

State of Washington, and one dollar for each estimated one thousand feet of stumpage so standing upon said lands as disclosed by the Cruise Book if they are situate in the County of Skamania in the State of Washington, or in the County of Marion, or in the County of Clackamas, in the State of Oregon; and thereupon the Trustees, if the certificates shall correctly set forth the estimated stumpage as shown by the Cruise Book, shall release to the Company from the lien hereof the lands so specified in said certificate; and thereupon (and not before) the Company may enter upon said lands and cut and remove the standing timber therefrom; but (except for necessary rights of way) the Company covenants and agrees that it will not nor will its successors and assigns enter upon any lands covered by this mortgage or remove any standing timber therefrom, or remove any deadfall or burned timber therefrom, without first obtaining the release thereof by the Trustees from this mortgage as in this article provided.

The several sums so paid over by the Company under this article, together with all accumulations thereof, shall constitute and shall be known as Sinking Fund, and shall be applied by La Crosse Trust Company, Trustee, to the redemption and retirement of the principal of bonds of this issue then outstanding; and such of said money as said Trustee shall not be able to use in redeeming said bonds shall be invested by said Trustee for the benefit of sinking fund; but no investment shall be made by said Trustee except upon the approval first obtained of this Company.

All redemptions and payments of bonds out of sinking fund shall be in the following manner: When the sinking fund so in the hands of La Crosse Trust Company, Trustee, shall suffice to pay the principal of one or more of the bonds hereby secured, it shall be the duty of La Crosse Trust Company, Trustee, in the manner prescribed in Article VII of this instrument, to call in and to pay and to retire as many bonds of the Company as such accumulation of sinking fund then in its hands will thereunto suffice. The bonds selected for redemption shall be selected by lot by La Crosse Trust Company, Trustee.

But the Company reserves the right to pay all or any part of any installment of sinking fund with its bonds hereby secured at the rate of par of the face of the principal thereof, provided all unpaid coupons belonging to such bonds are simultaneously surrendered.

It is expressly covenanted and agreed that The Bankers Shall at all times have free access to the lands and records of the Company; and without let or hindrance from the Company shall be given ample opportunity to verify all and any sinking fund statements and certificates and to investigate the amount and location of the Company's cut, and to investigate any loss or damage to any of the mortgaged property by the action of the elements, whenever and as often as the Bankers may deem it desirable so to do. Such investigations shall be made through any agencies that the Bankers may elect to employ, and if made at the request of any holder of any of the bonds hereby secured, the reasonable cost thereof shall be paid by the Company; provided, however, that not more than one such investigation shall be made in any period of six months, the cost whereof is payable by the Company.

It is further covenanted and agreed that within sixty days after the close of each fiscal year the Company shall file with the Trustees and also with the Bankers a complete and Comprehensive report of the operations of the Company during the fiscal year just ended, including in said report a complete inventory, a balance sheet, a profit and loss account and a statement of the cost of operation, including logging, manufacturing, maintenance and administration accounts.

Article VII. The Company hereby reserve the right to call in, pay and redeem said bonds or any of them on any interest day, by paying the principal of said bonds so called for payment together with a premium thereon of two (2) per centum and also all interest