

Companies shall be in possession of their respective portions of the trust estate and there shall be no existing default by them or any of them hereunder, the Timber Company and the Blazier Company shall be permitted to and are hereby expressly required to cut timber on any and all of the timber lands included in the trust estate, and the Railroad Company is permitted and required to transport the timber so cut - all upon the following terms and conditions:

In each twelve months' period while any of the notes issued hereunder and secured hereby shall be outstanding and unpaid, and beginning March 1, A.D. 1912, the Timber Company and the Blazier Company shall cut into logs and cause to be transported over the lands of the Railroad Company at least fifty million feet of timber, measured by log scale according to Spaulding's rule, from the combined lands of the said two Companies - the amounts to be cut from the lands of each of said two Companies from time to time to be determined by said Companies by agreement between themselves.

The Railroad Company shall transport over its lines of railway all logs so cut in accordance with the terms and undertakings and at the rates set forth in those certain extension and hauling contracts heretofore entered into between the Timber Company and the Blazier Company, respectively, with the Railroad Company, to-wit:

That extension and hauling contract between the Timber Company and the Railroad Company, dated June 4, A.D. 1910, and recorded in the office of the County Auditor of Skamania County, Washington, in Book 2 of Agreements, at page 136;

That extension and hauling contract between the Blazier Company and J.E. Blazier and the Railroad Company, dated January 30, A.D. 1911.

Of the logs so to be cut from the lands of the Timber Company, said Timber Company has contracted for the sale of a minimum of two and one-half million feet per month for a period of five years to the Patterson Lumber Company (a corporation organized and existing under the laws of the State of Oregon, and having its principal place of business in the City of Portland in said state) in accordance with that certain contract made and entered into between said Patterson Lumber Company and the Timber Company under date of February 1, A.D. 1912.

That for every thousand feet of logs, measured by log scale according to Spaulding's rule, cut from the lands of the timber Company and the Blazier Company or either of them, and transported over the lines of the Railroad Company in each calendar month during the period beginning March 1, 1912, and ending February 28, 1913, the Companies shall, within sixty days from the end of each such calendar month, pay or cause to be paid to the depository and in the manner hereinafter mentioned and provided the sum of not less than \$1.20;

And for every thousand feet of logs, measured as aforesaid, cut from the lands of the Timber Company and the Blazier Company or either of them, and transported over the lines of the Railroad Company in each calendar month during the period beginning March 1, A.D. 1913, and ending February 28, A.D. 1914, the Companies shall within sixty days from the end of such calendar month pay or cause to be paid to the depository and in the manner hereinafter mentioned and provided the sum of not less than \$1.40;

And for every thousand feet of logs, measured as aforesaid, cut from the lands of the Timber Company and the Blazier Company or either of them, and transported over the lines of the Railroad Company in each calendar month during the period beginning March 1, 1916, and ending March 1, 1917 (or extending beyond March 1, 1917, if all of the notes hereby secured and the interest thereon are not then paid, and continuing as long as any of said notes shall remain outstanding and unpaid), the Companies shall,