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COPY

THE STATE OF TEXAS)
)
COUNTY OF SABINE)

This memorandum of agreement, made and entered into on this, the 23 day of July, 1921, by and between Hiram Knox and Lillian M. Knox, husband and wife, of Sabine County, Texas, doing business under the firm name and style of Knox Lumber Company, of the one part, hereinafter for convenience called SELLERS, and Temple Lumber Company, a corporation duly incorporated under and by virtue of the laws of the State of Texas, and having its office at Pineland, Sabine County, Texas, hereinafter for convenience called PURCHASER or CORPORATION.

W I T NE S S E TH:

ARTICLE 1

Sellers have agreed, and do hereby agree to sell to PURCHASE, and PURCHASER has agreed, and does hereby agree to buy from SELLERS, all and singular the following described properties, real and personal, to-wit:

(a) All lands and interests in lands, together with all buildings, structures, improvements, and betterments thereon, or appertaining thereto, and all trees, timber and timber rights, and interest in trees, timber and timber rights, whether said trees and timber be standing or down, and all personal properties acquired by SELLERS for use in connection with their sawmill business, situated in Sabine and San Augustine Counties, Texas, and owned or claimed by SELLERS, or either of them, including the sawmill plant and appurtenances of SELLERS located at East Mayfield, Texas, and contigeous thereto consisting principally of sawmill, planing mill, dry kiln, machine shops, lumber yards, light plant, water works, dolley-ways, tram ways, sheds, lath mill, fuel house, repair shops, offices, tenant house, hotel, restaurants, churches and commissary and including also, the logging railroad of SELLERS with its switch tracks and spur tracks, and all rights of way incident thereto and rails, across ties and all other appurtenances thereto belonging, or in anywise incident, and including also all logging equipment of SELLERS, consisting principally of locomotives, logging cars, loaders, skidders, railroad steel, ties, tool and machinery and including also all fixtures, tools, machinery, v ther installed or not, appliances, supplies and personal proper SELLERS in said, sawmill, supply houses, and rooms and other buildi

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and structures, and also live stock and other personal property, including automobile truck and other vehicles, acquired by SELLERS for use in connection with their sawmill business both in the woods, and at the mill, and including also the homestead and residence of SELLERS; excepting that portion of the itemized list of lands attached hereto and marked "EXHIBIT A" and made a part hereof remaining after making the surveys as provided for in clauses (b) and (c) hereof, and excepting and reserving to SELLERS all household and kitchen furniture, household supplies and personal properties in their said residence and ground and the deer in deer park.

(b) All virgin pine timber standing on any of the lands reserved in "EXHIBIT A" shall be surveyed and the land on which said virgin pine is located together with said timber shall be conveyed to the PURCHASER.

(c) There shall also be surveyed from the lands included in "EXHIBIT A" a tract of land in some reasonably uniform shape so as to include all the improvements situated at East Mayfield and contigeous thereto in Sabine County, Texas, owned by SELLERS, and being the sawmill properties, tenant houses, private residence of SELLERS, Auditorium, office and other buildings and outhouses, save and except the turpentine houses North of East Mayfield, which purchaser is hereby given the privilege of using for six years without extra charge to PURCHASER, but in so using and occupying same PURCHASER shall be deemed for all purposes the tenant of SELLERS.

(d) All the lumber of SELLERS on hand and on the yard at East Mayfield, Texas, and the entire stock of goods, wares and merchandise of SELLERS in their commissary and warehouses at said place.

(e) The entire capital stock of the Lufkin, Hemphill and Gulf Railway Company, a railroad corporation, incorporated under the laws of the State of Texas, and running from Bronson to Hemphill in Sabine County, Texas. And the SELLERS obligate themselves to convey to the PURCHASER or to the Lufkin, Hemphill & Gulf Railway Company, as the PURCHASER may direct any rights of way now in use by the said Railway for its main, switch and spur tracks as well as ample terminal facilities at Hemphill and Bronson and ample depot grounds at Hemphill and all other stations on the line of said Railway where the lands so

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used are owned by the SELLERS.

The intention of the parties is to include in the above description all real and personal properties owned by the SELLERS and located in Sabine and San Augustine Counties, Texas, save such as are herein specially excepted.

ARTICLE 11

The consideration to be paid to the SELLERS for said hereinafter described properties shall be ascertained and determined in the following manner.

(a) Lemieux Brothers & Company of New Orleans, La., in the months of March and April, 1921, made for the SELLERS a certain estimate of their pine timber ten inches and upwards in diameter at the stump in Sabine and San Augustine Counties, Texas, amounting to 186,005,000 feet, log scale. There shall be deducted from said estimate of the pine (1) one-half of 2,225,000 feet log scale, representing dead and down timber (2) the quantity of timber, log scale, cut by SELLERS since said estimate was started, and (3) all timber included in said estimated not owned by SELLERS and the remainder shall be computed at the rate of $7.50 per thousand feet, log scale.

(b) And at the same time of estimating the pine, Lemieux Brothers & Company estimated the hardwood of SELLERS, and after deducting the hardwood included in said estimates which is not owned by SELLERS 21/34 of the remainder shall be computed at $7.50 per thousand feet, log scale, and added to the total purchase price of the pine as computed in this paragraph.

(c) Any timber owned by SELLERS in Sabine and San Augustine Counties, and which is not included in the estimate of Lemieux Brothers & Company, in subdivisions (a) and (b) of this Article, shall be estimated within 15 days after date of this contract, and each of the parties hereto shall select an estimator, the two of whom shall go upon the ground and estimate the merchantable pine and hardwood thereon, and in the event of a disagreement as to the amount of said timber a third competent estimator shall be agreed upon and a decision of the majority shall be final and the amount so found shall be computed at $7.50 per thousand feet, log scale, and added to the total amount com-

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puted in subdivisions (a) and (b) of this article. The tracts to be so estimated under this item being James Gaines 85 acres, James Gaines 20 acres and James Mason 50 acres unless final examination by PURCHASERS Attorney's shows same to have been in the estimate of Lemieux Brothers & Company.

(d) To the sum ascertained in the manner provided for in the next preceding subdivisions (a), (b) and (c) there shall be added (1) the market wholesale cost price, on the date of delivery of possession by Sellers under this agreement, plus freight and drayage on same to East Mayfield, Texas, of all goods, wares, merchandise and fixtures, including drugs and drug fixtures, then located and situated in the commissary, warehouses and drug store of SELLERS at East Mayfield, Texas, (2) the total amount of lumber then on hand at East Mayfield computed at $15.00 per thousand feet (3) the market price on the date of delivery of possession by SELLERS of all unbroken barrels of oil, unbroken kegs of nails, spikes and track bolts, unbroken packages of packing, full rolls of belting and fuel oil then belonging to SELLERS and on hand for use by them in connection with their sawmilling business.

(e) The total amount of item (1) in the next preceding subdivision (d) shall be arrived at by each of the parties hereto selecting within the next ten days a representative each, and these representatives shall proceed at once to take an inventory of said goods, wares, merchandise, drugs and fixtures and fixing the price upon same as provided in said subdivision (d) and in the event of disagreement betweem them as to said prices or quantities they shall agree upon a third man, and the decision of a majority shall be final, and the quantity, but not prices of lumber shall be determined upon the same basis.

(f) From the total sum ascertained as provided for in the next preceding subdivisions (a), (b), (c) and (d) there shall be deducted (1) the principal amount, it being $700,000.00 of the bonds issued under that certain mortgage (hereinafter for convenience referred to as the first mortgage), executed by the SELLERS to the Continental and Commercial Trust and Savings Bank of Chicago, Illinois, and Calvin Fentress, Trustee, of date, November 15, 1920, and of record in the deed of trust records of Sabine County, Texas, in Vol. 5, page 598 to 629, and (2) the amount of interest accrued and unpaid upon said bonds up

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to the date of delivery of possession by SELLERS under this agreement of theproperties agreed to be sold except residence property which is to be reserved for a period. The amount remaining after making such deductions, shall be paid by the CORPORATION to the SELLERS $75,000.00, in cash and the balance in promissory notes as hereinafter provided for, and in addition the CORPORATION shall assume the payment of the bonds amounting to $700,000.00, issued under the First Mortgage, and all interest accrued and to accrue thereon.

ARTICLE 111

Upon the execution of this contract the PURCHASER shall pay to the SELLERS the $75,000.00 cash mentioned in item (f) of Article 2, and SELLERS shall deliver possession of all the properties herein described except such as are reserved for a period of time in other portions of this contract the PURCHASER and final inventory of properties described in items (1), (2) and (3) of subdivision (d) Article 2 shall be made within fifteen (15) days from date of this contract, and within thirty (30) days from date of this contract the SELLERS shall (1) make, execute acknowledge and deliver to the CORPORATION their deed conveying a good and sufficient title with clause of general warranty of title, all the properties herein agreed to be sold (2) deliver to E. J. Mantooth, as Trustee, certificates issued in his favor as Trustee representing the entire Capital Stock of the Lufkin, Hemphill and Gulf Railway Company, within thirty (30) days from the date of the execution of this contract the CORPORATION shall execute promissory notes to the order of SELLERS for the remainder of the consideration for the properties to be paid in notes as provided in Article (2) hereof and make execute and deliver to E.J. Mantooth, Trustee, for the purpose of securing the payment of said notes a deed of trust upon the properties conveyed, but not including the lumber nor the goods, wares and merchandise conveyed. The PURCHASER shall also make, execute and deliver or cause to be made, executed and delivered to E.J. Mantooth, as Trustee, an instrument pledging all of the capital stock of the L. H. & G. Ry. Co., to the said E.J. Mantooth as Trustee aforesaid until all of the notes provided for by this instrument have been paid off and discharged. Said instrument shall contain provision requiring the Trustee to vote the stock of the Lufkin, Hemphill & Gulf Railway Company as may be directed

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from time to time by the PURCHASER, so long as the latter is not in default under said deed of trust. And, in this connection the SELLERS agree to cause the present directors and officers of said Railway Company to resign and directors and officers to be named by the PURCHASER to be chosen in their stead, whereupon the Trustee shall cause to be issued to such directors the necessary qualifying shares.

ARTICLE IV

It is understood and agreed that the SELLERS may continue to occupy and use as tenants of the PURCHASER OR CORPORATION their residence and grounds and outhouses, but without charge for a period of two months after the delivery of the deed herein provided for.

ARTICLE V

The CORPORATION also agrees to pay SELLERS $7.50 per thousand feet log scale for all logs on hand in woods and in pond plus cost of same to SELLERS to the place where found, and this sum shall be added to the total purchase price of the properties as computed in Article 2 hereof.

ARTICLE VI

Upon the consumation of this agreement of sale, as herein before provided for, the parties covenant and agree:

(a) That the SELLERS do not guarantee or warrant any estimate or inventory herein provided for, and this agreement shall never be so construed, but this sale when consummated shall be considered and held to be a sale in bulk, but nothing herein shall be construed as a waiver of the warranty of title against adverse claimants by SELLERS as elsewhere herein provided for.

(b) That the PURCHASER shall agree to fill such lumber orders of SELLERS on hand up to date of taking possession of said properties as SELLERS may desire the PURCHASER to fill without extra charge or cost to SELLERS.

(c) That neither the SELLERS nor the PURCHASER will request, nor will either cause, to be issued, under the first mortgage any bonds in excess of the $700,000.00, now issued thereunder,

(d) That the SELLERS shall pay such proppotion of the taxes for the year 1921, against the properties conveyed, as the

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portion of the year prior to the actual delivery of the properties to the PURCHASER bears to the whole year, and that the remainder of said taxes shall be paid by PURCHASER.

(e) That the SELLERS shall assume and shall remain responsible for, and agree to pay and discharge, all claims and obligations against the Lufkin, Hemphill & Gulf Railway Company, Knox Lumber Company, and Hiram Knox and Lillian M. Knox, and agree to save and hold the PURCHASER harmless against the same.

(f) That the SELLERS reserve to themselves all sums of money due said Lufkin, Hemphill & Gulf Railway Company, and all claims in its favor accrued up to the time of delivery of the stock of said Company hereunder, and the SELLERS shall have free access to the books and papers of said company at reasonable times for such period of time thereafter as may be necessary for them to procure such data and information as they desire to enable them to secure and collect the money due on said claims, and if necessary, suit may be brought by SELLERS in the name of said Railway Company for the enforcement and collection of said claims, provided that the SELLERS shall in any and every such event protect the Railway Company against all liability for cost and expense to it of such suit or suits.

(g) That the SELLERS retain to themselves all claims and sums of money and obligations which may be due to the Knox Lumber Company, and the sellers shall enjoy the co-operation of the PURCHASER in fair and reasonable ways in the collection of same.

(h) That during the period of twomonths allowed the SELLERS to remain in occupancy of their residence, the PURCHASER shall furnish the SELLERS, without cost to the latter, electricity from the light plant and water from the water works when same are running.

(i) That in no event shall the SELLERS in any way interfere with the PURCHASERS employees, or with the operation of the properties conveyed, except in so far as they may be given such rights by express provisions of this agreement.

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(j) That certain turpentine contract now in existence between the SELLERS and the Sabine Naval Stores Company shall be, and the same is hereby transferred to the PURCHASER, and the latter shall be in all things fully subrogaged to all of the rights and privileges of the SELLERS under said contract and shall assume all of the liabilities of the SELLERS thereunder, all interest of SELLERS in and to the capital stock of said Naval Stores Company shall be, and the same is hereby, transferred to the PURCHASER and the liability of SELLERS thereon in all things terminated.

(k) That the PURCHASER shall use reasonable efforts to assist the SELLERS in collecting overdrafts from such SELLERS employees as may be retained by the PURCHASER in its service, the latter to retain ten per cent (10%) of all money so collected for SELLERS. This provision, however, shall not be construed to require any affirmative steps upon the part of the PURCHASER to enforce any such collection, nor shall it entail any liability on the PURCHASER for failure to collect any such overdrafts.

(l) That the PURCHASER SHALL REDEEM for the SELLERS all metal checks on Knox Lumber Company outstanding at the date of this agreement by allowing the holders of same to make purchases in the store at the customary and usual prices, and the sellers shall pay to the PURCHASER the amount of all checks so redeemed.

(m) That in the event of the failure of title because of adverse claims, to any of the lands or timber conveyed the liability of the SELLERS upon their covenant of warranty shall be, and the same is hereby fixed at $5.00 per thousand feet, log scale, for merchantable pine timber based on Lemieux Brothers & Company estimate mentioned in Article 2 hereof, exclusive of land and $5.00 per thousand feet, log scale for 21/34 of Lemieux Brothers & Company estimate as mentioned in Article 2 for merchantable hardwood, exclusive of land and $3.50 per acre for land exclusive of timber.

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(n) That the SELLERS shall assign all insurance policies on the properties hereby contracted to be conveyed to PURCHASERS and PURCHASERS shall pay SELLERS the unearned premium on same.

(o) That the SELLERS shall at their own cost and expense furnish the PURCHASERS, within thirty (30) days from the date of this instrument full and complete abstracts of title brought down to date to all of the lands and timber agreed to be conveyed herein and that the PURCHASER'S attorneys shall have thirty (30) days after final abstracts shall have been furnished to the PURCHASER in which to examine them, and the SELLERS shall at their own cost and expense, and with reasonable dispatch, perfect all defects in titles to the properties conveyed, pointed out in the written opinion of the PURCHASERS attorneys; and in the event the SELLERS fail to perfect all such defects in said titles, PURCHASE may proceed to do so, and the cost and expense of so doing shall be paid by the SELLERS to the PURCHASER, but the examination of titles and perfecting the defects shall not in any way hinder or delay the taking possession of the property, execution of final deeds, notes and deeds of trust payment of sash and carrying out all other terms of this contract. But in the event title to any tract of land or title to any tract of timber only shall be disapproved by the PURCHASER'S attorneys as worthless before delivery of final deed, the value of such tract, or tracts, on the basis of $5.00 per thousand feet, log scale, for pine and 2/34 of the hardwood and $3.50 per acre for land, (Lemieux Brothers & Company estimate mentioned in Article 2 hereof to govern) shall be deducted from the consideration evidenced by the notes mentioned herein and off the last maturing ones until the SELLERS are able to convey a superior title to same.

ARTICLE VII

The promissory notes to be made, executed and delivered by the PURCHASER hereunder shall be in the usual and customary form of promissory notes. They shall refer to the deed of trust by which their payment is to be secured for all of the

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terms, conditions and liabilities thereof affecting such notes. They shall bear the same date as the deed executed to the PURCHASER which shall be dated as of the date of delivery of the properties herein to the PURCHASER, and shall be drawn payable to the order of Hiram Knox and Lillian M. Knox, at the South Texas Commercial National Bank of Houston, Texas. The first $480,000.00 of said notes shall be in sums of $500.00 and $1000.00 so that $200,000.00 of said sum shall be in $500.00 notes and the remainder in $1000.00 notes. The remaining consideration is to be evidenced by $5000.00 and $10,000.00 notes. $10,000.00 of the first $480,000.00 worth of notes is to be paid thirty days from date of final deed and $10,000.00 each and every thirty days thereafter until $200,000.00 has been paid, and then $60,000.00 of said $500.00 and $1000.00 notes shall be paid each and every six months thereafter until the first $480,000.00 is paid. $75,000.00 of the remaining consideration composed of $5000.00 and $10,000.00 notes shall be paid four years and six months from date of final deed and $75,000.00 each and every six months thereafter until all of the consideration herein has been paid and discharged. Said notes shall bear interest from the date of delivery of the property herein until paid at the rate of six per cent (6%) per annum. Interest on all of said notes payable semi-annually as it accrues; the exact date of interest payments to be specified in the notes. They shall provide that past due interest shall bear interest from its due date until paid at the rate of six per cent (6%) per annum. They shall provide for accelerated maturity in the event of default and for reasonable attorneys fee in the event after maturity they are placed in the hands of attorneys for collection. Said notes shall provide that the maker may at any interest payemmt period anticipate and pay any and all of said notes at par and accrued interest by giving thirty days notice in advance of its intention to do so. Said notice of an intention to pay said notes at any interest paying period and before maturity shall be given by publishing the same in the Houston Post a Newspaper of Houston,Texas, for thirty (30) days prior to said interest pay-

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ing period at which they are to be anticipated. Said notes shall also provide that after notice shall have been given by the maker of said notes of its intention to anticipate the maturity of any or all of said notes then outstanding it may deposit on the interest payment period mentioned in said note or notes in the South Texas Commercial National Bank of Houston, Texas, funds to pay off and discharge such note or notes and all interest accrued thereon and such deposit shall serve to stop interest on said note or notes whether same are presented for payment or not. Said notes shall further provide that before the payment of interest any interest payment period they must be presented at said South Texas Commercial National Bank of Houston, Texas, that such interest payment may be credited on the back of said notes.

ARTICLE VIII

It is hereby understood and agreed that during the operation of the sawmill plant of SELLERS at East Mayfield, Tex., PURCHASER shall have ingress and egress into, over and across all lands owned by SELLERS in Sabine and San Augustine Counties, Texas, for right-of-way, tram roads, wagons, teams, crews and all logging equipment for the purpose of removing or reaching any timber owned by PURCHASER in said counties.

ARTICLE IX

Said deed to the PURCHASER shall in addition convey to the PURCHASER all rights-of-way and logging privileges to which the SELLERS are entitled in Sabine and San Augustine Counties, Texas, together with all rights of SELLERS as respects time timber including rights of extension of timber limits, and shall fully subrogate the PURCHASER to, and vest in it, all rights privileges and easements of the SELLERS in so far as they relate to the sawmill and railroad business of the SELLERS in said counties, but provide that after the transfer of said rights, privilege and easements the SELLERS shall not be liable for renewals, extensions or further rentals or payments on same.

ARTICLE X

The deed of trust to be executed by the PURCHASER to E.J.Mantooth, Trustee, shall contain covenants substantially as

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follows:

(a) It shall contain the usual and customary clauses in deeds of trust securing the payment of promissory notes, not in consistent with anything in this agreement contained, and shall provide that the lien thereof shall be a first lien on allof the property included therein except the property included in the first mortgage, as to which it shall be a second lien, and the PURCHASER will do all things necessary to maintain such priority of said lien.

(b) It shall contain provisions similar to paragraphs (5), (6),(7),(8) and (9) of Article 11 of the first mortgage and be so framed that the same may opprate concurrently and in harmony with and not in anywise in conflict with said provisions of the first mortgage.

(c) It shall contain provisions permitting the turpentining of the timber and the operation thereof for Naval Stores and cutting and removal thereof in the regular course of business, and the manufacture of lumber and lumber products therefrom, freed from lein of the deed of trust, similar to and running concurrently with the provisions of subdivision (a) of paragraph (1) of Article lll of the first mortgage. Said deed of trust shall further provide that in the event PURCHASER cuts more than twenty million feet merchantable timber of any character, log scale, per year from the properties hereby conveyed that $5.50 per thousand feet for all cut in excess of said twenty million feet shall be paid to the Trustee on the 15th day of each and every month for all excess timber cut on previous month and credited on the last maturing notes, and the interest on theamount so paid shall cease. Said notes to be paid at maturity whether timber is or not cut, but the Trustee is not to beceive any compensation for services herein except in case of a sale of said properties or any part thereof under said deed of trust in which event he shall receive 2½ per cent on the amount sold, and in case of release, exchanges or other section by Trustee for or on request of PURCHASER he shall receive reasonable compensation therefor from PURCHASER.

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(d) It shall contain appropriate provisions for the release therefrom of cut-over lands upon the payment to the Trustee of seven dollars ($7.00) per acre, and of standing timber upon the payment to the Trustee of six dollars ($6.50) and fifty cents per thousand feet, log scale, such payments to be credited upon unpaid notes in the last order of their maturity, and interest to cease on the amount of such payment from the time when made, and for the release of land and timber for the purpose of exchange with the consent of the Trustee, provided the lands and timber received in the exchange be substituted under the deed of trust for the lands and timber so released.

(e) It shall contain provisions for the maturity of all of said notes in the event of default in the payment of any of said notes, or interest thereon, or other default under said deed of trust, continuing for a period of sixty (60) days after written notice from SELLERS, or if a receiver, or Trustee, in Bankruptcy be appointed for the PURCHASER, or if said properties or any substantial portion thereof be taken into legal custody for any cause for which the PURCHASER is responsible.

(f) It shall provide that the maker of the notes may anticipate and pay, any or all of the, at any interest payment period at par and accrued interest, by giving thirty (30) days written notice in advance of its intention to do so, same to be published in the Houston Post a newspaper of Houston,Texas, and shall provide for the appointment of substitute Trustee by agreement between the holders of sixty per cent (60%) in amount of standing notes and the PURCHASER, its successors or assigns.

(g) It shall contain appropriate provisions requiring the Trustee to vote the stock of the Lufkin, Hemphill and Gulf Railway Company as may be directed from time to time by the PURCHASER, so long as the latter is not in default under said deed of trust. And, in this connection the SELLERS agree to cause the present directors and officers to be named by the PURCHASER to be chosen in their stead, whereupon the Trustee shall cause to be issued to such directors the necessary qualifying shares.

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ARTICLE XI

It is distinctly understood and agreed by and between the parties that except as to the bonds issued under the first mortgage, the payment of which is to be assumed by the CORPORATION neither the PURCHASERS nor the CORPORATION agree to assume, nor shall either be in anywise responsible for, any debts, obligations, liens, or encumbrances of any kind, nature or character against the properties, or any part thereof, to be conveyed hereunder or against Hiram Knox, Lillian M. Knox, Knox Lumber Company, or Lufkin, Hemphill & Gulf Railroad Company, or either or any of them, but all of such debts, obligations, liens, and encumbrances shall be paid and discharged by the SELLERS, and the SELLERS shall indemnify and hold harmless the PURCHASERS and the CORPORATION against the same. To this end, and in order to insure the full protection of the PURCHASERS and the CORPORATION and said properties against such debts, obligations, liens, and encumbrances, and to insure the payment by sellers of all sums which under this agreement they are, or may be, required to pay an the instrument in writing to be executed and delivered by SELLERS to C. B. Collins and E.J. Mantooth, as Trustees shall authorize and require said Trustees to collect and hold the cash and notes to be paid and given by the CORPORATION hereunder in part payment for said properties, and in connection therewith the SELLERS shall execute and deliver such assignments and other instruments in writing as may be necessary to enable said Trustees to collect the same. Said trustees shall be authorized and required to use the said cash and notes to pay all legal and enforceable sums which under this agreement SELLERS are, or may be required to pay, and to pay and discharge all legal and enforceable claims and obligations against said Lufkin, Hemphill & Gulf Railway Company for which SELLERS are responsible and to pay and discharge all debts, obligations, liens, and encumbrances which might be or become a lien against any of the properties conveyed of for which the PURCHASERS or CORPORATION might be held personally responsible

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and to hold said cash & notes so long as necessary for said purposes, not to exceed ninety days from date of delivery of said notes to said Trustees. The Trustees shall be authorized to give such notice by publication or otherwise to creditors of SELLERS as may in the judgment of E.J. Mantooth and C.B.Collins be necessary or advisable. Provision shall be made for exemption of the Trustee from personal liability except for bad faith. Provisions shall also be made for full and free access upon the part of the Trustees to the books, papers and records of SELLERS for such data and information as the Trustees may desire, and the SELLERS shall furnish to the Trustees a verified supplementsl list of indebtedness supplementing to the date of delivery of the properties, the list of indebtedness to be furnished hereunder. The Trustees shall be constituted agents and attorneys in fact of Sellers to do any and all things necessary in order to carry out the trust. Provision shall be made for the substitution of Trustees in the event of death or the refusal or inability of either of them to act by mutual consent of the PURCHASER and SELLER. Said Trustees shall be required to act jointly in all matters, and the Lufkin National Bank of Lufkin,Texas, shall be named as depository for all moneys, stock, notes and other securities coming into the hands of said Trustees.

It is hereby understood and agreed that the SELLERS will be given a reasonable time with their creditors in which to adjust them with the assets mentioned in this article without any action or interference on the part of the Trustees unless requested to do so by the SELLERS, and that upon the verified statement of any creditors approved by the SELLERS the Trustees will release to the Creditor so much of the assets as is necessary to adjust his claim. It is further understood that $25,000.00 of the cash herein and $150,000.00 of the notes equally distributed to the second, third, fourth and sixth years are to be delivered direct to the SELLERS to handle and dispose of as they see proper upon the execution of final deed herein.

ARTICLE XII

As to any hardwood on lands reserved in EXHIBIT A hereof which was included in the estimate of Lemieux Brothers

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and Company described in the Article 2 hereof PURCHASER shall have a period of ten years in which to cut and remove the same from and after date of final deed thereon, and in the event same is not cut within that time PURCHASER shall have an extension of five years upon the payment of a reasonable sum therefor.

ARTICLE XIII

It is understood that the warranty of SELLERS shall not be construed to warrant eht title to any time timber to be conveyed for a longer period than the limit specified in deeds to SELLERS in which SELLERS were to cut and remove same.

ARTICLE XIV

This agreement shall be binding upon and inure to the benefit of, the heirs, legal representatives and assigns of the respective parties hereto and the successors and assigns of the CORPORATION.

IN WITNESS WHEREOF, the parties have signed these presents on the day and date aforesaid, this instrument being executed in triplicate originals, either of which shall be an original for all purposes.

(SIGNED) Hiram Knox

(SIGNED) Lillian M. Knox

SELLERS

TEMPLE LUMBER COMPANY

By (Signed) H.G.Temple

V.P.

PURCHASERS OR CORPORATION.

(Seal)

ATTEST

(Signed) W. N. Smith.
Secretary.

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THE STATE OF TEXAS)
)
COUNTY OF SABINE))

Before me, C. B. Halbert, a Notary Public in and for the County of Sabine, State of Texas, on this day personally appeared Hiram Knox and Lillian M. Knox, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed. And the said Lillian M. Knox, Wife of the said Hiram Knox, having been examined by me privatly and apart from her husband, and having the same fully explained to her, she, the said Lillian M. Knox, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this 23rd day of July, A.D. 1921.

(Seal)

(Signed) C.B.Halbert
NOTARY PUBLIC IN AND FOR
SABINE COUNTY, TEXAS.

THE STATE OF TEXAS)
)
COUNTY OF SABINE)

Before me, C.B. Halbert, a notary public in and for Sabine County, Texas, on this day personally appeared H.G.Temple, Vice-President of Temple Lumber Company, a copporation known to me to be the person whose name is subscribed to the foregoing instrument, and who acknowledged to me that he executed the same as the act and deed of said Temple Lumber Company, and for the purpose and consideration and in the capacity therein expressed.

Given under my hand and seal of office at Hemphill, Texas, this the 23rd day of July, A.D. 1921.

(Signed) C.B.Halbert
NOTARY PUBLIC IN AND FOR
SABINE COUNTY, TEXAS.

(SEAL)

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"EXHIBIT A"

Abstract Number	Survey	Number Acres
311	Cicero Watson	73
245	Samuel Adams	126
224	H S White	100
25	W.M.Isaacs	328
28	John S. Lacy	402
395	Albert Brister	26-2/3
7	John Clark	226
	James Clark	24
10	Wright Coley	335
8	Wm.Clark	226
57	Joseph Walker	1670
239	Anna Giles	46
20	John Hailey	380
244	John Youngblood	110
260	Collins Buckley	80
442	T&NO Ry.Co.Sec #2	640
443	ditto 16	298
381	" 12	350 off west end
232	R. H. Travis	311
335	Ben Franklin	66-2/3
251	Joseph Smith	163
307	Hamp Bush	153
395	Albert Brister	3-3/8
278	W. A. Malin	3
211	T&NO Ry.Co. Sec 1	618
439	ditto 14	494
438	GC&SF Ry.Co. 14	560
5	Elijah	621
18	John Gilbert	873
46	Henry Nichols	400
218	T&NO Ry.Co.Sec #3	640
212	ditto 15	250 off east end
	" 13	640
281	T.B.Watson	166

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LANDS IN BOND ISSUE NOT ESTIMATED BY LEMIEUX BROTHERS

Tract Number	Name of Survey	Number of Acres
28	James Gaines	85
39	James Gaines	20
65	James Mason	50
	Total	155 Acres

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LIST OF THE STOCKHOLDERS OF TEMPLE LUMBER COMPANY AS OF DECEMBER 31, 1953.

H. G. Temple	1 168
T. L. L. Temple, Jr.	2 500
Arthur Temple, Trustee	2 500
Mrs. Margueritte Temple Keeler	2 500
Mrs. Georgia Temple Munn	2 500
Arthur Temple	2 500
G. S. Smith	1
Lillian Y. Cox	145
T. L. L. Temple	21 606
Total	35 418