

for conducting the operations covered hereby, and such transfer and assignment shall be valid and binding and vest in the transferee the same rights as if it had originally been named as Lessee herein, provided only that such transfer and assignment shall not relieve or release the Lessee herein named from joint and several liability with such transferee for the due performance of all obligations herein contained.

15. The Lessee shall pay all taxes on logs and lumber and any severance tax imposed on timber cut or if that be impracticable and such severance taxes are paid by Lessor, the \$8.50 and \$5.00 items of the price provided for stumpage herein are to be increased by a sum equivalent to the severance tax paid or payable thereon by the Lessor.

16. The Lessee shall keep records and books of account showing accurately all its dealings and transactions in connection with its operations hereunder. The Lessor and its agents shall during all business hours have free access to such records and accounts and all of Lessee's plants, buildings and logging operations in Greenville and Pickens Counties, South Carolina, with a view to verifying reports, statements, and bases of payments made hereunder. Lessor may at its own expense make general audits of such of Lessee's records and accounts not oftener than semiannually. To facilitate checking and verification, Lessee will submit to Lessor in March of each year, beginning with the year 1945 an audit of its accounts relating to the operations hereunder for the preceding calendar year as made by its own or Certified Public Accountants. Unless the Lessor files objections within twelve months after the receipt of such audit, Lessee's accounting as disclosed thereby shall be final and incontestable. All information received by Lessor under the provisions hereof either submitted by Lessee or determined from an investigation of its books and records shall be treated as confidential by the Lessor and used only for its own records and purposes.

17. The Lessee covenants and represents that in the execution of this contract it has dealt with no agent, broker or other representative other than F. G. Hamblen, Assistant Secretary and Assistant Treasurer of Lessor, and that it knows of no reason or cause for the payment of any commission or fee to any person whomsoever in connection with the making or carrying out of this contract.

18. In the event the Lessee shall fail to conduct its logging, milling and selling operations, or fail to make payment of any stumpage or taxes, as it has herein covenanted to do, Lessor shall be entitled to have and recover of the Lessee such damages as it may sustain by reason of such failure; and to collect the same by sale of lots, lumber or by-products of Lessee, or by any other lawful method; without terminating or rescinding this Lease or in anywise affecting the relationship of Lessor and Lessee; and by so doing shall not in any degree lessen Lessor's right to subsequently terminate this Lease or to invoke any other remedies hereunder.

19. Should the Lessee fail either; (a) to operate the plat, equipment and facilities as it has herein contracted to do; (b) to account for logs according to its covenants herein, or make the payments hereunder as and when the same become due; (c), to ship ninety per cent (90%) of lumber manufactured over the Greenville and Northern Railway Company; (d) to keep accounts, records and make reports as herein provided; (e) to pay taxes on land and timber; (f) to give the Lessor access upon demand to its records, accounts, plants and operations; or (g) fail to remedy any such default or other default hereunder within thirty days after Lessor has made written demand upon it so to do, then the Lessor may at its option terminate this Lease and thereby put an end to all rights of the Lessee hereunder, without liability to made restriction of any sort of Lessee; and time is declared to be of the essence. In event of such termination, the Lessee agrees to deliver immediately to the Lessor possession of the leased premises.

20. No delay or omission by Lessor to exercise any right or remedy hereunder accruing upon any default shall impair such right or remedy, or be construed as a waiver of, or acquiescence in, default, nor shall such delay or omission impair or prejudice the rights and remedies of Lessor upon the occurrence of other or subsequent defaults. The provisions for certain remedies herein shall not deprive Lessor of any other remedy which it has either at law or in equity.

21. In case of any dispute between the parties hereto as to their rights hereunder, the same may be settled by arbitration, as follows: Either party may, by written notice to the other, appoint an arbitrator. Thereupon, within ten days, the other shall be written notice to the former appoint another arbitrator. In default of such second appointment, the arbitrator first appointed shall be sole arbitrator. When any two arbitrators have been appointed, they shall, of possible, agree upon an award, but if they cannot shall appoint a third arbitrator by notice in writing, signed by both of them in triplicate, one of which triplicate notices shall be given to the arbitrator so appointed and to each party hereto. But if ten days shall elapse after the appointment of the second arbitrator without notice of appointment of the third arbitrator being given as aforesaid, then either party hereto (or both) may in writing request the person who is at the time the Judge of the U. S. District Court for the District wherein the leased lands are situate to appoint the third arbitrator. Upon appointment of the third arbitrator (whichever