

STATE OF ALABAMA

COUNTY OF SHELBY

TIMBER SALE AGREEMENT

THIS BUY SELL AGREEMENT made this 21 day of March, 1997 by and between Mary Roench hereinafter known as the Seller and Gulf States Paper Company, hereinafter known as the Buyer.

1. Seller agrees to sell and Buyer agrees to buy, all all merchantable pine on + 63 acres located in W1/2 OF SE1/4 LAYING SOUTH AND EAST OF BEAR CREEK. SECTION 9, TOWNSHIP 18 SOUTH, RANGE 2 EAST
2. The consideration paid for this agreement and the trees to be cut hereunder is the sum of \$91,374.24, cash in hand paid to the Seller by the Buyer, and other good and valuable considerations, pursuant to the contract for sale between the parties, the receipt and sufficiency of which are hereby acknowledged.
3. Buyer agrees to utilize good forestry practices in harvesting all timber conveyed. Loading areas must be approved by Seller or its agents.
4. Buyer agrees to exercise reasonable care to prevent damage to trees not designated to be cut. Buyer agrees that all fences and roads must be maintained and restored to original condition when logging is completed.

Buyer shall take all reasonable precautions and efforts to prevent and suppress forest fires that endanger the timber on the above described or adjacent lands. Buyer will follow the "Best Management Practices" as set down by the Alabama Forestry Commission.

Buyer agrees to protect Seller, the lands of Seller, and the timber thereon, whether or not authorized to be cut hereunder, from and against all liens and claims of liens in any way arising out of any action of default upon Buyer's part.

Buyer agrees to use good logging practices in cutting and removing of trees. Buyer, its agents, or employees will not leave trash in the woods and further agree to conduct the operation in a workmanlike manner. Buyer shall remove all tops and other logging debris from or in all ditches, roads and streams. Buyer is authorized to use roads, necessary in the operations hereunder, upon the lands described herein and upon other lands in the vicinity thereof as agreed between Owners of those roads, Seller and Buyer, all at Buyer's own risk. Any roads, structures and improvements built by Buyer on Seller's property necessary to transport the timber sold hereunder shall become the sole property of Seller at the termination of this agreement. Seller makes no representations or

Inst # 1997-11870

5

04/17/1997-11870

09:10 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

004 HCB 107.50

Inst # 1997-11870

warranties that any roads, bridges, or other improvements on the above described property or any other property are safe or suitable for use by Buyer or those actions for or under Buyer, and all such parties may use any such roads, bridges or other improvements only at their own risk. No rubbish shall be left in the woods.

Timber cutting and roads: Buyer agrees to use care in removing the timber. The Buyer will remove all equipment and fallen trees, tops, and limbs from existing roads at the end of every work day. The Buyer will use care in keeping trees and tops out of game plots, creeks and roads. Buyer must maintain the roads and upon completion of the cutting of the timber, the Buyer will repair all roads and leave them in as good a condition as they were in prior to the cutting of the timber.

6. Buyer agrees to notify Lomax Pulpwood & Lumber Co., Inc. prior to the initiation of cutting.
7. Seller grants Buyer the right of total and uninterrupted ingress and egress in, over and across the lands described herein. However, Buyer agrees to use existing roads where possible and leave roads and fences in as good a condition as prior to the initiation of this Agreement.
8. Seller warrants clear marketable title to all timber on the above described land and agrees to defend same at no cost to Buyer.
9. Seller is not associated or in any manner connected with the actual performance of the contract on the part of the Buyer, either as a partner, joint venturer, employer, principal or agent, or otherwise. Buyer is an independent contractor respecting the performance of this contract. Seller or Seller's agent shall, however, have the right to inspect the operations of Buyer to insure that only those trees designated for cutting or being cut, that proper forestry practices and other terms of this contract are being observed, but the direction of any and all of Buyer's operations shall at all times be with the Buyer, and Seller shall have no right to instruct, deal with, supervise or suggest the manner of carrying on the work of Buyer's employees, agents, servants or subcontractors.

Buyer agrees to indemnify and save harmless Seller from and against any and all liability, demands and claims, including, but not limited to, bodily injury to any person or damage to the property of any person whomsoever (including any employee or claimed employee of Buyer) in any way arising out of, in the course of, or in connection with the operations of Buyer hereunder, and the carrying out of the terms of this contract.

Continuously throughout the period of potential liability under this contract, Buyer, at his own expense, shall carry public liability insurance in the amount of not less than \$1 million dollars and name as an additional insured the Seller herein. Buyer will also maintain insurance that will protect it from claims under worker's compensation laws, disability benefit

laws or other similar employee benefit laws. Buyer shall furnish to Seller written confirmation and evidence of such insurance.

Seller, his agents and assignees shall have the right to go upon said lands and to perform any acts or operations thereon that will not interfere with the rights of the Buyer under this contract. Buyer shall pay all severance taxes, all licenses and excises required by law to be paid on account of the timber felling and logging operations hereunder.

Buyer shall exercise due care to avoid unreasonable damage to the timber not being cut. All undesignated trees which are unreasonably damaged or cut in the course of Buyer's operations shall be marked by Seller or its agent and paid for at double prices which are considered to be fair compensation for the stumpage value, expense incurred on account of damage and future growth loss of the damaged trees. Unreasonable damage will be considered as breakage to the main stem, uprooting, or any abrasion which results in damage to one-third or more of the circumference of the main stem which could have been avoided in the course of logging operation.

10. All trees conveyed herein shall be cut and removed by March 31, 1998 at which time this contract shall expire, except for the obligation of Buyer hereunder, which shall survive until fulfilled.
11. This TIMBER SALE AGREEMENT shall inure to the benefit of and binding upon the heirs, executors, administrators and successors entitled to the land and/or trees thereon.

IN WITNESS HEREOF, the parties hereto have executed, sealed and delivered these presents of the day and year first above written.

SELLER:

Ma J. Ransom

BUYER:

John S. Powell

By:

Its authorized agent
STATE OF ALABAMA

COUNTY OF Shelby

Personally appeared before me, the undersigned authority in and for the said county and state, on this 21st day of March, 1997, within my jurisdiction, the within named Mary Roensch acknowledged that he executed the above and foregoing instrument.

Diane Matherly

Notary Public

My commission expires 9-1-99

STATE OF ALABAMA

COUNTY OF Shelby

Personally appeared before me, the undersigned authority in and for the said county and state, on this 21st day of March, 1997, within my jurisdiction, the within named agent for Gulf State Paper Co. Company, who acknowledged that he executed the above and foregoing instrument.

Diane Matherly

Notary Public

My commission expires 9-1-99

Inst # 1997-11870

04/17/1997-11870
09:10 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 107.50