

majority in amount of the holders of the bonds issued and outstanding hereunder shall reasonably require for better accomplishing the provisions and purposes of this indenture and for better securing the payment of the principal and interest of the bonds intended to be secured hereby.

Article XV. It is further covenanted and agreed between the parties hereto and any further holders of said bonds that any such bond outstanding may, at the option of the Company, be redeemed and paid on October 1, 1910 or on any interest payment date thereafter before its date of absolute maturity upon the payment by the Company to the holder thereof or to the trustee for the benefit of such holder of the principal thereof and all interest due thereon at the date fixed for such redemption as hereinafter provided, together with a premium of three per cent of the principal thereof. The aforesaid option of the company shall be exercised and previous notice of any proposed redemption of any bond before its maturity shall be given as follows: Whenever the Board of Directors of said Company shall desire to redeem any of said bonds it shall pass a resolution designating the number of the outstanding bonds desired to be redeemed and shall cause a certified copy of such resolution to be sent to the trustee hereunder. The secretary of the Company shall thereupon by notice published once a week for four consecutive weeks (the first of such publication to be not less than sixty days previous to the day fixed for redemption) in a newspaper of general circulation in the City of Chicago Illinois, give notice of the bonds called for redemption. If said bonds are registered then a copy of said notice shall also be sent to the known address of the party in whose name said bonds are registered. Such bonds having been called in for redemption (such notice having been given) shall become due and payable on the date mentioned for said redemption and the Company shall not be obligated to pay any interest to the holders thereof after the date fixed for such redemption if before that date the proper amount for such redemption ascertained as above, be deposited with the trustee for the benefit of the holders of such bonds; and upon making of such deposit all parties hereto and all persons deriving rights hereunder may consider and treat such bonds as redeemed from the holders thereof. All bonds and coupons secured hereby and redeemed under the foregoing provisions shall be forthwith cancelled and surrendered to the Company and shall not be again issued.

Article XVI. While the Company shall be in possession of the mortgaged premises and there shall be no existing default by the Company as aforesaid it is expressly understood and agreed that the Company may sell from time to time in parcels of not less than any governmental subdivision of forty acres each, at such price as it shall see fit to take, not less than ten dollars per acre, any of the land hereby mortgaged from which all the standing merchantable timber shall have been removed and cut and in regard to which payment shall have been made to the sinking fund under the provisions of Article II hereof; but the purchase price of all land so sold shall be paid into the sinking fund in said article mentioned. Upon receipt of such purchase price together with an affidavit of the President or Vice President of the Company stating that such sale is bona fide and giving the terms thereof, the Trustee shall execute and deliver to the purchaser or purchasers at any such sale, a release in proper form freeing said land so sold from the lien hereof which release shall be effective to discharge such land from the lien hereof. It is further expressly agreed and understood that the Company may sell from time to time in parcels not less than any subdivision of forty acres at such price as it shall be able to get for any of the land situated in the County of Pierce or in the County of King in the State of Washington hereby mortgaged and from which the timber shall have not been cut under the following conditions:

1. The Company shall file with the trustee an affidavit of its president, Vice president, Secretary or Treasurer stating that said proposed sale is bona fide giving the name of the