

and maturing from time to time upon the bonded indebtedness created hereunder or evidenced hereby. And such income, after paying the said operating expenses and taxes, either before or after default, and whether said Company or its properties is operated by the Trustees, under the power of entry herein contained, or by receiver or receivers appointed by any Court at the instance of the Company, or of any creditor, stockholder, or other person interested in the Company, or having or claiming the right to apply for such appointment, shall be primarily devoted and applied, so far as necessary, to the payment when due of the interest and principal of said bonds in the order provided in this indenture, and all such income is hereby expressly charged with the lien of this trust deed when, and at any time when, any such payment shall be in default.

#### ARTICLE IV. SINKING FUND.

Section 1. Contemporaneously with the certification and delivery of the bonds hereby secured there has been lodged with the Continental and Commercial Trust and Savings Bank, one of the trustees herein, a book in which is shown, described and platted as nearly as may be, all of the lands of the Company hereby conveyed and mortgaged and also the estimated standing timber upon each quarter, quarter section thereof, or in the event that any section is divided into lots, then showing the estimated standing timber upon such lot, designated by its number. This book for convenience is herein called the "Cruise Book" and is identified by the seal of the Company and the signature of the Company imprinted and written thereon, and said Cruise Book shall remain continuously with the said Trustee until the indebtedness hereby secured shall with all interest thereon be fully paid, and the said Cruise Book shall be the basis of release and sinking fund computations as in this instrument provided.

Section 2. For the purpose of providing a fund for the payment of the principal and interest of said bonds and the redemption of said bonds in advance of their maturity, a sinking fund to be in the custody of said Continental and Commercial Trust and Savings Bank, one of said trustees, shall be established and created and the Company covenants and agrees that it will furnish to said trustee and to F.A. Brewer & Co. of Chicago, Illinois, monthly, by the fifteenth day of each month, beginning with May 15, 1913, statements of its operations, verified by an affidavit of the president or vice-president, secretary or treasurer of the Company, showing in detail the amount of stumpage cut from the lands herein described, and all other stumpage cut by or from the Company wherever the same may be cut, for the month preceding the month of such statement and ending with the last day of such preceding month, and showing the amount of sinking fund deposits made by it under the provisions of this Article; and as to the timber cut from any of the lands herein described, the same shall be identified in such statement with the description thereof shown in the Cruise Book hereinbefore referred to, and the Company covenants and agrees that on or before the fifteenth day of each month beginning with May 15, 1913, it will pay into said sinking fund a sum of money for each thousand feet of timber, log scale, cut during each preceding month, which sum of money shall be Two Dollars and Ten Cents (\$2.10) for each thousand feet for the months of the calendar year 1913, and shall thereafter increase in amount yearly twelve and six-tenths cents (\$0.126) per thousand (1000) feet each succeeding calendar year for the months of such year, as the timber is cut from said land. Accompanying each installment of sinking fund shall be a statement in reasonable detail, verified by the affidavit of an officer of the Company and of the superintendent or superintendents or other employees of the Company