

deduction from the purchase price, and the Vendor shall have the same right to cure the defects and thereupon receive payment, as is hereinabove provided in subdivision "b" of this Item 2.

Said attorneys shall be entitled to reasonable compensation for any services they may render, and to reimbursement for all expenses incurred by them in performing their duties hereunder. Each party hereto shall pay the compensation and expenses of the attorney chosen by it. The compensation and expenses of the third attorney (if any) shall be borne equally by the parties hereto. In case of the death, inability or refusal to act of any attorney, his successor shall, with all reasonable dispatch, be chosen by the same party or parties who chose the attorney who shall have died or been unable or refused to act, and such successor shall have the same powers and duties as his predecessor had. The term "attorneys" as used in this Item 2 shall mean those persons who may then be acting in that capacity under this Item.

If within the ten (10) days hereinabove fixed therefor, either party shall fail to select its attorney, or to give notice to the other of such selection, the attorney chosen by the other within such period, shall, upon the expiration of said ten days, proceed to determine the questions to be submitted to both attorneys as hereinabove provided, and his decision thereon shall be final and binding upon the parties hereto.

(3) Purchase Price of Property and Payment thereof: The Purchaser hereby agrees to pay to the Vendor, as the purchase price for said property, the principal sum of \$225,000 (except in case of unmarketable titles as herein provided) plus interest thereon as hereinafter provided, which principal sum shall be payable as follows:

Paid as earnest money on October 18, 1925, (the receipt whereof by the Vendor being hereby acknowledged) -----	\$ 5,000
On or before January 2, 1925 -----	51,250
On or before April 1, 1926 -----	28,125
On or before October 1, 1926 -----	28,125
On or before April 1, 1927 -----	28,125
On or before October 1, 1927 -----	28,125
On or before April 1, 1928 -----	28,125
On or before October 1, 1928 -----	28,125
Total -----	\$225,000

If, according to the report of said attorneys, the title of the Vendor to more than five per cent. (5%) and less than ten per cent (10%) of the area of timber lands and/or timber rights described in said "Exhibit A" shall be found to be unmarketable (as provided in Subdivision "b" of Item 2 hereof), or if the Purchaser elects to proceed hereunder even though the Vendor's title to ten per cent (10%) or more of said area shall, according to said report, be found unmarketable (as provided in Subdivision "c" of Item 2 hereof); then in either case the Purchaser shall not be obligated to purchase and pay for such unmarketable titles (unless and until they shall have been cured as provided in said Subdivision "b" of Item 2 hereof), and the purchase price hereunder shall be reduced in the proportion which the area of unmarketable titles (which the Purchaser is not obligated hereunder to -

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take and declines to take) bears to the total area of timber lands and timber rights described in said "Exhibit A". Likewise the installment payments hereinabove provided for in this Item 3 shall be proportionately reduced, the intent being that the sum to be paid on January 2, 1926 shall (when added to said \$5,000 earnest money) equal one-fourth of the purchase price of the titles which the Purchaser is obligated hereunder to accept on January 2, 1926, and the sum to be paid each six (6) months thereafter shall be one-eighth (1/8) of said purchase price.

If titles are subsequently rendered marketable (as provided in Subdivision "b" of Item 2 hereof), the Purchaser shall, in every such case, forthwith pay to the Vendor in cash such part of the purchase price thereof as it would have been obligated to pay hereunder by that time if such titles had been marketable on the date hereof, and shall likewise give its notes for the balance thereof not then due, each note thus given to be for one-eighth (1/8) of such purchase price and to mature as above provided.

The obligation to make all deferred payments after January 2, 1926 (as provided in this Item 3) shall be evidenced by the negotiable notes of the Purchaser in the form attached hereto, and made a part hereof and marked "Exhibit B". With regards to all titles which the Purchaser is obligated hereunder to accept by January 2, 1926, or which it elects to accept by that date, the notes for deferred payments thereon after said date shall be delivered by the Purchaser to the Vendor on January 2, 1926, shall be dated October 1, 1925, and shall bear interest at the rate of six per cent (6%) per annum after the date thereof until maturity, payable semi-annually. With regard to titles rendered marketable after said January 2, 1926, the notes for deferred payments thereon shall bear the date when they are rendered marketable in said attorneys opinion, and shall bear interest from the date thereof until maturity at the rate of six per cent (6%) per annum, payable on April 1 and October 1 of each year.

(4) Consequences of Default by purchaser before one-half of purchase price paid: If, at any time before the Purchaser shall have paid at least one-half of the purchase price hereunder, it shall fail duly and punctually to observe or perform any covenant or agreement herein contained by it to be observed or performed, and if such failure shall continue for ten (10) days after written notices (specifying the character of such failure) shall have been sent by the Vendor to the Purchaser, then the Vendor may, at its option, at any time thereafter, during the continuance of such default, and without taking any foreclosure or other judicial proceedings for the purpose, forthwith terminate absolutely all and singular the Purchaser's rights under this Agreement; and all sums of money theretofore paid hereunder by the Purchaser to the Vendor shall be retained by the Vendor as compensation for the use, possession and enjoyment of said property by the Purchaser while it shall have occupied or used the same to the extent herein permitted (and not as a penalty). The parties hereto, for the considerations aforesaid, now covenant, stipulate and agree that such sums so to be retained by the Vendor constitute and are just and proper liquidation of reasonable damages which would be sustained by the Vendor by reason of such default by the Purchaser, and constitute and are the just and reasonable value of the use and occupation of said property ^{prior} to such default.

Also upon such termination of the Purchaser's rights hereunder, the Vendor shall have the clear and undisputable right to enter upon and take entire and exclusive possession of all property described in "Exhibit A" and not theretofore conveyed to the Purchaser pursuant to Item 6 hereof, and repossess itself thereof as of its former estate therein.

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