.

Assumed Dissolution Sale Profit—the amount of net profit, if any, which would be realized by the Partnership upon the sale of all of its Assets for an amount in cash equal to the greater of (a) the fair market value of such Assets as specified in an Appraisal required by subsection 7.3 or 10.3 or (b) with respect to the calculation of the Dissolution Price, the highest bona fide offer to purchase the Assets obtained pursuant to subsection 11.2, in each case as determined in accordance with generally accepted accounting principles.

Available Cash—on any date on which an Interim Distribution may be required to be made, an amount equal to the excess of the cash and cash equivalent items held by the Partnership (after giving effect to the payment of principal and interest payable on the 15.75% Notes on such date) over \$500,000.

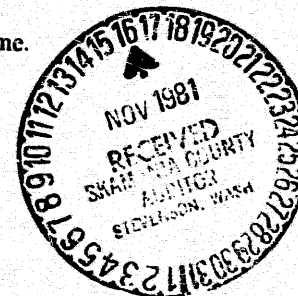
Capital Account—for any Partner, the account established for such Partner pursuant to subsection 4.2 to record the Capital Contribution of such Partner and allocations of Profits and Losses and distributions to such Partner.

Capital Contribution—as to any Partner, the amount of cash or the agreed fair market value of property contributed or to be contributed by such Partner (or its predecessors in interest in the Partnership) to the capital of the Partnership as provided in subsection 4.1.

Code—the Internal Revenue Code of 1954, as amended from time to time.

Consultant—as defined in subsection 7.5.

Continuing Partner Offer—as defined in subsection 10.4.



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Contributed Assets—all assets to be contributed to the Partnership pursuant to the Contribution Agreement dated as of July 31, 1981, between the Partnership and the General Partner.

Contributed Timber—all timber which is a part of the Contributed Assets.

Cutting Contract—the Cutting Contract, dated as of August 19, 1981, between the Partnership and ITT Rayonier Incorporated.

Designated Timber—any Timber, the fair market value of which at the time of its acquisition by the Partnership exceeds the tax basis thereof to the Partnership at the time of such acquisition, any Assets acquired in exchange or substitution for any thereof and any other Assets acquired in exchange or substitution for any such Assets previously so acquired.

Designated Timber Variation—with respect to any Designated Timber that is acquired prior to or concurrently with the receipt by the Partnership of the Capital Contributions of the Limited Partners, the variation, if any, between (a) the fair market value of such Designated Timber at the time of its acquisition by the Partnership and (b) the tax basis thereof to the Partnership at the time of such acquisition; with respect to any other Designated Timber, the Designated Timber Variation of the Designated Timber for which such other Designated Timber was exchanged or substituted.

Designated Timber Variation Apportionment—for any fiscal period, (a) with respect to any Designated Timber exchanged or substituted during such period in a taxable exchange, the lesser of (i) the Special Operating Gain attributable to such exchange and (ii) an amount equal to the difference between the Designated Timber Variation with respect to such Designated Timber and the aggregate of any Designated Timber Variation Apportionments previously made with respect to other Designated Timber for which such Designated Timber was exchanged or substituted, and (b) with respect to any Designated Timber cut or sold during such period, an amount equal to the difference between the Designated Timber Variation with respect to such Designated Timber and the aggregate of any Designated Timber Variation Apportionments previously made with respect to other Designated Timber for which such Designated Timber was exchanged or substituted.

Designated Timber Variation Carryover—for any fiscal period, the sum of the Designated Timber Variation Apportionments for all prior fiscal periods less the aggregate amount of all prior allocations to the General Partner pursuant to subsection 4.4(a)(i).

Designated Timber Variation Pool—the Designated Timber Variation with respect to all Designated Timber less the aggregate amount of all allocations to the General Partner pursuant to subsection 4.4(a)(i) made prior to the allocation of the Dissolution Sale Profit.

Dissolution Price—as to the interest in the Partnership of any Limited Partner, an amount equal to the amounts such Partner would receive as a Final Distribution if the Dissolution Sale were conducted and the Dissolution Sale Profit were equal to the Assumed Dissolution Sale Profit.

Dissolution Sale—the sale, liquidation or other disposition by the Partnership (other than in the ordinary course of business) of all of its Assets (including the conversion to cash or cash equivalent items of its notes or accounts receivable) occurring in connection with or in contemplation of the wind-up of the Partnership.

Dissolution Sale Loss—the net loss, if any, realized in connection with the Dissolution Sale as determined in accordance with generally accepted accounting principles.

Dissolution Sale Profit—the net profit, if any, realized in connection with the Dissolution Sale as determined in accordance with generally accepted accounting principles.

15.75% Notes—the 15.75% Secured Notes due August 1, 1991 of the Partnership, issued under the Indenture.

Final Distribution—any distribution of Partnership funds pursuant to subsection 5.4 after completion of the Dissolution Sale.

General Partner—Raymidga Co. or any successor general partner elected pursuant to section 9.

Indenture—the Trust Indenture, Deed of Trust, Security Agreement and Assignment of Leases and Rents, dated as of August 19, 1981, between the Partnership and Seattle-First National Bank, as Trustee.

Interim Distribution—any distribution of Partnership funds to the Partners as such other than the Final Distribution, and other than any reimbursement by the Partnership of expenses properly incurred by any Partner on behalf of the Partnership.

Interim Distribution Arrearage—as to any Limited Partner at any time, the aggregate amount of Interim Distributions which such Partner would have been entitled to receive at or prior to such time pursuant to subsection 5.2(c) but for an insufficiency of Available Cash or the operation of subsection 5.3, less the aggregate amount of Interim Distributions which such Partner has received pursuant to subsections 5.2(b) or (c); as to the General Partner at any time, the aggregate amount of Interim Distributions which the General Partner would have been entitled to receive at or prior to such time pursuant to subsection 5.2(f) but for an insufficiency of Available Cash or the operation of subsection 5.3, less the aggregate amount of Interim Distributions which the General Partner has received pursuant to subsection 5.2(e) or (f).

Interim Distribution Supplement—as to any Partner at any time, (a) an amount computed at the rate of 10 percent per annum on such Partner's Interim Distribution Arrearage from time to time outstanding (computed on the basis of a 360-day year of twelve 30-day months) less (b) the aggregate amount of distributions to such Partner pursuant to (i) in the case of any Limited Partner, subsection 5.2(a) and (ii) in the case of the General Partner, subsection 5.2(d).

Limited Partner—as defined in subsection 3.1.

Maintenance Agreement—the Maintenance Agreement, dated as of August 19, 1981, between the Partnership and ITT Rayonier Incorporated.

Majority in Interest—at any time, the holders of more than one-half (or such greater fraction as is specified) of the total interest in Operating Profits and Losses then allocated to the Limited Partners or the Withdrawing Partners, as the case may be, as a group.

Merchantable Timber—hardwood trees and conifer trees which meet the standards at the time prescribed for merchantable logs by the Puget Sound, Grays Harbor or Columbia River Log Scaling and Grading Bureaus for such logs as may be delivered to each such market.

Milwaukee Assets—all assets acquired by the Partnership as assignee of a portion of the rights of ITT Rayonier Incorporated under the Agreement, dated October 10, 1980, between ITT Rayonier Incorporated and Milwaukee Land Company.

Offer—as defined in subsection 8.2.

Offering Partner—as defined in subsection 8.2.

Operating Profits and Losses—all Profits and Losses other than the Dissolution Sale Profit and the Dissolution Sale Loss.

Partner—any General Partner or Limited Partner of the Partnership.

Person—a corporation, an association, a partnership, an organization, a business, an individual, a trust, an estate, a government or political subdivision thereof or a governmental agency.

Profits and Losses—for any fiscal period, the net income or loss of the Partnership as determined in accordance with generally accepted accounting principles.

Purchased Assets—all assets to be acquired by the Partnership pursuant to the Purchase Agreement, dated as of August 19, 1981, between the Partnership and ITT Rayonier Incorporated.

Purchased Timber—all timber which is a part of the Purchased Assets.

Qualified Organization—as defined in subsection 12.1.

Raymidga Option—the Option Agreement, dated as of August 19, 1981, between the Partnership and Raymidga Co.

Rayonier Option—the Option Agreement, dated as of August 19, 1981, between the Partnership and ITT Rayonier Incorporated.

Refusal Interest—as defined in subsection 8.2.

Refusal Price—as defined in subsection 8.2.

Securities Act—as defined in subsection 3.6.

Special Dissolution Sale Gain—as defined in subsection 4.4.

Special Operating Gain—as defined in subsection 4.4.

Special Operating Profits and Losses—Operating Profits and Losses from the cutting, sale or exchange of Designated Timber.

Timber—all Assets consisting of timber.

Withdrawal Notice—as defined in subsection 10.1.

Withdrawal Price—as to the interest in the Partnership of any Limited Partner, an amount equal to the amount such Partner would receive as a Final Distribution if the Dissolution Sale were conducted and the Dissolution Sale Profit were equal to the Assumed Dissolution Sale Profit determined by using the Appraisal required by subsection 10.3.

Withdrawing General Partner—as defined in the introduction to this Agreement.

Withdrawing Limited Partner—as defined in the introduction to this Agreement.

Withdrawing Partner—as defined in subsection 10.1.

2. FORMATION OF LIMITED PARTNERSHIP; NAME; CHARACTER OF BUSINESS; PLACE OF BUSINESS.

2.1. **Organization of Limited Partnership.** The parties hereto hereby form a limited partnership pursuant to and in accordance with the provisions of Chapter 25.08 of the Revised Code of Washington.

2.2. **Name.** The name of the Partnership is "Lewis County Timber Company".

2.3. **Character of Business.** The Partnership is organized for the object and purpose of purchasing, owning, operating, managing, developing and selling the Milwaukee Assets, the Contributed Assets, the Purchased Assets and similar Assets in the State of Washington, and engaging in such activities incidental or ancillary thereto as the General Partner shall deem necessary or advisable.

2.4. **Principal Place of Business.** The location of the principal place of business of the Partnership shall be c/o ITT Rayonier Incorporated, Northwest Regional Operations, SeaTac Office Center, Suite 200, 18000 Pacific Highway South, Seattle, Washington 98188 or at such other place or places as the General Partner may, from time to time, decide.

3. PARTNERS.

3.1. **Names and Residences of Partners.** The Partnership shall consist of the undersigned Raymidga Co., a Delaware corporation, as General Partner, one or more limited partners, the names and addresses of each of which are listed in Schedule A hereto, and such substituted limited partners as shall be admitted to the Partnership pursuant to the terms of this Agreement (collectively, the "Limited Partners" and, individually, a "Limited Partner"). No real or other property of the Partnership shall be deemed to be owned by the General Partner or any Limited Partner individually, but shall be owned by and title shall be vested solely in the Partnership. The interests of the General Partner and the Limited Partners herein shall constitute personal property.

3.2. **Certificates and Fictitious Name Filings.** Upon execution of this Agreement, upon any change in the parties or principal place of business of this Partnership, upon the admission or substitution of new Partners and whenever else required by law, the General Partner shall execute, acknowledge, file and cause to be published, as appropriate, a certificate of limited partnership pursuant to Chapter 25.08 of the Revised Code of Washington, and a certificate of fictitious business name, as required by law, as well as any amendments or renewals of such certificates as may be required.

3.3. **Liability of General Partner.** Neither the General Partner nor its employees shall be liable to the Partnership or any Limited Partner for any action taken, or any omission to act, which is taken or made in good faith and with the belief that such action or such omission to act is in the best interest of the Partnership, unless such action or such omission to act conflicts with any of the provisions of this Agreement or constitutes negligence, fraud or a violation of law by the General Partner.

3.4. **Liability of Limited Partner.** The aggregate liability of each Limited Partner is limited to its Capital Contribution and nothing elsewhere set forth in this Agreement or in any other document, and nothing arising from any other transaction whatsoever between or among any or all of the Partners or the Partnership or between the Partnership and any third party, shall remove, diminish or affect such limitation.

3.5. **No Obligation to Replenish Negative Capital Account.** Neither the General Partner nor any of the Limited Partners shall have any obligation at any time to contribute any funds to replenish any negative balance in its Capital Account.

3.6. **Representations and Warranties of Partners.** By execution and delivery of this Agreement, the General Partner and each Limited Partner, solely on its own behalf and not on behalf of any other Partner, (a) represents and warrants that its interest in the Partnership is intended to be and is being acquired solely for its own account for the purpose of investment and not with a view to any sale or other disposition of all or any part thereof, *provided* that the disposition of its property shall at all times be within its control, (b) acknowledges that it is aware that interests in the Partnership have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), that interests in the Partnership cannot be sold or otherwise disposed of unless they are registered thereunder or unless an exemption from such registration is available, that the Partnership has no intention of so registering interests in the Partnership under the Securities Act and that, accordingly, it is unable and is prepared to bear the economic risk of making its Capital Contribution and to suffer a complete loss of its investment and (c) represents that its knowledge and experience in financial and business matters are such that it is capable of evaluating the risks of making its Capital Contribution. The foregoing representations and warranties may be relied upon by all purchasers of securities of the Partnership, in connection with their purchase of such securities.

3.7. **Admission of Additional Limited Partners.** No additional Limited Partners may be admitted to the Partnership (other than as substituted Limited Partners), nor may any additional limited partnership interests in the Partnership be created, after the execution and delivery of this Agreement by the parties hereto, as identified on the signature pages.

3.8. **Withdrawing Limited Partner.** This Agreement is being executed by Raymidga Co. as General Partner and separately in its capacity as Withdrawing Limited Partner pursuant to the provisions of section 8 of the First Amended and Restated Certificate of Limited Partnership and Limited Partnership Agreement of the Partnership. As provided in such section 8, execution of this Agreement in such capacity constitutes the withdrawal of Raymidga Co. as a limited partner in the Partnership and, by reason of such withdrawal, Raymidga Co. is not required to make any further capital contribution and has no further right, interest or obligation of any kind whatsoever as a limited partner in the Partnership.

3.9. **Withdrawing General Partner.** This Agreement is being executed by ITT Rayonier Incorporated as Withdrawing General Partner. Execution of this Agreement in such capacity constitutes the withdrawal of ITT Rayonier Incorporated as a general partner in the Partnership and, by reason of such withdrawal, ITT Rayonier Incorporated is not required to make any further capital contribution and has no further right, interest or obligation of any kind whatsoever as a general partner in the Partnership.

4. CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS.

4.1. **Capital Contributions.** The General Partner shall contribute the Contributed Assets to the Partnership and each Limited Partner shall contribute to the Partnership the cash amount set forth opposite its name on Schedule A hereto. The Capital Contribution of the General Partner shall be made by delivery to the Partnership of proper instruments evidencing the transfer of the Contributed Assets to the Partnership and the Capital Contribution of each Limited Partner shall be made by delivery to the Partnership of immediately available funds in the amount of such Capital Contribution. The Capital Contributions of the General Partner and each Limited Partner shall be made at the principal office of the Partnership, or such other place as the General Partner may designate, on or prior to August 20, 1981, or on such other date prior to August 31, 1981 as may be agreed upon by all of the Partners. No Partner shall be required or permitted to make any additional capital contribution to the Partnership.

4.2. **Capital Accounts.** There shall be established for each Partner on the books of the Partnership a Capital Account to record the Capital Contribution of such Partner and to record allocations of Profits and Losses and distributions to such Partner.

4.3. **Allocations to Capital Accounts.** Profits and Losses shall be allocated to the Capital Account of each Partner as follows:

(a) Operating Profits and Losses, if any, for each fiscal year of the Partnership, shall be concurrently allocated as of the end of such fiscal year to the Capital Accounts of the General Partner and the Limited Partners in proportion to their respective Capital Contributions.

(b) The Dissolution Sale Profit, if any, shall (after giving effect to the allocation of all Operating Profits and Losses) be allocated in the following order of priority:

(i) The amount which is the lesser of (x) the Dissolution Sale Profit and (y) twice the aggregate of the negative balances, if any, in the Capital Accounts of the Limited Partners shall be allocated to the Capital Accounts of the General Partner and the Limited Partners in proportion to their respective Capital Contributions;

(ii) The amount which is the lesser of (x) the portion of the Dissolution Sale Profit not allocated pursuant to subsection 4.3(b)(i) and (y) the aggregate of the Interim Distribution Supplements, if any, of the Limited Partners shall be allocated to the Capital Accounts of the Limited Partners in proportion to the respective amounts of such Limited Partners' Interim Distribution Supplements;

(iii) The amount which is the lesser of (x) the portion of the Dissolution Sale Profit not allocated pursuant to subsection 4.3(b)(i) and (ii) and (y) the Interim Distribution Supplement, if any, of the General Partner shall be allocated to the Capital Account of the General Partner; and

(iv) The remaining Dissolution Sale Profit, if any, shall be allocated to the Capital Accounts of the General Partner and the Limited Partners in proportion to their respective Capital Contributions.

(c) The Dissolution Sale Loss, if any, shall (after giving effect to the allocation of all Operating Profits and Losses) be allocated to the Capital Accounts of the General Partner and the Limited Partners in proportion to their respective Capital Contributions.

4.4. Allocation for Federal Income Tax Purposes.

(a) For Federal income tax purposes, items of income, gain, loss, deduction or credit associated with Operating Profits and Losses shall be allocated in the same manner that Operating Profits and Losses are allocated pursuant to subsection 4.3(a), except that, for each fiscal year, items of income or gain associated with Special Operating Profits ("Special Operating Gain"), in an amount equal to the lesser of (i) all Special Operating Gain for such fiscal year and (ii) an amount equal to the sum of the Designated Timber Variation Carryover as of the beginning of such fiscal year and the Designated

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Timber Variation Apportionment for such fiscal year, shall, in order to take account of any Designated Timber Variation, be allocated to the General Partner.

(b) For Federal income tax purposes, items of income, gain, loss, deduction or credit associated with Dissolution Sale Profit or Dissolution Sale Loss shall be allocated in the same manner that Dissolution Sale Profit or Dissolution Sale Loss, as the case may be, is allocated pursuant to subsection 4.3(b) or 4.3(c), as the case may be, except that items of gain associated with the sale of Designated Timber in connection with the Dissolution Sale ("Special Dissolution Sale Gain"), in an amount equal to the lesser of (i) all Special Dissolution Sale Gain and (ii) an amount equal to the Designated Timber Variation Pool, shall, in order to take account of any Designated Timber Variation, be allocated to the General Partner.

5. DISTRIBUTIONS.

5.1. **No Right to Withdraw.** No Partner shall have the right to withdraw or demand distribution of any amount of its Capital Contribution or Capital Account, except as expressly provided in this Agreement.

5.2. **Interim Distributions.** On February 1, 1982, and on each August 1 and February 1 thereafter, the Partnership shall, subject to subsection 5.3, make Interim Distributions of all Available Cash to the Partners in the following order of priority:

(a) The amount which is the lesser of (i) all Available Cash and (ii) the aggregate of the Interim Distribution Supplements, if any, of the Limited Partners shall be distributed to the Limited Partners in proportion to their respective Capital Contributions;

(b) The amount which is the lesser of (i) all Available Cash not distributed pursuant to subsection 5.2(a) and (ii) the aggregate of the Interim Distribution Arrearages, if any, of the Limited Partners shall be distributed to the Limited Partners in proportion to their respective Capital Contributions;

(c) The amount which is the lesser of (i) all Available Cash not distributed pursuant to subsections 5.2(a) and (b) and (ii) an amount equal to five percent of the aggregate Capital Contributions of the Limited Partners shall be distributed to the Limited Partners in proportion to their respective Capital Contributions;

(d) The amount which is the lesser of (i) all Available Cash not distributed pursuant to subsections 5.2(a) through (c), inclusive, and (ii) the Interim Distribution Supplement, if any, of the General Partner shall be distributed to the General Partner;

(e) The amount which is the lesser of (i) all Available Cash not distributed pursuant to subsections 5.2(a) through (d), inclusive, and (ii) the Interim Distribution Arrearage, if any, of the General Partner shall be distributed to the General Partner;

(f) The amount which is the lesser of (i) all Available Cash not distributed pursuant to subsections 5.2(a) through (e), inclusive, and (ii) an amount equal to five percent of the Capital Contribution of the General Partner shall be distributed to the General Partner; and

(g) The remaining Available Cash shall be distributed to the General Partner and the Limited Partners in proportion to their respective Capital Contributions.

5.3. **Restrictions on Distributions.** No Interim Distribution or Final Distribution shall be made if such Interim Distribution or Final Distribution would violate any contract or agreement to which the Partnership is then a party or any law then applicable to the Partnership.

5.4. **Dissolution Sale and Final Distribution.** In connection with the dissolution and wind-up of the Partnership, the General Partner or, in the case of a dissolution and wind-up pursuant to subsection 9.2, the remaining Partners shall, subject to section 11, promptly proceed with and complete the Dissolution Sale. The aggregate amount of cash and cash equivalent items held by the Partnership immediately prior to, and realized by the Partnership from, the Dissolution Sale shall, after giving effect to the allocation of

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the Dissolution Sale Profit and the Dissolution Sale Loss pursuant to subsection 4.3, be applied and/or distributed in one or more installments as follows:

(a) *First*, to the payment of the Partnership's outstanding liabilities, including the outstanding principal amount of all of the Partnership's notes and other debt obligations and all interest thereon, or the provision of adequate reserves therefor; and

(b) *Second*, to the Partners having positive balances in their Capital Accounts in proportion to such positive balances.

6. MANAGEMENT.

6.1. **Management by General Partner.** The Partnership shall be managed by the General Partner, and the General Partner shall, subject to the provisions of this Agreement, have responsibility for all policy decisions relating to the conduct of the Partnership business, *provided* that the General Partner may retain or employ, on behalf of the Partnership, ITT Rayonier Incorporated on the terms and for the compensation specified in the Maintenance Agreement. With respect to services not rendered under the Maintenance Agreement, the General Partner may retain or employ, on behalf of the Partnership, such Persons as it deems advisable for the operation and management of the Partnership, including employees, agents, accountants, consultants and attorneys, on such terms and for such compensation as it may determine. The Limited Partners shall take no part in the control of the business of the Partnership and shall have no right or authority to act for or bind the Partnership.

6.2. **Third Party Reliance.** Third parties dealing with the Partnership are entitled to rely conclusively upon the authority of the General Partner as set forth in this Agreement.

6.3. **Waiver of Business Opportunities.** The General Partner and any Limited Partner may engage in any business of any kind whatsoever and become affiliated in any way with any other business enterprise, and need not contribute to the Partnership any compensation received by such Partner for such permitted activity. The Limited Partners acknowledge that on or prior to the date hereof the Partnership has entered into the Raymidga Option with Raymidga Co., has entered into three agreements with ITT Rayonier Incorporated, namely, the Cutting Contract, the Maintenance Agreement and the Rayonier Option, and has delivered to ITT Rayonier Incorporated in payment for the Purchased Assets a note which is secured by a second mortgage on certain Assets. Neither the Partnership nor any Partner shall have any right, by virtue of this Agreement or the partnership relationship created hereby, in or to any right, remedy, payment, consideration, or other benefit received by Raymidga Co. or ITT Rayonier Incorporated, as the case may be, under such agreements, note or second mortgage, and Raymidga Co. or ITT Rayonier Incorporated, as the case may be, may exercise all rights and remedies thereunder and enjoy all benefits thereunder as it, in its sole and unfettered discretion, chooses.

6.4. **Limitation on Authority of General Partner.** The Partnership shall not, and the General Partner shall not cause the Partnership to:

(a) Engage in any business other than the ownership and management of the Contributed Assets, the Milwaukee Assets and the Purchased Assets and similar Assets as contemplated by subsection 2.3;

(b) Directly or indirectly, modify, change, waive any provision of, amend, supplement, terminate (whether or not on account of a default giving rise to a right of termination thereunder), cancel, replace, assign or consent to the assignment of the Cutting Contract or the Maintenance Agreement or permit, approve of, or become a party to, any such modification, change, waiver, amendment, supplement, termination (in whole or in part), cancellation, replacement, assignment or consent to assignment, *provided* that the Partnership may, and the General Partner may cause the Partnership to, assign or consent to the assignment of the Cutting Contract and the Maintenance Agreement as contemplated by the Indenture, including without limitation, any reassignment of such Agreements as contemplated by section 6.03 of the Indenture;

(c) Acquire any Assets other than (i) timber and timberlands containing standing timber, the harvest, reforestation and management of which appear to be, in the reasonable judgment of the

General Partner, commercially profitable, and (ii) such other real or personal property as the General Partner may judge necessary or advisable and incidental to the conduct of the Partnership's business;

(d) Transfer or otherwise dispose of any of the Contributed Assets, the Milwaukee Assets or the Purchased Assets, *provided* that the General Partner may cause the Partnership to (i) sell or otherwise transfer Timber in the ordinary course of business, and (ii) transfer or otherwise dispose of a portion of such Assets on the terms and subject to the conditions specified in the Raymidga Option and the Rayonier Option, and (iii) at any time or from time to time, transfer or otherwise dispose of a portion or portions of such Assets having a fair market value which, when added to the fair market value (determined at the respective date of each such transfer or disposition) of all previous transfers and dispositions other than pursuant to the Raymidga Option, the Rayonier Option or clause (iv) of this paragraph (d), shall not exceed in the aggregate five percent of the fair market value (determined at the time of the proposed transfer or disposition) of all of the Assets, *provided* that there is conveyed to the Partnership in exchange for the Assets being transferred or disposed of other assets having a fair market value at least equal to the fair market value of the Assets being transferred or disposed of, and (iv) at any time or from time to time, sell or otherwise dispose of to unrelated third Persons a portion or portions of such Assets having a fair market value which, when added to the fair market value (determined at the respective dates of each such sale or disposition) of all previous sales and dispositions other than pursuant to the Raymidga Option, the Rayonier Option or clause (iii) of this paragraph (d), shall not exceed in the aggregate \$3,750,000; or

(e) Enter into any transaction, including, without limitation, the purchase, sale or exchange of property or the rendering of any service, with the General Partner or any affiliate thereof, except in the ordinary course of and pursuant to the reasonable requirements of the Partnership's business and upon fair and reasonable terms no less favorable to the Partnership than would obtain in a comparable arm's-length transaction with a Person not the General Partner or an affiliate thereof.

7. BOOKS OF ACCOUNT; INFORMATION.

7.1. **Maintenance of Books; Right to Inspect; Reports.** The Partnership shall maintain its books of account on an accrual basis in accordance with generally accepted accounting principles and sound business practices and such books, in which shall be entered the transactions of the Partnership, shall be kept by the Partnership at an office of the Partnership (or at such other place as the General Partner shall advise the Limited Partners in writing), and such books shall at all times be open to the inspection of the Limited Partners. For the purpose of this Agreement, all references to generally accepted accounting principles are to those generally accepted accounting principles in effect on the date hereof. The firm of Arthur Andersen & Co. shall serve as the independent certified public accountants for the Partnership. The General Partner in its reasonable discretion shall select the accounting and depreciation methods to be used by the Partnership and shall determine whether to exercise any election for income tax reporting purposes not otherwise provided for in this Agreement, *provided* that the General Partner shall make the elections under section 631(a) and (b) and section 754 of the Code, as necessary. Financial statements shall be prepared in accordance with generally accepted accounting principles in effect for the period covered by such financial statements (with a schedule showing adjustments to reflect the application of generally accepted accounting principles in effect on the date hereof) by the Partnership showing the financial condition of the Partnership at the end of each fiscal year of the Partnership and the results of its operations for such fiscal year and setting forth in comparative form the figures for the previous fiscal year. Such financial statements shall be accompanied by the opinion of the Partnership's independent certified public accountants with respect to such statements. Such financial statements and the accompanying accountant's opinion shall be mailed to each Limited Partner within ninety days after the end of each fiscal year. A similar but unaudited report as of the end of each fiscal quarter showing quarterly and year-to-date results of operations of the Partnership shall be mailed to each Limited Partner within forty-five days after the end of each calendar quarter other than the last quarter of each fiscal year. A similar but unaudited report prepared in accordance with standard cost accounting as of the end of each calendar month showing monthly and year-to-date results of operations of the Partnership shall be mailed to each Limited Partner within twenty days after the end of each calendar month. Each Limited Partner shall also

be provided with such operating and other informational reports as are regularly prepared by the Partnership for distribution to its major creditors. In addition to the year-end report the Partnership shall also provide to each Limited Partner such information as shall enable each Limited Partner to prepare its respective Federal, state and local income tax returns, including, without limitation, Internal Revenue Service Schedule "K-1" and a statement of each Partner's Capital Account at the end of such fiscal year. To the extent practicable, the books and records of the Partnership shall be maintained consistently for both tax and financial reporting purposes. The Partnership shall also provide to each Limited Partner, with reasonable promptness, such other data and information as from time to time may reasonably be requested.

7.2. Additional Reports. As soon as practicable and in any event prior to or concurrently with the delivery of the annual financial statements required to be delivered pursuant to subsection 7.1, the Partnership will prepare and deliver to each Limited Partner a plan for the cutting of timber during, and a budget for, the next succeeding fiscal year and financial projections for the next succeeding five fiscal years.

7.3. Cruise and Appraisal. Once in each period of five consecutive years during the term of this Agreement a Majority in Interest of the Limited Partners may require the Partnership to conduct a detailed cruise of the timber. Once in each period of three consecutive years during the term of this Agreement and at any time when a cruise is conducted pursuant to the first sentence of this subsection 7.3, a Majority in Interest of the Limited Partners may require the Partnership to conduct an Appraisal. The Partnership shall conduct such a detailed cruise and an Appraisal at any time when a Dissolution Sale is required other than pursuant to subsection 10.5.

7.4. Fiscal Year. The fiscal year of the Partnership shall be July 1 of any year through June 30 of the following year.

7.5. Employment of Forestry Consultant. At the written request of a Majority in Interest of the Limited Partners, the Partnership shall retain Sanders, Cronk & Holmes, or another independent forestry consulting firm of established reputation which is approved by such Majority in Interest (the "Consultant"), to provide true and full information of all things affecting the Partnership, at the Partnership's sole expense. The General Partner shall cooperate fully and in good faith with the Consultant in the performance of the Consultant's responsibilities. The duties of the Consultant shall include such determinations of acreages, volumes, values and inventories, verification of reports, information and certifications furnished by the Partnership, and investigation and monitoring of the Partnership's business, cutting plans and other activities in regard to the Assets as may be requested by a Majority in Interest of the Limited Partners.

8. TRANSFER OF PARTNERSHIP INTERESTS.

8.1. Restrictions on Transfer. No Partner (nor any of his or its heirs, representatives, successors or assigns) shall sell, assign, transfer, pledge or otherwise directly or indirectly dispose of or encumber all or any part of its interest in the Partnership, except that (a) any Limited Partner may sell, assign, transfer, pledge, or otherwise directly or indirectly dispose of or encumber all or any part of its interest in the Partnership (i) in compliance with the provisions of subsection 8.2, 10.4 or 11.3 and (ii) to any corporation or other entity directly or indirectly wholly-owned by it or by which it is wholly-owned or which is wholly-owned by a corporation or other entity by which such Limited Partner is wholly-owned and (b) the General Partner may sell, assign, transfer, pledge, or otherwise directly or indirectly dispose of or encumber not more than 98% of its interest in the Partnership on the date of this Agreement to any corporation or other entity, other than ITT Rayonier Incorporated or its successor, which is wholly-owned by it or by which it is wholly-owned or which is wholly-owned by a corporation or other entity by which the General Partner is wholly-owned, provided that no such sale, assignment, transfer, pledge, disposition or encumbrance shall be made by any Partner if, after giving effect thereto, the aggregate of all such sales, assignments, transfers, pledges, dispositions and encumbrances made by the Partners within the 12 months preceding the proposed date of such transaction would equal or exceed 50% of the total interest in Partnership capital or Profits and Losses.

8.2. **First Refusal Rights.** If any Limited Partner (the "Offering Partner") proposes to sell or otherwise dispose of all or any part of its interest in the Partnership, other than pursuant to clause (a)(ii) of subsection 8.1 or subsections 10.4 or 11.3, the Offering Partner shall give notice in writing to the Partnership and to each other Partner (a) designating the percentage of such interest proposed to be disposed of (the "Refusal Interest"), (b) certifying that discussions with a prospective purchaser have progressed sufficiently so that the Offering Partner in good faith believes a binding agreement of sale is obtainable for an amount in cash (the "Refusal Price") set forth in such notice and (c) naming the prospective purchaser of the Refusal Interest. If within sixty days after giving such notice the Offering Partner shall not have received from one or more other Partners an offer (an "Offer") to purchase the Refusal Interest at a price equal to or greater than the Refusal Price, the Offering Partner shall be free (but shall not be obligated) within sixty days to proceed with the proposed sale as set forth in such notice. If an Offer is received, the Offering Partner shall not be obligated to accept such Offer, *provided* that, in such case, the Offering Partner may not proceed with the sale originally proposed or any other sale unless and until the notice and other procedures prescribed by this subsection 8.2 are commenced anew and repeated. If more than one Offer is received and any is acceptable to the Offering Partner, priority of purchase shall reside in the Limited Partner or Limited Partners offering the highest price, *provided* that if more than one Limited Partner offers the highest price, the priority of purchase shall be apportioned among such Limited Partners in proportion to their respective Capital Contributions. Notwithstanding the provisions of the foregoing sentence, if the General Partner has made an Offer at a price in cash greater than the highest price in any Offer by a Limited Partner, such Offering Partner may elect to notify each Limited Partner in writing of the price contained in the General Partner's Offer and, if within ten days after giving such notice the Offering Partner has not received from one or more Limited Partners a new Offer at a price equal to or greater than the price contained in the General Partner's Offer, the Offering Partner shall be free to proceed with a sale of the Refusal Interest pursuant to the General Partner's Offer, *provided* that if one or more such new Offers is received from the Limited Partners, the provisions of the foregoing sentence of this subsection 8.2 shall apply. An Offer, to qualify as such, must be in writing and must be open and irrevocable for acceptance by written notice given within ten days.

8.3. **Substitution of Partners.** Any transferee of all or any part of the interest of any Partner in the Partnership, other than a Limited Partner or a corporation or other entity which acquires such interest in a transaction permitted by clause (a)(ii) of subsection 8.1, shall become a substituted Partner in respect of such interest only upon the satisfaction of the following conditions:

- (a) The General Partner and a three-fourths Majority of Interest of the Limited Partners shall have consented in writing to the substitution;
- (b) The transferee shall have delivered to the Partnership a complete and correct copy of the instruments pursuant to which such interest was acquired;
- (c) The transferee shall have executed and delivered an amendment to this Agreement and such other instruments and agreements as may be reasonably required by the General Partner; and
- (d) The transferee shall have paid to the Partnership an amount equal to the reasonable fees and expenses of the Partnership in connection with such transfer and such substitution.

Any such transferee which has not become a substituted Partner pursuant to this subsection 8.3 shall be deemed to have received only an assignment of the acquired percentage of the transferring Partner's interest in profits, losses and capital of the Partnership and shall have no other rights of a Partner, including, without limitation, any rights to receive information, to inspect the books or records of the Partnership and to vote as a Partner in respect of such interest on any matter, *provided* that if the General Partner becomes the transferee of interests in the Partnership of Limited Partners which on the date of this Agreement would constitute a three-fourths or greater Majority of Interest of the Limited Partners, the General Partner shall have the right to vote as a Limited Partner under clause (a) of the first sentence of this subsection 8.3. Any substituted Partner admitted to the Partnership pursuant to this subsection 8.3 shall succeed to all the rights and be subject to all the obligations of the transferring Partner in respect of the interest as to which it is substituted.

9. DISSOLUTION, INSOLVENCY, WITHDRAWAL, DEATH, INCAPACITY OR REMOVAL OF GENERAL PARTNER.

9.1. Dissolution of Partnership; Formation of New Partnership. Upon the dissolution, insolvency, withdrawal, death, incapacity or removal of the original or any successor General Partner, the Partnership will be dissolved, and each of the Limited Partners and the General Partner hereby agrees for itself and any successor to form a new limited partnership to succeed to the assets and business of the Partnership, having a general partner approved by unanimous consent of the Limited Partners (which consent each Limited Partner agrees it will not unreasonably withhold if such a general partner is proposed by Limited Partners which, immediately prior to the dissolution of the Partnership, constituted a three-fourths Majority in Interest of the Limited Partners), and upon terms substantially the same as the terms in this Agreement, except that (a) any executory arrangement for management services or compensation between such new partnership and the prior General Partner of the Partnership shall be terminated, (b) the prior General Partner of the Partnership and/or its estate or successor in interest shall have none of the powers of the General Partner under this Agreement or applicable law, but shall have only the rights and powers of a limited partner of such new partnership with the same rights to share in any partnership Profits and Losses and Interim Distributions and Final Distributions as it enjoyed as General Partner of the Partnership, and (c) if the General Partner voluntarily withdraws or is removed for cause from the Partnership, the General Partner shall, and hereby agrees to, assign 2% of its right to share in partnership Profits and Losses and Interim Distributions and Final Distributions of the new partnership to such Person as may be designated by a Majority in Interest of the Limited Partners or, if no such designation is made, to the Limited Partners in proportion to their respective Capital Contributions, and the General Partner shall have no vote or right of approval as to Partnership matters except amendments to subsection 6.4(d) or section 11 of this Agreement and other amendments which require the consent of each Partner affected as required by law and except as provided in the second sentence of subsection 8.3.

9.2. Winding-Up of Partnership upon Failure to Form New Partnership. In the event that, upon the dissolution, insolvency, withdrawal, death, incapacity or removal of the General Partner, the Limited Partners shall not form a new partnership as provided in subsection 9.1 within 90 days, the Partnership shall be wound up as provided in subsection 5.4.

9.3. Removal of General Partner. The General Partner may be removed at any time, (a) with cause, upon the vote of a three-fourths Majority in Interest of the Limited Partners and (b) without cause, by a unanimous vote of the Limited Partners following at least 60 days' written notice to the General Partner.

9.4. Winding-Up of Partnership Upon Raymidga Co.'s Acquiring Three-Fourths or Greater Majority in Interest of Limited Partners. If Raymidga Co. becomes the transferee of interests in the Partnership which on the date of this Agreement would constitute a three-fourths or greater Majority in Interest of the Limited Partners, Raymidga Co. may, by written notice to the remaining Limited Partners, compel the dissolution of the Partnership, and the Partnership shall thereupon be wound up as provided in subsection 5.4.

10. WITHDRAWAL RIGHTS.

10.1. Withdrawal Notice. If, on or after June 30, 1990 and prior to March 31, 1991 or on or after December 31, 1992 and prior to September 30, 1993, any Limited Partner or Limited Partners holding in the aggregate at least 25% of the total interests in Operating Profits and Losses (the "Withdrawing Partner") proposes to withdraw from the Partnership, the Withdrawing Partner shall give notice in writing (a "Withdrawal Notice") to the Partnership and each other Partner of such proposal.

10.2. Withdrawal Cruise. Within twenty days after the first receipt of a Withdrawal Notice, the General Partner shall initiate the selection of a Qualified Organization which will conduct a detailed cruise of the Timber, provided that the Partnership shall not be required to conduct such cruise if within the immediately preceding three calendar years a detailed cruise of the Timber by a Qualified Organization shall have been completed.

10.3. Withdrawal Appraisal. Within five days after the completion of the cruise required by subsection 10.2 or, if no such cruise is required, within thirty days after the first receipt of a Withdrawal Notice, the General Partner shall initiate the selection of Qualified Appraisers by written notice to each Limited Partner and an Appraisal shall be conducted as provided by subsection 12.3.

10.4. Purchase of Withdrawing Partner's Interest. Within thirty days after the completion of the Appraisal required by subsection 10.3, any Partner or group of Partners may make an offer (a "Continuing Partner Offer") to purchase the interest of any Withdrawing Partner in the Partnership at a price in cash equal to or greater than the Withdrawal Price for such interest. If a Continuing Partner Offer is received by a Withdrawing Partner, such Withdrawing Partner shall not be obligated to accept it. If more than one Continuing Partner Offer is received by a Withdrawing Partner and any is acceptable, the priority of purchase shall reside in the Limited Partner or Limited Partners offering the highest price, *provided* that if more than one Limited Partner offers the highest price, the priority of purchase shall be apportioned among such Limited Partners in proportion to their respective Capital Contributions. Notwithstanding the provisions of the foregoing sentence, if the General Partner has made a Continuing Partner Offer at a price in cash greater than the highest price in any Continuing Partner Offer made by a Limited Partner, such Withdrawing Partner may elect to notify each Limited Partner in writing of the price contained in the General Partner's Continuing Partner Offer and, if within ten days after giving such notice the Withdrawing Partner has not received from one or more Limited Partners a new Continuing Partner Offer at a price equal to or greater than the price contained in the General Partner's Continuing Partner Offer, the Withdrawing Partner shall be free to proceed with the sale of such interest pursuant to the General Partner's Continuing Partner Offer, *provided* that if one or more such new Continuing Partner Offers are received from the Limited Partners, the provisions of the foregoing sentence of this subsection 10.4 shall apply. A Continuing Partner Offer, to qualify as such, must be in writing and must be open and irrevocable for acceptance by written notice within ten days.

10.5. Right to Compel Dissolution. If any Withdrawing Partner has not received a Continuing Partner Offer on the terms and within the period specified in subsection 10.4, or if following acceptance of a Continuing Partner Offer, such Withdrawing Partner's interest in the Partnership is not purchased as provided in such Continuing Partner Offer, such Withdrawing Partner may, by written notice to the General Partner, compel the dissolution of the Partnership, and the Partnership shall thereupon be wound up as provided in subsection 5.4.

11. SPECIAL RIGHTS ON DISSOLUTION.

11.1. Certification of Value. Upon the dissolution and wind-up of the Partnership, the Partnership shall conduct the cruise and Appraisal required by subsection 7.3. Promptly after such Appraisal is completed, or notice of dissolution is received pursuant to subsection 10.5, the Partnership shall give written notice to each Partner (a) specifying the fair market value of the Assets as shown by such Appraisal and (b) showing in reasonable detail a calculation of the Assumed Dissolution Sale Profit determined by use of such Appraisal and the Dissolution Price of such Partner's interest in the Partnership determined by use of such Assumed Dissolution Sale Profit.

11.2. Solicitation of Offers. In the event of the dissolution and wind-up of the Partnership and during the two months following the delivery of the notice required by subsection 11.1, the Partnership shall and any Partner may solicit offers to purchase the Assets from the Partnership. All such offers shall be communicated in writing to the Partnership and each Partner.

11.3. Special First Refusal Rights. In the event of the dissolution and wind-up of the Partnership, Raymidga Co., whether or not it is at the time the General Partner, shall have the right, during the first fifteen days following the expiration of the two-month period specified in subsection 11.2, to purchase (a) the Assets at a price equal to or greater than the higher of (i) the fair market value of the Assets determined by the Appraisal required by subsection 7.3 or 10.3, as the case may be, and (ii) the highest bona fide offer communicated to the Partnership pursuant to subsection 11.2, or (b) the interests of each Limited Partner in the Partnership (but only if the interests of all Limited Partners are so purchased) at a price equal to or greater than the higher of the Dissolution Price for such Partner's interest (i) specified in

the notice required by subsection 11.1 and (ii) determined by using the highest bona fide offer communicated to the Partnership pursuant to subsection 11.2. An election to exercise such first refusal rights shall be made by an irrevocable offer in writing to the Partnership (with copies to each Limited Partner) or each Limited Partner, as the case may be.

12. CRUISE AND APPRAISAL.

12.1. Selection of Qualified Organization. Any cruise required by the terms of this Agreement shall be conducted by a qualified independent organization (a "Qualified Organization") selected as provided in this subsection 12.1. Promptly after the occurrence of any event as a result of which a cruise is required, the General Partner shall select a qualified independent organization and notify the Limited Partners in writing of such selection. Such organization shall be deemed satisfactory to the Withdrawing Partners, for purposes of section 10, and to the Limited Partners, for purposes of subsection 7.3 or section 11, unless a Majority in Interest of the Withdrawing Partners or the Limited Partners, as the case may be, shall within fifteen days after receipt of such notice of selection deliver to the General Partner notice in writing rejecting such selection and proposing an alternative qualified independent organization. If the organization selected by the General Partner is rejected, the General Partner shall have five days to accept or reject such alternative organization. If the General Partner rejects such alternative organization, the two previously selected organizations shall select within fifteen days thereafter a third qualified independent organization to conduct the cruise and such third organization shall thereupon promptly commence the cruise. The results of any cruise by a Qualified Organization shall be binding upon each Partner and each transferee of any interest in the Partnership.

12.2. Conduct of Cruise. If a cruise is required by the terms of this Agreement, the Qualified Organization shall, at the Partnership's expense, conduct a detailed, stratified cruise of all Timber then owned by the Partnership and determine the volume of Merchantable Timber thereon. The Qualified Organization shall be instructed to complete such cruise and determination within three months and to submit the results of such cruise and determination to each Partner. The Qualified Organization shall be given such additional instructions with respect to such cruise and determination as shall be reasonably satisfactory, in the case of a cruise required by section 10, to a Majority in Interest of the Withdrawing Partners and, in the case of a cruise required by subsection 7.3 or section 11, to a Majority in Interest of the Limited Partners.

12.3. Selection of Qualified Appraisers; Conduct of Appraisal. Any appraisal required by the terms of this Agreement (an "Appraisal") shall be conducted by one or more qualified appraisers (the "Qualified Appraisers") selected as provided in this subsection 12.3. With respect to each Appraisal, the General Partner and (a) in the case of an Appraisal required by section 10, a Majority in Interest of the Withdrawing Partners or (b) in the case of Appraisal required by subsection 7.3 or section 11, a Majority in Interest of the Limited Partners shall select one appraiser acceptable to the General Partner and to the Majority in Interest of Withdrawing Partners or Limited Partners, as the case may be, and such appraiser shall appraise the fair market value of the Assets by asset categories selected by such appraiser and submit his report to each Partner. In the event the General Partner and such Majority in Interest are unable to agree upon one appraiser, then each of the General Partner and such Majority in Interest shall select one appraiser and such appraisers shall appraise the fair market value of the Assets by asset categories agreed to by them and submit their respective reports to each Partner.

If the General Partner and such Majority in Interest have agreed on an appraiser, then such appraiser's determination of value shall be conclusive. If each of the General Partner and such Majority in Interest have appointed appraisers and if the fair market value of any asset category appraised by the appraisers varies by five percent or less from the higher value, the average of the two shall be controlling. If the fair market value of any such asset category appraised by such appraisers varies by more than five percent of the higher value, such appraisers, unless the General Partner and the applicable Majority in Interest can agree on a value, shall within ten days of the submission of their appraisal appoint a third appraiser to appraise such asset category. Such third appraiser shall, within 30 days of his appointment, appraise such asset category as provided above and submit his report to the General Partner and the Withdrawing Partners or Limited Partners, as the case may be. The value determined by the third

appraiser for each such asset category shall be controlling, *provided* that if such value is less than that set forth in the lower appraisal previously obtained for such asset category, the value set forth in such lower appraisal shall be controlling, and if such value is greater than that set forth in the higher appraisal previously obtained for such asset category, the value set forth in such higher appraisal shall be controlling. Each appraiser selected pursuant to this subsection 12.3 shall have had at least five years' experience in appraising timberland in the State of Washington.

The amount and quality of Timber determined by the most recent cruise by a Qualified Organization shall be binding on such appraisers. If the General Partner, or the Withdrawing Partners or Limited Partners, as the case may be, fail to appoint an appraiser as provided in this subsection 12.3 or if one appraiser so selected fails to submit an appraisal report within the required period, the appraisal report of the appraiser which has been selected or which has submitted an appraisal report shall be binding upon each Partner and each transferee of any interest in the Partnership. The expenses of each Appraisal shall be paid by the Partnership.

13. DURATION AND TERMINATION OF PARTNERSHIP.

13.1. **Term.** The existence of the Partnership shall commence on the date of the filing of a Certificate of Limited Partnership pursuant to Chapter 25.08 of the Revised Code of Washington and shall continue until the first to occur of the following (whereupon the Partnership shall be dissolved and wound up):

- (a) The sale or other disposition of all or substantially all of the Assets;
- (b) June 30, 1996; or
- (c) The events described in subsections 9.2 and 10.5.

13.2. **Winding-Up.** Upon dissolution and wind-up of the Partnership as provided in subsection 13.1, the Partnership shall, subject to section 11, proceed with the Dissolution Sale and the Final Distribution.

13.3. **Liability for Return of Capital Contributions.** Any present or future Limited Partner, by its acceptance of this Agreement, agrees that all liability to such Limited Partner for the return of its Capital Contribution is limited to the Partnership and the Assets.

14. MISCELLANEOUS.

14.1. **Choice of Law.** This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Washington.

14.2. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

14.3. **Appointment of Attorney in Fact.** Each of the Limited Partners and any other Partner who becomes a Partner by amendment hereto hereby irrevocably constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney to make, execute, sign, acknowledge and file in its name, place and stead:

- (a) a certificate of limited partnership under the laws of the State of Washington;
- (b) any other certificate or instrument which may be required to be filed by the Partnership under the laws of the State of Washington;
- (c) any and all amendments or modifications of the instruments described in subparagraphs (a) and (b) of this subsection 14.3;
- (d) all documents and instruments which may be required to effectuate the dissolution and termination of the Partnership and cancellation of its Certificate of Limited Partnership, as from time to time amended; and

(e) such other document or documents or instrument or instruments as may be required under the laws of any state or of the United States or of any other jurisdiction.

The foregoing power-of-attorney shall be used only to carry out and effectuate actions authorized by this Agreement and/or by consent of the Limited Partners.

14.4. **Amendment.** This Agreement may not be modified or amended at any time except by the written consent of the General Partner and a two-thirds Majority in Interest of the Limited Partners, *provided* that, if the Partnership has been dissolved by reason of the dissolution, insolvency, withdrawal, incapacity or removal of the original General Partner and a new Partnership has been formed as contemplated by subsection 9.1, the consent of the original General Partner or its successor in interest shall be required for any amendment to or modification of subsection 6.4(d) or section 11 of this Agreement.

14.5. **Confidentiality.** The General Partner and each of the Limited Partners agrees for the benefit of the Partnership to preserve the confidentiality of all financial and other competitive information concerning the operations and business of the Partnership, and not to use such information in any manner which would be detrimental to the Partnership, *provided* that any Partner may disclose confidential information (a) to any regulatory body having jurisdiction over such Partner or (b) in connection with the enforcement of any of such Partner's rights and remedies hereunder.

14.6. **Interpretation.** The use of the neuter herein shall be deemed to include the feminine and masculine genders. The use of either the singular or the plural includes the other unless the context clearly requires otherwise. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

14.7. **Counterparts.** This Agreement may be executed in any number of counterparts, and each such counterpart shall for all purposes be deemed an original, and all such counterparts shall together constitute but one and the same agreement.

14.8. **Notices; Waiver.** Any notice given pursuant to this Agreement shall be sufficiently given if in writing and either mailed by registered or certified mail or sent by telecommunications equipment (including without limitation the use of telecopier or word processing equipment) to the Partner entitled to receive the same at its address as it appears in Schedule A hereto or at such other address as shall have been furnished to the Partnership in writing. Any such notice given by mail shall be deemed received on the seventh day after mailing. Any such notice sent by telecommunications equipment shall be deemed received on the date actually received. In any case where notice is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Partner shall affect the sufficiency of such notice with respect to other Partners. Notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

General Partner:

RAYMIDGA CO.

By

Radall Johnson

Limited Partners:

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

By

Gordon C. Davidson
Gordon C. Davidson Vice President

CONNECTICUT GENERAL
CORPORATION

By Timothy W. Morris

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

By Wm. K. Gordon

Withdrawing Limited Partner:

RAYMIDGA CO.

By Randall S. Johnson

Withdrawing General Partner:

ITT RAYONIER INCORPORATED

By R. M. Gross

L.C. 80 PAGE 546

Unofficial Copy

ROLL 111981C
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF COMMISSIONERS

80 54
SCHEDULE A

	Capital Contribution
<i>General Partner:</i>	
Raymidga Co.....	\$10,400,000
c/o ITT Rayonier Incorporated 1177 Summer Street Stamford, Connecticut 06904	
Total, General Partner	\$10,400,000
<i>Limited Partners:</i>	
The Northwestern Mutual Life Insurance Company.....	\$5,000,000
720 East Wisconsin Avenue Milwaukee, Wisconsin 53202	
Connecticut General Corporation	2,700,000
Hartford, Connecticut 06152	
John Hancock Mutual Life Insurance Company	2,700,000
John Hancock Place Boston, Massachusetts 02117	
Total, Limited Partners	10,400,000
Total, All Partners	<u>\$20,800,000</u>

GENERAL PARTNER

STATE OF CONNECTICUT }
COUNTY OF FAIRFIELD } SS.:

On this 14th day of August, 1981, before me personally appeared RANDALL S. JOHNSON, to me known to be the Vice President of Raymidga Co., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.

Janet E. Long
Notary Public in and for the State of Connecticut,
residing at Stamford, Connecticut
JANET E. LONG
NOTARY PUBLIC
My Commission Expires March 31, 1984

LIMITED PARTNERS

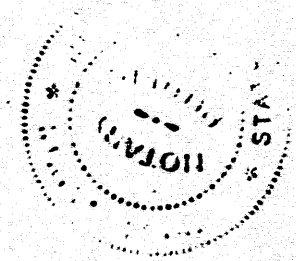
STATE OF WISCONSIN }
COUNTY OF MILWAUKEE } SS.:

On this 18th day of August, 1981, before me personally appeared GORDON C. DAVIDSON, to me known to be a Vice President of The Northwestern Mutual Life Insurance Company, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.

Patrick W. Lavin
Patrick W. Lavin
Notary Public in and for the State of Wisconsin

EXPIRATION DATE, AUGUST 1, 1982



ROLL 111981C
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF COMMISSIONERS

STATE OF CONNECTICUT
COUNTY OF HARTFORD

80 17 549
ss.:

On this 17th day of August, 1981, before me personally appeared RICHARD W. MAINE, to me known to be an Investment Officer of Connecticut General Corporation, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.

Reuel C. Allen
Notary Public
in and for the State of Connecticut

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK

ss.:

On this 17th day of August, 1981, before me personally appeared WILLIAM R. GORDON, to me known to be a Second Vice President of John Hancock Mutual Life Insurance Company, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.

Ethel M. Loberg
Notary Public
ETHEL M. LOBERG, Notary Public
MY COMMISSION EXPIRES MAY 14, 1982

93810

Book 80 Page 550

WITHDRAWING LIMITED PARTNER

STATE OF CONNECTICUT }
COUNTY OF FAIRFIELD } SS.

On this 14th day of August, 1981, before me personally appeared RANDALL S. JOHNSON, to me known to be the Vice President of Raymidga Co., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.

Janet E. Long
Notary Public in and for the State of Connecticut
residing at Stamford, Connecticut

WITHDRAWING GENERAL PARTNER

JANET E. LONG
NOTARY PUBLIC
My Commission Expires March 31, 1984

STATE OF CONNECTICUT }
COUNTY OF FAIRFIELD } SS.

On this 14th day of August, 1981, before me personally appeared RONALD M. GROSS, to me known to be the President of ITT Rayonier Incorporated, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above-written.

Janet E. Long
Notary Public in and for the State of Connecticut

JANET E. LONG
NOTARY PUBLIC
My Commission Expires March 31, 1984

STATE OF WASHINGTON }
COUNTY OF KING } SS.
I HEREBY CERTIFY THAT THE WITHIN

INSTRUMENT IS BEING FILED BY

Shamania Co Title Co

OF Stevenson, Wa

AT 3:50 P Nov. 16 81

80

Deeds 530-550

BY Deed

Deed Messenger

B Babcock DEPUTY

Registered ✓
Indexed ✓
Filed ✓
Mailed ✓

ROLL 111981C
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF COMMISSIONERS