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TIMBER SALE CONTRACT

STATE OF: ALABAMA COUNTY OF: SHELBY

THIS AGREEMENT made and entered into this 8th day of JUNE
19 89, by and between Dan W. Thompson and wife Linda G. Thompson
hereinafter called SELLER, and Canal Wood Corp. of Miss. dba Mid-South Wood
hereinafter called BUYER.

WITNESSETH:

THAT, in consideration of the sum of One Dollar in hand paid to SELLER and the further sums herein agreed to be paid, and in consideration of the covenants, agreements and undertakings of the respective parties herein set forth, the parties hereto agree and contract as follows:

1.

SELLER does hereby grant, bargain, sell and convey unto BUYER, its successors and assigns, all of the merchantable trees, or any portion thereof, merchantable for any commercial purpose (including dead and down trees as well as trees which may hereinafter grow or which are now growing) which, at the time of cutting, shall measure n/a inches and upward in diameter (outside bark measurement) at a height of n/a inches above ground level, now standing or growing on the following described real estate, to wit:

A portion of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 7, Township 22 South, Range 3 West, containing 8 acres, more or less, being in Shelby County, Alabama.

2.

The consideration paid for this timber purchase contract and the trees to be cut thereunder is Two thousand three hundred and no/100-----(\$2300.00)----- Dollars, the sufficiency and receipt of which is hereby acknowledged by SELLER.

3.

The cutting term of this contract shall be the period of 3 (Three) Months commencing on the JUNE day of 19 89. EAR/DA

4.

During the cutting term, BUYER shall have, and is hereby granted the right, from time to time, to cut, remove, sell, use and/or otherwise dispose of all of the trees and timber hereinbefore described which shall be standing, growing or situated on said lands; and title to the same shall pass to BUYER, its successors or assigns, as the same is severed from the land. However, BUYER shall have no obligation to cut or remove any or all of the trees from said lands or otherwise clear said lands.

5.

BUYER, its successors and assigns, shall have the right of ingress and egress, and shall have the right to move machinery and equipment of every kind upon said property for the purpose of manufacturing said trees into lumber of other wood products, and shall have the right to remove the same and any previously cut and severed trees from said property within sixty (60) days after the right to cut and sever said trees has hereunder terminated.

BUYER shall have the further right to use the road to, from and within said property and to construct roads sufficient to cut and remove the trees off this tract or adjoining tracts. If fences are broken down or opened in the process of removing the trees the fences will be repaired.

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AL 36276

6.

SELLER hereby warrants (and, if more than one, Sellers jointly and severally warrant) that SELLER has good and merchantable fee simple title to the said lands and to all trees and timber standing or situate thereon; that SELLER has the legal right and authority to sell said trees and timber, to make this contract, and to grant and extend to BUYER all of the rights, privileges and authority herein sought to be granted or extended. SELLER covenants and agrees to save harmless and keep indemnified the BUYER, its successors and assigns, against any and all losses, costs, damages, adverse claims, tort claims, judgments, decrees and expenses which BUYER, its successors or assigns, may or shall suffer, incur, sustain or be subjected to by reason of any want or failure of, or defect in, or encumbrance upon any title, right, privilege or authority above warranted, or by reason of any occurrence or event upon the lands of SELLER resulting in injury or death of any person (other than an employee of BUYER) or resulting in any damage to or destruction to property of another unless caused solely by the negligence or wrongful act of the BUYER, its successors or assigns.

It is further understood and agreed that SELLER shall pay all ad valorem taxes upon the real estate and trees described herein.

7.

Neither SELLER nor BUYER shall be responsible for nonperformance or delay due to strike, lockout, riot, war, act of the public enemy, act of God or other causes (whether or not of a similar nature) beyond the reasonable control of the party. The terms of this contract shall be extended for an equivalent period of time as the performance of the party is excused; and, without limiting the foregoing, it is specifically agreed that should weather conditions be such as to prevent cutting operations after cutting operations have once commenced, then this contract shall be extended by the number of days equal to the number of days of impractical cutting operations after practical cutting operations have once recommenced by BUYER. BUYER is to be the sole judge as to what is to be considered impractical cutting operations due to weather and shall notify SELLER in writing of its decision when made. The final termination date of this contract shall be extended by the total number of days during which cutting operations were suspended under the aforementioned provisions.

8.

Any notice contemplated by this contract shall be deemed effectively given when mailed by U. S. registered or certified mail, with the required postage prepaid, addressed as follows:

If to SELLER, addressed to: Dan W. and Linda Thompson SS# [REDACTED]
White Oak Ranch
RT 6 Box 45
Montevallo, AL 35115

If to BUYER, addressed to: Canal Wood Corp. of Miss. Inc.
dba Mid-South Wood
P. O. Box 260
Wadley, Alabama 36276

or to such other address or addresses as the party to be notified may hereafter specify by written notice to the other party.

9.

This contract shall inure to the benefit of, and be binding upon, the heirs, executors, administrators, successors and assigns of the respective parties hereto, and shall be binding upon the successors in title to the said lands and/or to the timber thereon.

10.

SPECIAL PROVISIONS: Exhibit "A"

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EXHIBIT "A"

(a) If Purchaser is delayed from removing from the herein described land the designated trees by any litigation including legal arbitration, then in that event, if the arbitration is decided in favor of the Purchaser, the time of this contract shall be extended by a period of time equal to the time of the duration of such legal litigation or arbitration.

(b) This deed shall insure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, and shall be binding upon the successors in title to the said lands and/or to the timber thereon.

(c) Sellers agree to pay when due all ad valorem taxes on the property during the duration of the timber cutting term.

(d) Purchaser agrees to remove tops, limbs, and other debris which may fall on roads, open fields, pastures, or into and across the stream on the north side of the timber cutting area.

(e) Purchaser agrees to repair or pay for the repair of damage to fences or other improvements, that are damaged by the logging operation.

(f) Purchaser agrees to hold Sellers harmless against public liability caused by Purchaser or its agents, or subcontractors in harvesting the timber.

(g) Purchaser will notify Seller or Agent prior to the commencement of logging.

(h) Purchaser shall keep cleaned away at all times all trash, lunch papers, bottles, oil cans and filters, and other manmade debris.

(i) Purchaser agrees to do all in his power to prevent and suppress forest fires on and threatening the sale area while his crews are on the property.

(j) In the area noted as Section B of the timber sale area, the Purchaser agrees to cut only the pine timber. Area shown on Exhibit A.

(k) In the event of any dispute between Sellers and Purchaser arising out of the terms and conditions of this Timber Deed and the performance of either party thereunder, Sellers and Purchaser agree to accept the decision of any arbitration board of three members. One shall be selected by the Sellers, one member by the Purchaser and a third member shall be selected by the first two arbiters appointed. The arbiters must reach an agreement within thirty (30) days after the appointment of an arbiter by the Sellers and the Purchaser. In the event the arbitration is decided in favor of the Purchaser, then the period allowed herein for the cutting and removing of timber shall be extended automatically for the number of days required to complete the selection of arbiters and to complete the arbitration of such issue.

(l) In the event that Purchaser shall be delayed in cutting and removing the trees and timber sold to Purchaser under the terms of this Timber Deed by reason of war, acts of a public enemy, acts of God, labor strikes, lockouts, riots, or civil disturbances, the inability of Purchaser to deliver said timber and trees to a yard or mill due to shutdown of said yard or mill for any reason, or by reason of any restrictions or prohibitions by State or Federal Governments or any agency of either, then in such events, Purchaser agrees to allow the Sellers to repurchase any remaining uncut timber, at the rate of \$16.50 per cord for pulpwood-sized pine trees and \$127.00 per thousand board feet, Scribner Scale, for sawtimber-sized pine trees. The rate for hardwood timber will be \$1 per cord for pulpwood-sized trees and \$40 per thousand board feet for sawtimber-sized trees, using the Doyle Scale. A delay shall be in effect if at the end of the normal term of this contract, Purchaser still wants to cut unsevered trees.

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered these presents on the day and year above written.

Signed, sealed and delivered in the presence of:

Suzette H. Gardner
Notary Public

K. Daniel Thompson
SELLER:
Lindsey L. Thompson
SELLER:

Signed, sealed and delivered in the presence of:

Suzette H. Gardner
Notary Public

Russell Thompson
BUYER:

Canal Wood Corp. of Mississippi
dba Mid-South Wood

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STATE OF ALA. SHELBY COUNTY
89 JUN -9 AM 11:08
JUDGE OF PROBATE

1. Deed Tax	\$ 2.50
2. Mtg. Tax	
3. Recording Fee	10.00
4. Indexing Fee	2.00
TOTAL	14.50