

voting power thereof and will not so vote the same as to permit any of the properties of the said Railway Company to be mortgaged until the indebtedness, hereby assigned and pledged to the Trustees, have been fully paid or released herefrom.

Article III

Possession and Use of Mortgaged Property, Payments Therefor and Partial Releases Thereof.

Section 1: Payments for Mortgaged Timber Cut: Notwithstanding the lien created by this instrument on the hereinabove described real estate, timber, facilities and other property of the Mortgagor, it is expressly understood that, so long as the Mortgagor is not in default hereunder (and with the Bankers' prior written consent, even though it is in default hereunder), it shall be entitled:

(a) to retain possession of the mortgaged property; and

(b) so long as it pays the releasing prices provided for in this section, to cut, remove and manufacture into lumber, in accordance with the provisions hereof, the timber now or hereafter covered hereby, and to sell such lumber and to sell logs free from the lien hereof. As long as the only bonds issued hereunder are the \$200,000.00 par value to be first issued hereunder, the Mortgagor will pay to the Trustees as a Sinking Fund a releasing price of one and 50/100 dollars for each thousand feet of lumber or logs sold by the Mortgagor or used by it for any purpose (except such as is used to impair or repair the mortgaged property). As and when bonds other than the \$200,000 par value above mentioned are issued the releasing price is to be increased as provided in item (c) of Section 4 of Article I hereof. These releasing prices the Mortgagor will pay concurrently with the delivery of the following statement.

On or before the 15th day of each month during the life hereof (beginning on January 15, 1929) the Mortgagor will deliver to the Trustees and the Bankers a written statement setting forth among other things the following:

(a) The aggregate number of feet of lumber in its possession at its plant on the last day of the next preceding month. To determine this the Mortgagor will cause an actual inventory to be made and will preserve duplicate originals thereof.

(b) The aggregate number of feet of logs according to Scribner and Doyle Rule which the Mortgagor shall have sold or used as aforesaid during the next preceding month.