

to the persons holding the coupons evidencing the right to such interest, and after paying all interest which shall have become due, shall apply the residue of such moneys in and toward the payment of the principal of such of the bonds as at that time may be outstanding, ratably, and without discrimination or preference, until the same shall be fully paid; and if, after satisfaction thereof, a surplus shall remain, the Trustee shall pay over such surplus to the Timber Company, and the property then hereby encumbered shall be forthwith surrendered to and be thereafter held, possessed and enjoyed by the Timber Company. The Trustee shall not be personally liable for any debts contracted by it, nor for damages to persons or property injured, nor for salaries or wages, nor for non-fulfillment of contracts during any period wherein the Trustee may control, operate and manage said property upon entry under this article.

However, if the Trustee shall think it inexpedient after such entry, to work and operate such property, it may demise or let said property to any person or persons, corporation or corporations, willing to work and operate the same, for such term or period, not exceeding one year at any one letting without the consent in writing of the holders of a majority in interest of said bonds outstanding, but with such consent for any longer term, at such rent or proportion of the receipts or profits, and upon such terms and conditions, as the Trustee shall in its discretion deem proper. The Trustee shall apply the revenue or income to arise from such demise or letting in the same manner as the net revenue or income to arise in the event said property be worked and operated by it under the provisions contained above in this article.

After the Trustee shall have taken possession of said property under this article, if all defaults on the part of the Timber Company shall have been removed and discharged before sale of the property as herein provided, then said Timber Company shall be entitled to be restored to the possession of said property, and said Trustee shall surrender to said Timber Company all of said property then remaining, and shall restore said Timber Company to the full enjoyment of the same, as if no entry as herein authorized had been made, but without waiver in the least of the right of the Trustee to again enter in case of subsequent default.

Nothing contained in this article, however, shall be construed to require the Trustee to continue to operate the mortgaged property or to prevent the Trustee from proceeding to foreclose and sell the same, at any time after entry as aforesaid, but it may at any time proceed under the provisions of Article Fifteenth, in case of default continuing as aforesaid after such entry.

ARTICLE EIGHTEENTH: NO holder or holders of any bonds or coupons issued hereunder shall have the right to institute any proceedings for the collection of moneys evidenced thereby, or for the foreclosure of this indenture or the execution of the trusts hereof, or for the appointment of a receiver, or of any other remedy under this indenture, or otherwise, without first giving notice in writing to the Trustee of default having been made and continued as aforesaid, and by such notice requesting the Trustee to so proceed to enforce the lien hereby created, and then only if at least one-fourth in amount of the holders of the bonds then outstanding join in such notice and request to the Trustee and a reasonable opportunity shall have been offered the Trustee, after the receipt of such notice and request, to proceed in its own name to exercise the powers herein granted or intended so to be: Provided, However, that such bondholder or holders shall have also first offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be by the Trustee incurred by proceeding to carry out the request contained in such notice. Such notice, request and indemnity may be required by the Trustee as conditions