

6931  
TIMBER LICENSE AGREEMENT

STATE OF ALABAMA )  
COUNTY OF SHELBY )

THIS AGREEMENT, made and entered into this 15th. day of February, 1977, by and between Harris M. Gordon and wife, Ruth L. Gordon, (hereinafter called the "Seller"), and GULF STATES PAPER CORPORATION, (hereinafter called the "Buyer").

WITNESSETH:

1. The Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller the timber marked or designated for cutting estimated to be 360 MBF of pine saw timber; 350 cords of pine pulpwood; 114 MBF of hardwood saw timber; and 400 cords of hardwood pulpwood, on the lands described herein. Accuracy of the foregoing estimates is a part of the performance of the contract by the Buyer. All pine trees 12 inches outside bark, six inches above the ground, and all hardwood trees 12 inches outside bark, twelve inches above the ground are designated as saw timber. All trees under these diameters and the tops of the foregoing saw timber are designated as pulpwood. The foregoing trees are designated for cutting except 180 pine seed trees with a paint ring at BH and a paint spot at the stump in 10 and 12 inch DBH class.

2. The timber hereby conveyed is located on the following described lands in Shelby County, Alabama:

(Seller's Tract 78) The SW $\frac{1}{4}$  of NW $\frac{1}{4}$  and NW $\frac{1}{4}$  of SW $\frac{1}{4}$  of Section 6 (designated as Part A). Also, the S $\frac{1}{2}$  of the SE $\frac{1}{4}$  of Section 6, and the N $\frac{1}{2}$  of the NE $\frac{1}{4}$  and the SW $\frac{1}{4}$  of the NE $\frac{1}{4}$  of Section 7, (designated as Part B), all situated in Township 21, Range 4 West.

The 180 pine seed trees referred to in paragraph 1 above shall be located entirely on the lands described and designated as Part A above.

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3. The Buyer agrees to pay the Seller at Columbiana, Alabama, for said marked and/or designated timber at the following rates:

Pine saw timber at the rate of \$85.00 per MBF, Scribner Decimal C Scale (converted by weight at 14,500 lbs. per MBF).

Pine pulpwood at the rate of \$7.00 per cord of 128 cu. ft. (converted by weight at 5350 lbs. per cord).

Hardwood saw timber at the rate of \$20.00 per MBF, Scribner Decimal C scale (converted by weight at 16,000 lbs. per MBF).

Hardwood pulpwood at the rate of \$1.00 per cord of 128 cu. ft. (converted by weight at 5600 lbs. per cord).

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4. The Buyer agrees to pay the Seller \$ 3575.00 in cash, on the execution of this agreement, the receipt of which is hereby acknowledged. Such payment is made to guarantee the performance by the Buyer of this contract and to protect the Seller from loss or damage and said sum shall be applied to the last timber cut under this agreement. If on completion of this contract the Buyer has satisfactorily performed all of the conditions thereof and there remains a balance in favor of the Buyer the Seller shall with reasonable promptness refund said balance.

5. The Buyer agrees to pay the Seller, at the rates herein provided, on the 3rd day of each ~~xxx~~ week for all timber cut under this agreement during the preceding calendar ~~month~~ week.

6. (a). All merchantable pine timber, measuring ----- inches and upwards in diameter outside bark, ----- inches above the ground on the above described lands is hereby designated for cutting, except 180 seed trees per paragraph 1 above.

6. (b) All merchantable hardwood timber, measuring ----- inches and upwards in diameter outside bark, ----- inches above the ground on the above described lands is hereby designated for cutting.

7. If in the opinion of the Seller the timber reserved is not sufficient to provide adequate reproduction on any portion or portions of the above described lands, the Seller reserves the right and is hereby granted the right, to mark and reserve a maximum of twelve seed trees per acre of each size and specie herein conveyed and such seed trees as the Seller may mark are hereby reserved by and for the Seller.

8. The ownership of and title to the timber described herein shall pass to the Buyer from time to time as and when the same is cut; provided, however, that the Seller retains a vendors lien for stumpage until the same shall have been paid for as provided herein.

9. The Seller hereby gives and grants unto the Buyer the right to enter said above described lands and to cut and remove therefrom said marked and/or designated timber on said lands, it being expressly understood, however, that in cutting and removing said timber the Buyer shall not cut from or off of said lands any timber or trees other than those marked or designated for cutting, except such small timber or trees as it may be necessary to cut or remove in felling, cutting and removing said timber or in order to open up necessary roadways to enable the Buyer to haul from said land the said merchantable timber. Trees not marked or designated for cutting and seed trees marked and reserved which are cut or injured through carelessness, and trees marked or designated for cutting which are left uncut, shall be paid for at double the rate specified in this contract. All timber not marked or designated for cutting is reserved by the Seller, ~~XXXXXXXXXXXXXXXXXXXX~~ their heirs, executors, administrators and assigns.

10. The Buyer shall not have the right to place or erect or cause to be placed or erected on said lands any sawmill or planing mill or any houses or other buildings, except no exceptions.

11. The Buyer agrees to cut said timber herein conveyed clean as he goes and by areas and in the order directed by the Seller and to saw the same so as to conserve the quantity thereof. Stumps shall be cut so as to cause the least practicable waste and not higher than 12 inches on the side adjacent to the highest ground except that when this requirement is impracticable in the judgment of the Seller the Seller may authorize or accept higher stumps; all trees shall be utilized to as low a diameter in the tops as practicable, and all portions of trees which are merchantable for products sold under this agreement shall be utilized and paid for by the Buyer. Logging operations shall be so conducted to permit scaling to be done economically and at the time and place designated by the Seller. Timber or logs from other lands shall not be mixed with timber or logs from the lands described above. As far as practicable, all branches of logging shall keep pace one with another and except when weather conditions, logging conditions, or other matters beyond the control of the Buyer, make logging economically impracticable or undesirable, logging shall not fall more than ten (10) days behind cutting.

12. The Buyer shall keep accurate records of all transactions, including payrolls and amount of timber cut, connected with the cutting of the timber from the above described lands, and such records shall during business hours be subject to the inspection of a representative of the Seller. The Seller shall keep accurate records of the quantity of timber cut from the above described lands which records shall during business hours be subject to the inspection of the Buyer.

13. All telephone lines, ditches and fences located on this sale area and on lands adjoining this sale area shall be protected so far as possible in logging operations. Roads and trails shall at all times be kept free of logs, tops, brush, and debris resulting from the Buyer's operations. The Seller shall not be liable for any claims for damage which may arise from the exercise by the Buyer of the rights herein granted.

14. The Buyer agrees to use reasonable precaution against fire starting on said land, and in the event fires occur on said land or on any other land of the Seller in the vicinity thereof, the Buyer shall immediately notify the Seller and the State Division of Forestry of the location of the fire, and shall use reasonable means to extinguish said fire and to prevent damage to the timber, trees and timber growth on said land.



BOOK 304 PAGE 449

15. The Buyer shall report and pay to the State of Alabama the Forest Products Severance Tax for timber cut under this agreement and shall reimburse the Seller for any such taxes, which the Seller may be required to pay.

16. The Buyer in the exercise of the rights herein granted shall not in any way interfere with the reasonable use by the Seller of said land or with the reasonable use by grantees, contractors, or agents of the Seller of any portion of said land under rights heretofore or hereafter granted by the Seller. It is also agreed that as to timber, pulpwood, and other timber products not herein conveyed but reserved to the Seller that the Seller reserves and has the right to sell and convey said timber, pulpwood and other timber products to other parties, together with the privilege of cutting and removing the same on any or all parts of the above described lands.

17. The Buyer hereby accepts exclusive liability in respect to all employees, officers, agents, or representatives of the Buyer employed in or about or in connection with this agreement, for all payroll taxes and contributions which shall be payable for unemployment insurance or old age pensions or annuities, or otherwise, which are measured by the wages, salaries, or other remunerations paid to such officers, agents, representatives and employees, under any social security law, or any unemployment law, or any other law of any nature, whatsoever, whether similar or dissimilar to the laws of the character above referred to which has been or may be enacted by the United States or any sub-division thereof, and agrees to reimburse the Seller for any such taxes or contributions which the Seller may be legally required to pay and which the Buyer should have paid.

18. It is distinctly understood and agreed that the Seller has no right and retains no right with regard to the details of the work, personnel of the workers or the hours of work, or other conditions of the employment of those employed or used by the Buyer, or any contractor of the Buyer, in the performance of this work.

19. Should the Buyer fail or refuse to cut said timber in compliance with the terms of this contract, or should the Buyer at any time fail to carry out and perform any provision, or provisions of this contract, the Seller, at its option, shall have the right without prejudice to its other legal rights and remedies, upon ten (10) days written notice, to cancel this contract, and upon such cancellation, all of the rights of the Buyer hereunder shall cease and terminate, and all monies paid in advance under this agreement shall be retained by the Seller and applied to the satisfaction of the obligations of the Buyer and any loss or damage to the Seller, the balance, if any, to be returned to the Buyer.

20. The Buyer shall not assign this contract or any of the Buyer's rights or interests thereunder, without the written consent of the Seller, and it is distinctly understood and agreed that no agent or representative of the Seller shall have the right in any way change, modify or abrogate any of the terms of this contract, and none of the terms hereof shall be in any way abrogated, changed or modified except in writing and by mutual consent, in which case it shall be executed by the parties hereto, the Seller acting only and solely by and through its duly authorized officers.

21. The rights herein granted shall become effective on the 24th day of February, 1977 and shall terminate and end as soon as the marked and/or designated timber conveyed is cut and removed or on the 31st day of December, 1977, whichever is the earlier, and on such date all of the rights and interests of the Buyer hereunder, shall cease and terminate, and the title to all timber then standing, lying or growing on said lands shall revert to the Seller.

22. Paragraph 7 hereof is not applicable to this contract.

23. Buyer agrees to indemnify and save harmless Seller from and against any and all liability, demands and claims, whether well founded or otherwise, including the cost of defending the same, regardless of fault, for 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, and in connection with, the operations of Buyer hereunder, and the carrying out of the terms of this contract.

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*Deed tax* 4<sup>00</sup>  
*Thomas B. Snowdon, Jr.* 4<sup>50</sup>  
JUDGE OF PROBATE *Rec.* 1<sup>00</sup>  
*Induct* 9<sup>50</sup>

Witness our hands and seals in duplicate the day and year first above written.

Witness as to Seller

Brian Gordon

Robert D. Thayer

Witness as to Buyer

Sharon Lusk

Connie Payne

Harris M. Gordon (SEAL)  
(Harris M. Gordon)

Ruth L. Gordon (SEAL)  
(Ruth L. Gordon)

GULF STATES PAPER CORPORATION

By F. J. Nixon  
As its Timber Business Manager