

part of the entire issue of bonds outstanding hereunder may be called and redeemed, from time to time, by the Trustee, either with amounts on hand in the sinking fund hereinafter provided, or with funds furnished to it by the Timber Company for that purpose, upon sixty days' notice prior to the date fixed for redemption, at the price of the par value of the bonds plus a premium of three (3) per centum thereon and accrued interest to the date fixed for the redemption thereof. Such notice shall be given by the Trustee by advertisement published once a week for eight successive weeks in a daily newspaper of general circulation, published in the cities of St. Louis, Missouri, and Portland, Oregon. The first advertisement shall be published at least sixty days, but not more than seventy days, prior to the date fixed for redemption. Should any of the bonds called for payment be registered, then notice shall be also mailed to the registered owners thereof at least sixty days before the date fixed for redemption. If all the bonds called for payment be registered, then the notice by advertisement may be dispensed with if sixty days' actual notice by mail be given the registered owners of the bonds called. From time to time as parts of the then outstanding bonds are redeemed under this Article, the bonds bearing the highest numbers shall be called first by the Trustee, and so on down to the lowest numbers outstanding, until all are redeemed or paid.

In the event the Timber Company shall desire a call to be made for redemption of bonds out of its own funds, the Trustee shall make the call desired, if the Timber Company shall on or before the date of the first advertisement required deposit with the Trustee, in gold coin, as specified in said bonds, an amount of money sufficient to pay and redeem at said price of one hundred and three and accrued interest all or that part of the bonds so desired to be called; and in the event of such a deposit and such call and notice by the Trustee at the request of the Timber Company, or in the event of such notice and call by the Trustee for redemption of bonds from the sinking fund, and if the Trustee shall have in the sinking fund an amount of money sufficient to pay the bonds so called at said price of one hundred and three and accrued interest, then in either event, from and after the date set for redemption, interest on the bonds so called shall cease; and the Trustee shall out of the funds so deposited by the Timber Company or so held by it in the sinking fund, as the case may be, redeem and pay such called bonds as may from time to time be presented, at said price of one hundred and three and accrued interest to date fixed for redemption -- all bonds so redeemed to have all unmatured coupons attached -- and all such bonds and coupons to be promptly canceled by the Trustee and delivered to the Timber Company.

In the event of the failure of the Timber Company to make such deposit, or of the failure of the Trustee to give such notice, all as in the manner herein provided, such election to redeem shall be void and of no effect and all said bonds shall continue to remain unmatured by call and continue to bear interest, as if no such election to redeem had been made; provided, that such failure to make such deposit or failure or irregularity in any call or notice, shall not affect or impair the right to make later calls upon regular notice as herein provided.

ARTICLE SIXTH: Said Timber Company covenants to keep all buildings now or hereafter erected on the property hereinbefore described and all the machines and apparatus that may be placed in such buildings insured against loss or damage by fire, for the fair insurable value thereof, in good and responsible insurance companies, and shall cause such insurance to be made payable in case of loss to said Trustee by proper stipulations inserted in the policies; that it will make for the Trustee and deliver to it quarterly a detailed statement of insurance policies then outstanding and in force and made payable to the Trustee as