

THE CONTRACTOR HAS FAILED TO CUT THE MINIMUM REQUIRED FOR THAT YEAR, HE SHALL NEVERTHELESS PAY TO THE LAND COMPANY THE AMOUNT WHICH WOULD HAVE BEEN DUE TO THE LAND COMPANY FOR THE LUMBER ESTIMATED TO HAVE BEEN MANUFACTURED FROM THE MINIMUM AMOUNT OF TIMBER REQUIRED TO BE CUT. ALL PAYMENTS MADE IN EXCESS OF THE AMOUNTS DUE FOR LUMBER MANUFACTURED (BECAUSE OF THE MINIMUM REQUIREMENTS STATED IN PARAGRAPH 2) SHALL BE CREDITED UPON THE ACCOUNTS DUE FROM THE CONTRACTOR FOR LUMBER MANUFACTURED IN THE SUCCEEDING TWELVE MONTH PERIOD;

PROVIDED, HOWEVER, THE CONTRACTOR IS OBLIGATED TO CUT DURING THE SEVEN YEARS FOLLOWING THE DATE OF THIS CONTRACT, THE TOTAL OF THE MINIMUM REQUIREMENT PROVIDED FOR BY PARAGRAPH 2 OF THIS CONTRACT, THE UNDERSTANDING BEING THAT THE CONTRACTOR SHALL SO CONDUCT HIS OPERATIONS THAT ALL OF THE MERCHANTABLE TIMBER ON THE LANDS ABOVE DESCRIBED WILL BE LOGGED OFF BY CUTTING AND MANUFACTURING SIX MILLION FEET OF LUMBER THE FIRST YEAR; SEVEN MILLION FEET THE SECOND YEAR, EIGHT MILLION FEET THE THIRD YEAR, AND TEN MILLION FEET DURING EACH OF THE SUCCEEDING FOUR YEARS.

6. ALL TREES ON THE LAND ABOVE DESCRIBED WHICH ARE FOURTEEN INCHES OR GREATER IN DIAMETER, AND WHICH CONTAIN AT LEAST ONE SIXTEEN FOOT MERCHANTABLE LOG, SHALL BE CUT BY THE CONTRACTOR. ALL TIMBER SHALL BE CUT CLEAN AND IN A MANNER SATISFACTORY TO M. C. MESERVE, WHO IS HEREBY DESIGNATED BY THE PARTIES AS ARBITRATOR FOR THAT PURPOSE, AND IN THE CUTTING DOWN OF ALL TIMBER, THE PRACTICE SHALL BE FOLLOWED OF UTILIZING THE FULL CONTENTS OF THE MERCHANTABLE WOOD IN THE TREE, AND IF SAID TREES ARE CUT IN FELLING SO AS TO LEAVE GOOD MERCHANTABLE MATERIAL IN THE STUMP, FOR ALL THE MERCHANTABLE TIMBER LEFT IN SAID STUMP, A PROPER ESTIMATE SHALL BE MADE AND PAYMENT BE MADE FOR THE SAME. IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED THAT THE FALLING AND CUTTING OF SAID TREES SHALL BE DONE SO AS TO REDUCE TO THE MINIMUM THE WASTE THAT MAY ARISE FROM BREAKAGE, AND IN ALL CASES WHERE BREAKAGE OR SPLITS OCCUR, BY REASON OF THE FACT THAT THE TREES HAD NOT BEEN PROPERLY CUT AND FELLED, THEN THE FULL CONTENTS OF THE TREE, WHICH IF PROPERLY FELLED WOULD HAVE YIELDED MERCHANTABLE TIMBER, WILL BE SCALED AND PAID FOR BY THE CONTRACTOR. ALL LOGS SHALL BE CUT BY THE MILLS SO AS TO PRODUCE ALL OF THE LUMBER AND OF THE BEST GRADE POSSIBLE FROM THE TIMBER. THE CONTRACTOR SHALL KEEP A RECORD OF THE DAILY OUTPUT OF THE MILL OR MILLS IN WHICH THE LOGS ARE CUT, UPON WHICH RECORD PAYMENT SHALL BE MADE TO THE LAND COMPANY. THIS RECORD SHALL BE SUBJECT AT ALL TIMES TO THE CHECK OF THE LAND COMPANY.

7. THE LAND COMPANY SHALL HAVE THE RIGHT AT ALL TIMES TO SUPERVISE AND INSPECT THE LOGGING AND MILLING OPERATIONS OF THE CONTRACTOR, AND SHALL HAVE THE RIGHT AT ALL TIMES TO INSPECT AND REQUIRE AUDITS OF THE BOOKS OF THE CONTRACTOR IN ALL OF HIS OPERATIONS UNDER THIS CONTRACT.

8. THE CONTRACTOR SHALL KEEP ALL OF THE LUMBER IN THE MILLS, YARDS, AND ON HIS DOCKS FULLY INSURED IN RESPONSIBLE COMPANIES AGAINST LOSS BY FIRE,

9. THE CONTRACTOR SHALL ASSUME AND PAY THIRTY-TWO PER CENT OF THE TAXES LEVIED AND ASSESSED AGAINST THE LANDS HEREIN ABOVE DESCRIBED DURING THE LIFE OF THIS CONTRACT BASED ON UNIMPROVED AND UNCUT LAND, COMMENCING WITH THE TAXES ASSESSED FOR THE YEAR 1919. THE INTENTION IS TO REQUIRE THE CONTRACTOR TO PAY ONE-HALF OF THE TAXES AGAINST THE TIMBER ALONE, AND THE PARTIES ESTIMATE THAT THIRTY-TWO PER CENT OF THE TOTAL TAXES WILL REPRESENT SUCH A DIVISION.