

2. It is hereby agreed that, at such times and in such amounts as he desires, and over an unlimited period during the lives of the said parties, Phillips will reimburse Callahan to the total extent of the aforesaid investment by Callahan of \$18,890.00, said payments to be made from such source as Phillips may desire, but particularly to come from income received from said tracts, including the proceeds of sales, of timber, pulpwood, etc., out from any and all of said tracts, and from payments received through the Soil Bank program applicable to any and all of said tracts; Callahan agrees hereby that the income received from said tracts, including the proceeds of timber sales and Soil Bank payments as to all of said tracts, shall be allocated and attributed to payments upon his investment as heretofore specified, and further that Phillips may, in his discretion, apply all or parts of income received from said sources to this purpose.

3. When Callahan has been completely reimbursed for his initial investment in said tracts, to-wit, to the extent of \$18,890.00, then it is hereby agreed that Callahan and Phillips shall become tenants in common of all said tracts. Upon such event, Callahan agrees that he will execute in favor of Phillips or such persons as Phillips may direct, deeds to each of said tracts individually for an undivided one-half interest in each tract. Thereafter, the parties agree that they shall operate and own the tracts as tenants in common, and Phillips agrees that he will continue to manage and supervise the wood harvesting of said tracts.

4. Upon the event of the death of either of the parties during the pendency of this contract, it is agreed that Phillips, or his estate, shall have the privilege of paying to Callahan, or his estate, the balance remaining due upon the

(Continued on next page)