

SHALL NOT BE ENTITLED TO THE BENEFIT OR SECURITY OF THIS INDENTURE, EXCEPT SUBJECT TO THE PRIOR PAYMENT IN FULL OF THE PRINCIPAL OF ALL BONDS ISSUED AND OUTSTANDING HEREUNDER AND OF SO MUCH OF THE ACCRUED INTEREST THEREON AS SHALL NOT BE EXTENDED.

SECTION 14. DURING THE LIFE OF THE LOAN SECURED HEREBY AND SO LONG AS ANY OF THE BONDS HEREINBEFORE REFERRED TO SHALL REMAIN OUTSTANDING, THE COMPANY WILL RENDER TO THE TRUSTEE, LUMBERMENS TRUST COMPANY, QUARTERLY COMPLETE AUDITS OF ITS ACCOUNTS PREPARED BY COMPETENT CERTIFIED ACCOUNTANTS, AND IT WILL ALSO RENDER TO THE SAID TRUSTEE MONTHLY STATEMENTS SHOWING FULLY THE THE CONDITION OF THE COMPANY'S AFFAIRS. IN CASE THE INFORMATION GIVEN BY THE SAID STATEMENTS AND AUDITS SHALL BE INADEQUATE IN THE JUDGMENT OF THE TRUSTEE, LUMBERMENS TRUST COMPANY, IT SHALL BE COMPETENT FOR THE SAID TRUSTEE TO REQUEST FURTHER INFORMATION WITH REFERENCE THERETO, AND THE COMPANY AGREES TO SUPPLY SUCH INFORMATION AS MAY BE REQUESTED WHICH WILL IN ANY MANNER THROW LIGHT UPON THE FINANCIAL CONDITION OF THE COMPANY AND THE PROFIT OR LOSS ARISING FROM THE TRANSACTION OF ITS BUSINESS.

SECTION 15. CONTEMPORANEOUSLY WITH THE EXECUTION OF THIS INDENTURE AND AS A PART OF THE SECURITY AND FOR THE PURPOSE OF EFFECTING A PLEDGE OF THE COMMON STOCK IN COLUMBIA RIVER PAPER MILLS, THE COMPANY DEPOSITS WITH THE TRUSTEE, LUMBERMENS TRUST COMPANY, THE CERTIFICATES OF STOCK IN SAID CORPORATION AGGREGATING \$450,000. IN PAR VALUE, THE SAID CERTIFICATES BEING ENDORSED IN BLANK, AND IT IS STIPULATED THAT THE SAID CERTIFICATES SHALL BE HELD BY THE SAID TRUSTEE, LUMBERMENS TRUST COMPANY, AS SECURITY FOR THE BONDS AFORESAID SO LONG AS ANY OF THE SAID BONDS ARE OUTSTANDING. THE RIGHTS AND REMEDIES WITH REFERENCE TO THE DISPOSITION OF THE STOCK EVIDENCED BY THE SAID CERTIFICATES IN THE EVENT OF THE DEFAULT OF THE COMPANY ARE HAREAFTER SET FORTH.

#### ARTICLE III

##### CUTTING PROVISIONS.

IT IS RECOGNIZED THAT THE PROPERTY COVERED BY THIS INSTRUMENT SITUATE IN TOWNSHIP 2 NORTH, RANGE 4 EAST, 3 NORTH RANGE 4 EAST, 2 NORTH RANGE 5 EAST, AND 2 NORTH RANGE 7 EAST, CONSIST OF TIMBER LAND. IT IS STIPULATED AND AGREED THAT SO LONG AS THE COMPANY IS NOT IN DEFAULT IN THE PAYMENTS PROVIDED FOR HEREIN OR IN THE PERFORMANCE OF ANY OF THE OTHER COVENANTS ASSUMED BY IT IN THIS INSTRUMENT, IT SHALL HAVE THE RIGHT TO CUT OR REMOVE TIMBER FROM THE SAID PROPERTY AND TO CONVERT THE SAME TO ITS OWN USE ON THE FOLLOWING TERMS AND CONDITIONS:

BEFORE PROCEEDING TO CUT TIMBER OR TO REMOVE DOWN TIMBER FROM ANY FORTY-ACRE TRACT COVERED BY THE LIEN OF THIS MORTGAGE IN THE TOWNSHIPS AFORESAID AND IN CLARKE AND SKAMANIA COUNTIES, WASHINGTON, THE COMPANY SHALL DEPOSIT WITH THE TRUSTEE, LUMBERMENS TRUST COMPANY, A SUM OF MONEY EQUAL TO \$4.50 PER THOUSAND FEET, LOG SCALE, OF THE MERCHANTABLE TIMBER STANDING ON SAID FORTY-ACRE TRACT. THE TRUSTEE, LUMBERMENS TRUST COMPANY, BEFORE GRANTING PERMISSION SO TO CUT TIMBER SHALL BE SATISFIED THAT THE PAYMENT SO MADE IS ADEQUATE IN VIEW OF THE STUMPAGE OF MERCHANTABLE TIMBER STANDING ON THE TRACT OR TRACTS FROM WHICH IT IS TO BE CUT. FOR THIS PURPOSE THE SAID TRUSTEE SHALL BE ENTITLED TO EMPLOY PERSONS SKILLED IN THE ESTIMATION OF TIMBER, AT THE EXPENSE OF THE COMPANY, AND THE COMPANY SHALL HAVE NO RIGHT TO CUT TIMBER UNTIL THE SAID TRUSTEE HAS BEEN SATISFIED WITH REFERENCE TO SUCH STUMPAGE.