

THIS LEASE, made and entered into as of the 31st day of January, 1944, by and between the SALUDA LAND & LUMBER COMPANY, a Delaware corporation having an office and place of business in the City of Greenville, South Carolina, hereinafter sometimes referred to as Lessor, and GEORGIA HARDWOOD LUMBER COMPANY, a corporation organized and existing under the laws of the State of Georgia, with its principal office and place of business in Augusta, Georgia, hereinafter sometimes referred to as Lessee;

W I T N E S S E T H :

That the Lessor and Lessee agree as follows:

1. Lessor, in consideration of all and singular the Lessee's covenants and agreements herein contained, does hereby give, grant, and convey unto the Lessee the full right and privilege, for the period extending from January 31, 1944, and ending December 31, 1953, to enter upon the lands and timber owned by the Lessor in Greenville and Pickens Counties, South Carolina, which are shown on a plat prepared by Howard Wiswall, C. E., survey 1918-21, and referred to on the schedules hereto attached (which schedules are in two parts, the first describing Fee Lands and the second describing Timber Rights), with said schedules so attached identified by the corporate seal of the Lessor and the signature of the Lessee and by reference made a part hereof, in the same manner as if incorporated herein, and said Lessee is hereby authorized and empowered to cut and remove the timber from said lands, to construct, and maintain upon, over, and across the lands described in said schedules any logging railroads or other roads and any facilities necessary or convenient to the cutting and removal of said timber; to occupy such portions of the lands as may be convenient for mill and camp sites; to use in connection with the logging, free of charge, such tree tops, lightwood or other timber not merchantable for camp firewood, fuel for loaders, skidders, wood burning locomotives, ties for Lessee's logging railroad, if any, and poles for causeways and skids. For the consideration aforesaid, the Lessor further gives, grants, and conveys to the Lessee the right for said period of time to construct and maintain upon, over, and across any and all other lands owned by Lessor in Greenville and Pickens Counties, South Carolina, any logging railroad or other roads that may be necessary or convenient for transporting the timber or manufactured products from the land included in said schedules, reserving, however, the right to use any road so constructed by Lessee for the operation by Lessor and its assigns to remove logs, bolts, and other timber from lands owned by Lessor but not included herein.

2. If at the expiration of said Lease, the Lessee has fully performed its covenants hereunder, but a portion of the timber described in the schedules hereto attached has not been removed, the Lessor will at Lessee's request extend the term of this Lease for a time sufficient to allow for the removal of such timber at the rate and under the terms provided for herein.

3. Lessor has not made and does not make any representation regarding the quantity or value of the timber covered hereby nor regarding the logging conditions in connection therewith; nor does it make any representation relative to the title of the leased lands or of the acreage thereof, nor of the time within which timber must be removed from the tracts described in the attached schedules captioned Timber Rights, nor does it make any other representations or covenants whatsoever except those specifically set forth in this Lease. It is agreed, that in the event Lessee is sued on account of its entry upon or logging any portion of the leased lands by any person or persons claiming to have title thereto, the Lessor upon being notified of the bringing of such suit or suits will defend the same at its own cost and expense and save the Lessee harmless on account of any recovery made in such suit or suits. In the event of suits begun or threatened, the Lessee will at Lessor's request postpone or abandon any operations begun on the land involved pending the outcome of the litigation, actual or threatened; and in the event the timbering operations conducted by the Lessee shall have proceeded to such point as to make it unduly expensive to return and cut timber so excepted from its operations by reason of questions of title, it shall not be required to return and cut such timber or exercise other rights or obligations with reference thereto, anything herein contained to the contrary notwithstanding. The Lessee agrees that it shall neither have nor assert any claim or demand whatever against the Lessor for loss of profits or otherwise on account of such postponement or abandonment of operations or on account of the failure of title or the successful assertion of liens against any such lands.

4. Within sixty days from the date of this Lease the Lessee shall furnish to the Lessor a surety bond holding and firmly binding Lessee and a responsible surety company unto the Lessor in the sum of \$15,000.00, conditioned upon the Lessee's well and truly performing all and singular the covenants in this Lease contained. The form of bond and the surety company used