

Whereas, the construction, equipment, maintenance, and operation of the railroad on account of which the indebtedness aforesaid was incurred is of vital and equal importance to each of said three Companies, and said indebtedness has been lawfully incurred by said companies for their legitimate corporate objects and purposes; and

Whereas, said three Companies have not nor has any of them funds for the payment of said indebtedness or any part thereof, and unless said indebtedness is immediately paid the maintenance and operation of said railroad will be imperiled and the marketing of the logs and other timber products of the said two timber Companies from their aforesaid lands will be seriously interfered with, to the great loss of said companies, and with the further result of actually endangering the entire property interests of all of the said three Companies by disabling them from making payments and otherwise performing their obligations and undertakings under certain outstanding mortgages and deeds of trust, contracts and agreements heretofore executed and entered into by said companies severally, respectively, and collectively; and

Whereas, in order to provide the necessary funds with which to pay said indebtedness and to conserve the properties and joint interests of the Companies as aforesaid and thereby effectuate the objects and purposes of their incorporation, and in the exercise of the powers in that behalf possessed by them and each of them under their respective charters and articles of incorporation, and in accordance with resolutions duly adopted by the stockholders and by the board of directors of each of the Companies at meetings thereof, respectively, duly called and held, the Railroad Company, Timber Company and Blazier Company have authorized and directed that said Companies issue their joint negotiable coupon notes to an amount aggregating the principal sum of Four Hundred and Twenty-five Thousand Dollars (\$425,000). And by the resolutions aforesaid, duly adopted by the unanimous vote and consent of all of the stockholders and directors, respectively, of each of the Companies, said Companies have authorized and directed:

That said notes shall be executed, certified and issued in the manner and under the terms and conditions hereinafter in this indenture set forth;

That said notes shall be known as the "First and General Lien Six Per Cent Gold Notes" of the Companies; shall be 425 in number, numbered consecutively from 1 to 425, both inclusive, of the denomination of One Thousand Dollars (\$1,000) each; shall bear date of March 1, A.D. 1912, and shall be due and payable as follows:

Notes numbered 1 to 30, both inclusive, on September 1, A.D. 1912.

Notes numbered 31 to 60, both inclusive, on March 1, A.D. 1913.

Notes numbered 61 to 95, both inclusive, on September 1, A.D. 1913

Notes numbered 96 to 130, both inclusive, on March 1, A.D. 1914.

Notes numbered 131 to 170, both inclusive, on September 1, A.D. 1914.

Notes numbered 171 to 215, both inclusive, on March 1, A.D. 1915.

Notes numbered 216 to 265, both inclusive, on September 1, A.D. 1915

Notes numbered 266 to 315, both inclusive, on March 1, A.D. 1916

Notes numbered 316 to 370, both inclusive, on September 1, A.D. 1916/

Notes numbered 371 to 425, both inclusive, on March 1, A.D. 1917;

but that said notes or any of them shall, in the order of their numbers, beginning with the highest number, be subject to prior redemption and prepayment on any inter-