

learned in the law, so that such release shall not injure or impair the security herein provided; or in lieu of such other property, the proceeds from the sale of such released property shall be deposited as hereinafter stated with the said Assets Realization Company as a part of the sinking fund and be applied as provided in Article Three of this indenture.

It is expressly understood and agreed that while the Companies respectively shall be in possession of the trust estate and there shall be no existing default by them hereunder, the Companies respectively shall be permitted to cut timber on all or any of the lands included in the trust estate, and the Timber Company and the Blazier Company especially are required to cut the timber on their respective lands to at least the minimum aggregate amount hereinbefore stated, and for every thousand feet of timber so cut, measured by log scale according to Spaulding's rule, there shall be paid the amounts and at the times and in the manner mentioned in Article Three of this Indenture.

And at any time after all timber has been cut and removed from any of the lands of the respective Companies and proof thereof furnished the Trustee to his satisfaction, and while the Companies are not in default hereunder, the Company owning such lands may sell and the Trustee may in his discretion, on the written request of such Company, signed by its president and approved or authorized by resolution of its board of directors (a certified copy of which resolution shall accompany such request) and upon receipt or deposit of the purchase price thereof as hereinafter stated, convey such lands by way of release or otherwise, to such Company or any party or parties designated by such Company free from the lien hereof.

The purchase price of lands of the Timber Company so sold, shall be deposited with the Trustee named in the first and second mortgage deeds of trust of the Timber Company hereinbefore mentioned, and applied as therein provided towards the payment or redemption of the bonds issued thereunder and secured thereby.

The purchase price of lands of the Blazier Company so sold and conveyed shall by the Trustee be forthwith paid to the said Assets Realization Company as a part of the sinking fund and be applied as provided in Article Three of this indenture.

Section 3. When there is no default hereunder the Companies respectively may, free from the lien hereof, sell, exchange or otherwise dispose of such materials or other movable property, including machinery, as may have become worn out, disused, unfit, unnecessary or undesirable for its use; provided, however, that before doing so they shall renew the same or substitute therefor other property equally effective for and suitable to the business of the respective companies and of at least equal value and which shall be subject to the prior lien hereof.

Section 4. In favor of every purchaser from the Companies respectively, and of every person claiming any interest therein, by, through or under the respective Companies, every release hereunder made as above stated shall be valid and no such purchaser or person need inquire as to the power or authority of the Trustee to give any such release.

#### ARTICLE SIX. DEFAULT.

Section 1. In case default shall be made (1) in the payment of any interest when due on any note hereby secured and any such default shall continue for a period of sixty (60) days; or (2) in the payment of the principal of any note hereby secured