

STATE OF ALABAMA)

SHELBY COUNTY)

OPTION TO PURCHASE REAL ESTATE

This option agreement (this "Agreement") made as of this 22 day of February, 1996, by and between Harbar Homes, Inc., an Alabama corporation ("Purchaser"), and Double Mountain LLC, an Alabama limited liability company ("Seller").

RECITALS

Seller is the owner of real estate located in Sections 10 and 11, Township 20 South, Range 2 West, in Shelby County, Alabama. Seller desires to grant to Purchaser, and Purchaser desires to acquire from Seller, an exclusive option to purchase a minimum of 300 acres and a maximum of 330 acres of such real estate owned by Seller, generally described as located south of the CSX railroad tracks, north of Double Mountain and west of Kendrick Road, and as shown by the map attached hereto as Exhibit A (the "Real Property") on the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the above recitals and the covenants and agreements set forth herein, Seller and Purchaser covenant and agree as follows:

1. Seller hereby grants, gives, bargains, sells, and conveys unto Purchaser the irrevocable and exclusive right and option to purchase the Real Property, upon the terms and conditions set forth in this Agreement (the "Option"). The Real Property shall include land for a road (the "Parkway") running south from County Highway 11 across the railroad to the balance of the real estate which constitutes the Real Property. The Option shall commence on the Option

Inst # 1996-13260

304084.7

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09:14 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
035 SNA 93.50

Commencement Date (as hereinafter defined) and expire at midnight, local time, 120 days after the Option Commencement Date (the "Option Expiration Date"). Purchaser may exercise the Option at any time prior to the Option Expiration Date by giving Seller written notice of such exercise as provided in this Agreement. By written notice to Seller as provided in this Agreement, Purchaser may elect at any time not to exercise the Option. If Purchaser has not given notice of exercise of the Option by the Option Expiration Date, all rights of Purchaser under this Agreement and with respect to the Real Property shall terminate. For the purposes of this Agreement, the Option Commencement Date shall be the later to occur of (i) the date on which Purchaser executes this Agreement or (ii) the date on which Seller executes this Agreement, as such dates are indicated under the signature of each on the signature page of this Agreement. However, unless this Agreement is executed by both Seller and Purchaser on or before February 29, 1996, it shall not be effective against either party.

2. (a) As consideration for the Option, Purchaser (i) hereby delivers to Seller the sum of \$20,000.00 (the "Cash Option Consideration"); and (ii) agrees, at Purchaser's expense, to contract for aerial topography, engineering and percolation studies (together, the "Engineering Study") of the Real Property to be conducted by registered professional engineers for the purpose of determining the feasibility of the Real Property as a residential subdivision. The Engineering Study shall be instigated as soon as possible after the execution of this Agreement and be completed as soon as possible and in any event by not later than the Option Expiration Date. Notwithstanding any other provision in this Agreement, Purchaser may discontinue the Engineering Study, and pay only for those Engineering Study expenses and obligations incurred

to that date, and shall not be obligated to complete it if at any time Purchaser determines that it cannot economically develop a residential subdivision on the Real Property and/or that any easements or restrictions of record relating to the Real Property interfere with the use of the Real Property as a residential subdivision.

(b) During the term of the Option, (i) Seller shall permit Purchaser and its agents access to the Real Property for the purpose of performing the Engineering Study, for purposes of evaluating the feasibility of purchasing the Real Property, and for the purpose of having a survey made of the Real Property including the Parkway (the "Survey"); (ii) Seller shall provide Purchaser with information concerning the sale of timber rights to the Real Property and permit Purchaser to contact the owner of such timber rights; (iii) Purchaser shall obtain and have in effect during the term of the Option until the closing at least \$1,000,000 in general liability insurance coverage for its agents and employees that access the Real Property in addition to Purchaser's customary workmen's compensation insurance coverages; and (iv) Purchaser shall order a commitment for owner's title insurance on the Real Property from an agent of First American Title Insurance Company (the "Title Commitment") as soon as the Survey is completed. The cost of the Survey shall be paid by Purchaser. The Purchaser shall not be required to have the Survey made if it does not exercise the Option.

(c) If Purchaser exercises the Option, the Cash Option Consideration shall be applied to the purchase price of the Real Property and the Engineering Study shall be retained by Purchaser. If Purchaser does not exercise the Option and gives written notice to Seller thereof within sixty (60) days of the Option Commencement Date, the Cash Option Consideration

shall be returned to Purchaser by Seller within three (3) days after the date Purchaser gives written notice to Seller that Purchaser will not exercise the Option, the Engineering Study shall be delivered to Seller, if then completed, and Purchaser shall assign to Seller all of Purchaser's rights thereto. If Purchaser does not exercise the Option and has not given written notice to Seller thereof within sixty (60) days of the Option Commencement Date, one-half (1/2) of the Cash Option Consideration shall be returned to Purchaser by Seller within three (3) days after the Option Expiration Date or the date (which is on or after the 61st day after the Option Commencement Date) Purchaser gives written notice to Seller that Purchaser will not exercise the Option, whichever occurs first; the Engineering Study shall be delivered to Seller, if then completed; Purchaser shall assign to Seller all of Purchaser's rights thereto; and Seller shall retain one-half (1/2) of the Cash Option Consideration.

(d) Once the Survey is prepared, the description of the Real Property contained on the Survey shall be added to the map which is Exhibit A hereto and shall be used for all purposes as the description of the Real Property. The Survey shall also designate and describe clearly the Parkway.

3. The purchase price of the Real Property shall be based upon the number of acres determined to be within that part of the Real Property to be purchased as reflected on the Survey. The surveyor shall calculate the number of acres in that part of the Real Property to be purchased and certify the same on the Survey. For each acre of the Real Property to be purchased, the purchase price shall be \$3,500 per acre (or prorata for a fraction of an acre). The

purchase price as so determined shall be paid in cash at the closing, subject to credit for the Cash Option Consideration and proration of taxes.

4. If the Option is exercised by the Purchaser, the closing of the purchase and sale shall take place on a date and at a place within Jefferson County, Alabama, designated by Purchaser in the notice given to Seller of exercise of the Option but in any event within 30 days of the date of such notice of exercise of the Option. At the closing Seller shall deliver to Purchaser a general warranty deed to the Real Property to be purchased free and clear of all liens and encumbrances except for and subject to the then current ad valorem taxes, oil, gas, and mineral and mining rights not owned by Seller, timber rights conveyed by Seller pursuant to the timber sales agreement attached hereto as Exhibit C, and any easements and restrictions of record. Seller shall grant to Purchaser immediate possession of the Real Property upon the closing except as provided herein. The then current ad valorem taxes on that part of the Real Property purchased shall be prorated between Seller and Purchaser as of the closing date. Seller will pay the premium for a title insurance policy issued pursuant to the Title Commitment. Purchaser will pay any other reasonable closing costs incurred by Purchaser. The Title Commitment and the title insurance policy issued pursuant to the Title Commitment may contain as Schedule B Part I those items listed on Schedule B Part I to the Seller's title insurance policy, which is attached hereto as Exhibit D, which are applicable to the Real Property. The form of the deed to the Real Property shall be in substantially the form attached hereto as Exhibit E.

If Purchaser exercises the Option but then fails to close the purchase of the Real Property within thirty (30) days of the notice of exercise of the Option through no fault of Seller,

then this Agreement, the Option and all rights of Purchaser to the Real Property shall terminate. If Purchaser exercises the Option and Seller fails to close in accordance with this Agreement, then Purchaser may pursue all of its available legal and equitable remedies against Seller.

5. Purchaser agrees:

(a) To cause any subdivision developed on the Real Property by Purchaser to reflect in the recorded subdivision plat reasonable street access to Seller's real estate adjoining the Real Property to the east and to the west of the Real Property; and

(b) To cause to be recorded protective covenants similar to the recorded protective covenants applicable to the Fieldstone Subdivision in Shelby County, Alabama and in addition to provide in the protective covenants applicable to the Real Property for a minimum square footage of 2,000 square feet for each home facing the Parkway and for a minimum square footage of 1,400 square feet for each home facing any other street within the Real Property. For any one story home the main level must contain the minimum square footage referred to in the foregoing sentence. For a two story home facing the Parkway, the main level must contain at least 1,200 square feet, and for a story and a half home facing the Parkway the main level must contain at least 1,350 square feet. For a two story home facing any other street within the Real Property the main level must contain at least 900 square feet, and for a story and a half home facing any other street the main level must contain at least 1,000 square feet.

Purchaser shall prepare a master development plan for the Real Property within one year of the closing of the purchase of the Real Property. Such master plan shall show the street accesses to Seller's real estate adjoining the Real Property to the east and to the west of

the Real Property. Purchaser may amend such master plan at any time and from time to time so long as any such amendment to the master plan does not adversely affect such street accesses to Seller's real estate to the east and west of the Real Property. Purchaser shall build the street to access Seller's real estate to the east of the Real Property within three (3) years of the closing of the purchase of the Real Property, and Purchaser shall build the street to access Seller's real estate to the west of the Real Property within six (6) years of the closing of the purchase of the Real Property.

6. If Purchaser exercises the Option and purchases the Real Property, Seller agrees to cause to be recorded at the closing of the purchase of the Real Property protective covenants substantially similar to those reflected on Exhibit B to this Agreement only with respect to the following real estate owned by Seller:

(i) The real property fronting County Highway 11 from the Parkway east to Kendrick Drive, south to the existing railroad tracks, west to the Parkway, and north to County Highway 11; and

(ii) The real property fronting County Highway 11 from the Parkway west for approximately 300 feet, south to the existing railroad tracks, east to the Parkway, and north to County Highway 11.

7. If Purchaser exercises the Option and purchases the Real Property, Seller and Purchaser agree to share on a pro rata basis the following:

(i) The cost of constructing the Parkway from County Highway 11 to the south side of the proposed bridge referred to in (iii) below;

(ii) The cost of developing the entrance of the Parkway at County Highway 11 to include landscaping, lighting, signage, and irrigation system; and

(iii) The cost of constructing a bridge over the CSX railroad tracks where the Parkway crosses such tracks.

For the purposes of this paragraph the pro rata share of Purchaser and Seller shall be determined based upon the number of acres within the Real Property and the total number of acres owned by Seller after the sale of the Real Property to Purchaser which are benefited by the Parkway and which are shown by the map attached hereto as Exhibit A and designated thereon as Section I. If Purchaser and Seller cannot agree on their pro rata shares within sixty (60) days of the Option Commencement Date, Purchaser will not exercise the Option and the Cash Option Consideration shall be returned to Purchaser by Seller within three (3) days thereafter.

Notwithstanding the foregoing paragraph, if Seller decides to extend the Parkway north of the Real Property over the first ridge to benefit Section II as shown by the map attached hereto as Exhibit A, the pro rata share of Purchaser and Seller shall be redetermined to include the acres of Seller within such Section II which shall be deemed benefited by the Parkway.

8. If Purchaser exercises the Option and purchases the Real Property, Purchaser agrees to complete the construction of the Parkway as shown on the Survey, including the Parkway entrance and bridge over the CSX railroad tracks, within three (3) years from the date of closing, provided, the permission of CSX Railroad (and of other applicable railroad and/or governmental authority) is received in sufficient time to construct the bridge at a reasonable cost within such three (3) year period.

9. All notices which are required or may be given pursuant to the terms of this Agreement shall be in writing and delivered personally or by United States mail, proper postage prepaid, as follows:

If to Seller to: Double Mountain LLC
c/o Paul Shaw, Esq.
810 Park Place Tower
2001 Park Place North
Birmingham, Alabama 35203

If to Purchaser to: Harbar Homes, Inc.
5502 Caldwell Mill Road
Birmingham, AL 35242
Attention: Denney E. Barrow

Purchaser or Seller may by written notice to the other change the person or address to which notices under this Agreement are to be given. Notices shall be deemed given when placed in the mail proper postage prepaid and properly addressed to the other party.

10. Seller agrees that Purchaser may cause this Agreement to be recorded at Purchaser's cost and expense in the Office of the Judge of Probate of Shelby County, Alabama.

11. Purchaser acknowledges that Seller has informed Purchaser that Seller has sold the rights to cut the timber on the Real Property to a third party. A copy of such timber sale agreement is attached hereto as Exhibit C. Subject to the foregoing sentence and said timber sale agreement attached hereto as Exhibit C and except for current ad valorem taxes, oil, gas and mineral and mining rights not owned by Seller, and any easements, rights of way, and restrictions of record and those items on Schedule B Part I which are applicable to the Real Property, Seller represents and warrants to Purchaser that on the date of the execution of this Agreement Seller has fee simple title to the Real Property and the right to convey the Real Property to Purchaser,

provided, however, that Seller shall at closing have caused any mortgage now existing on the Real Property to be conveyed hereby to be released. If during the term of the Option Purchaser cannot determine that such timber rights will not unreasonably interfere with the development of the Real Property as a residential subdivision, Purchaser may elect not to exercise the Option.

12. Purchaser represents to Seller, and Seller represents to Purchaser, that all negotiations relative to this Agreement and the transactions contemplated hereby have been carried out directly by each party hereto on its own behalf without the intervention of any broker or third party and that neither Purchaser nor Seller has engaged, consented to, or authorized any broker to act on its behalf, directly or indirectly, as a broker or finder in connection with the transaction contemplated by this Agreement. Each party hereto agrees to hold the other harmless from any claim made by any broker claiming to have acted on its behalf. Purchaser acknowledges that Alan Perlis and Charles W. Daniel who are members of Seller are licensed real estate brokers in Alabama.

13. This Agreement shall not be assigned by Seller. Purchaser may assign its rights and obligations under this Agreement, but such assignment shall not relieve Purchaser from its obligations to the Seller hereunder. This Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of each of the parties hereto.

14. Seller represents and warrants to the Purchaser that Seller has not received any notice of any pending condemnation proceedings or any notification from any governmental agency of any kind of any pending public improvement or requiring any repairs, replacements or alterations to the Real Property that have not been satisfactorily made.

15. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. This Agreement constitutes the entire agreement between Purchaser and Seller with respect to the Real Property. All representations and warranties made herein shall, in the event of the exercise of the Option, survive the delivery of the deed called for herein. This agreement shall be governed by and construed in accordance with, the laws of the State of Alabama.

IN WITNESS WHEREOF, Purchaser and Seller have duly executed this Agreement on the date set forth under the name of each below as of the day and year first above written.

SELLER:

Double Mountain LLC

By: Paul B. Skunk Jr.
Its Member
Date of Execution: 2-23, 1996
PURCHASER:

Harbar Homes, Inc.

By: Dwight Borden
Its VICE PRESIDENT
Date of Execution: 2-22, 1996

STATE OF ALABAMA)
)
Jefferson COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Paul B. Shaw, Jr., whose name as member of Double Mountain LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he as such member, and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal of office this 23 day of FEBRUARY 1996.

[NOTARIAL SEAL]

Cynthia C. Park
Notary Public
My commission expires: 6/24/98

STATE OF ALABAMA)
)
Shelby COUNTY)

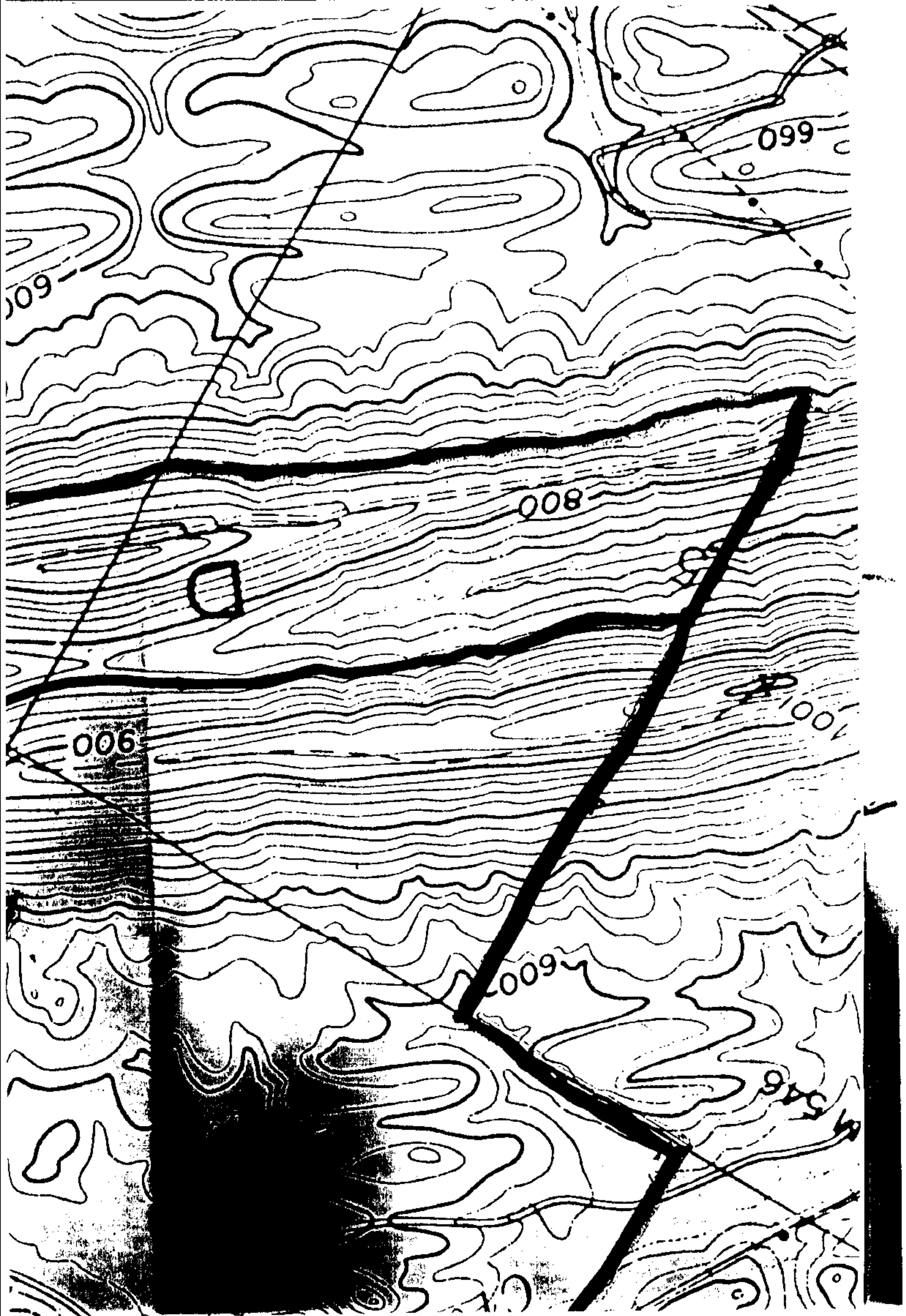
I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Denney Barrow, whose name as Vice President of Harbar Homes, Inc., an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

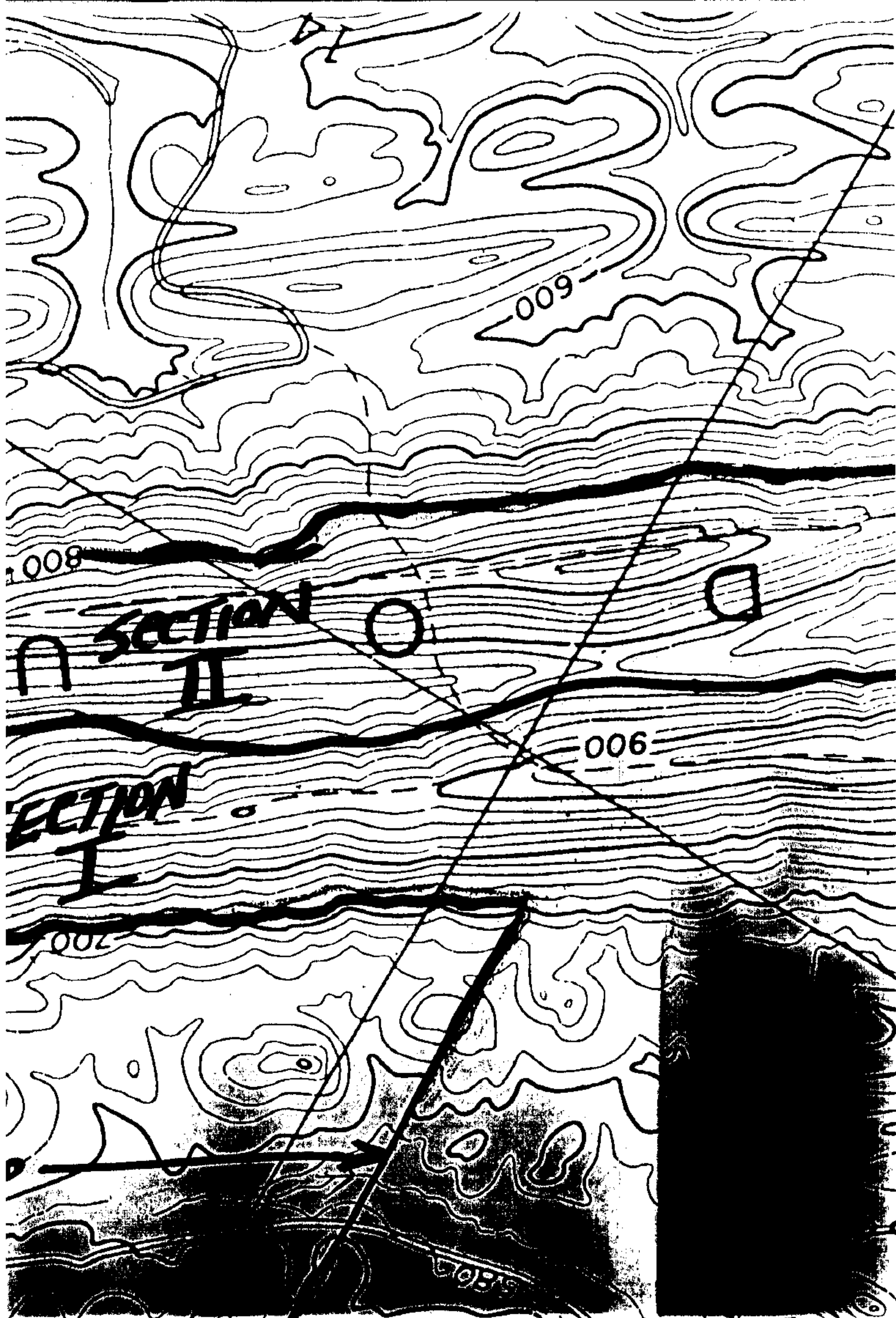
Given under my hand and seal of office this 22nd day of February, 1996.

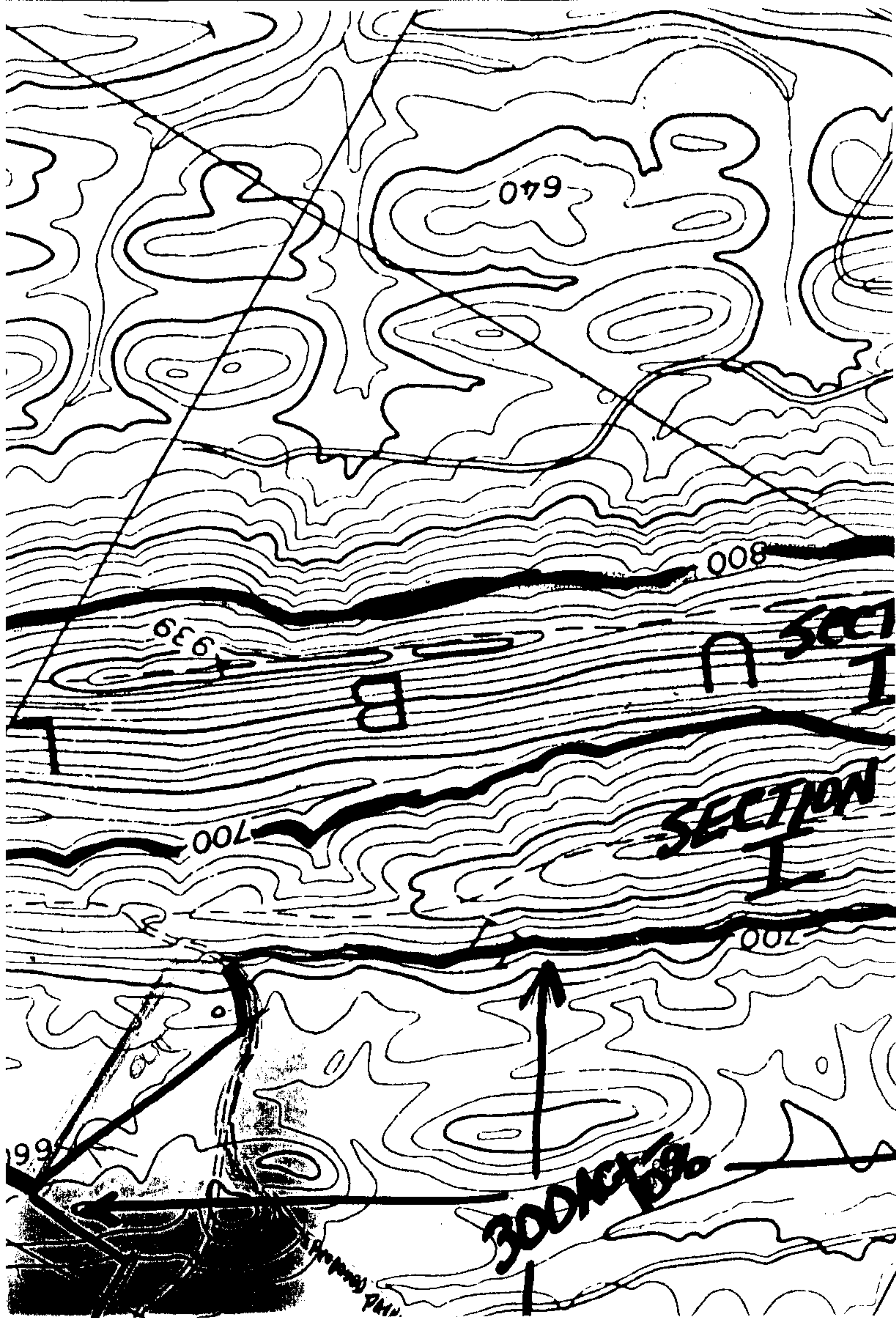
[NOTARIAL SEAL]

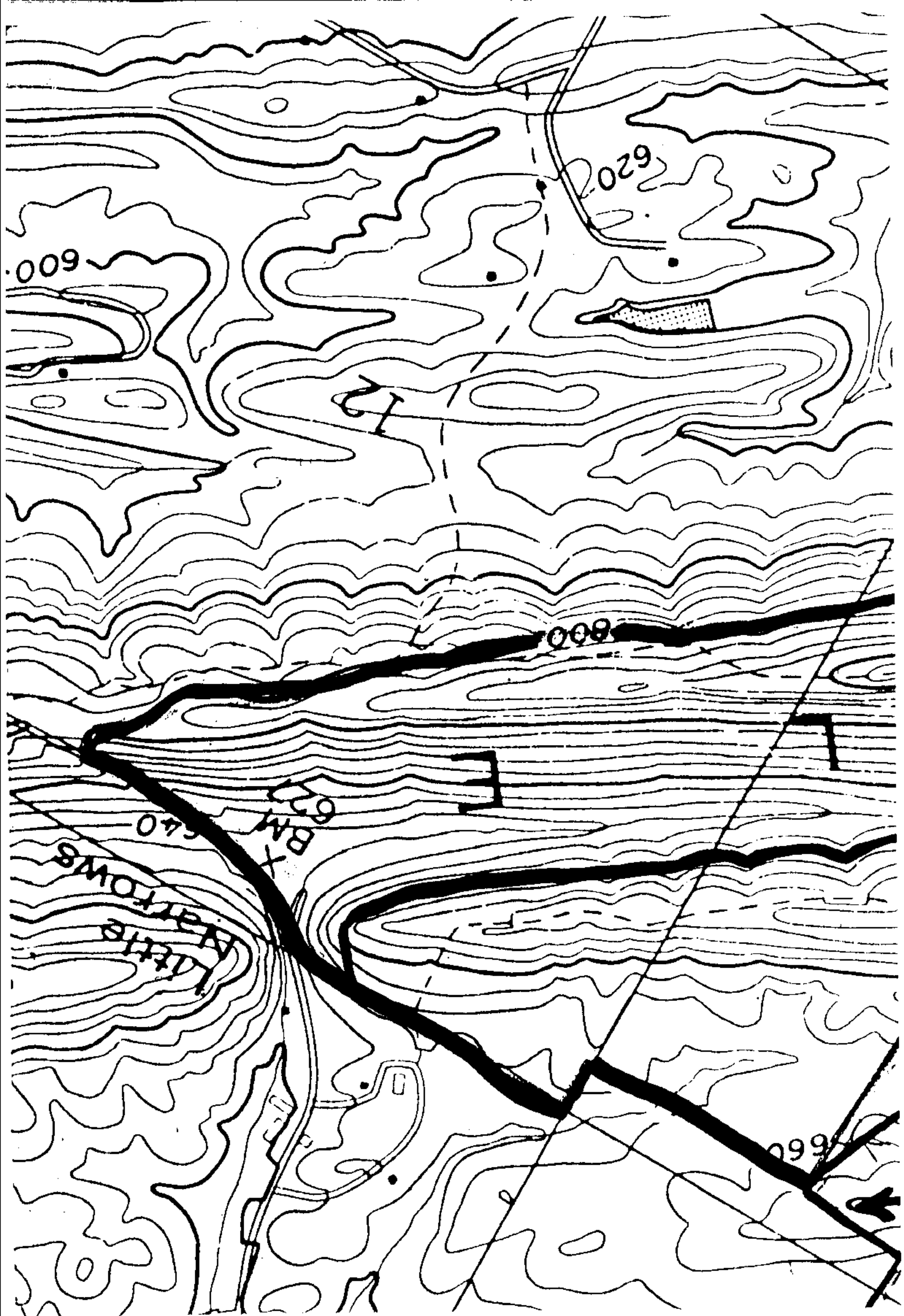
Alesia H. Rans
Notary Public
My commission expires: 3/19/96

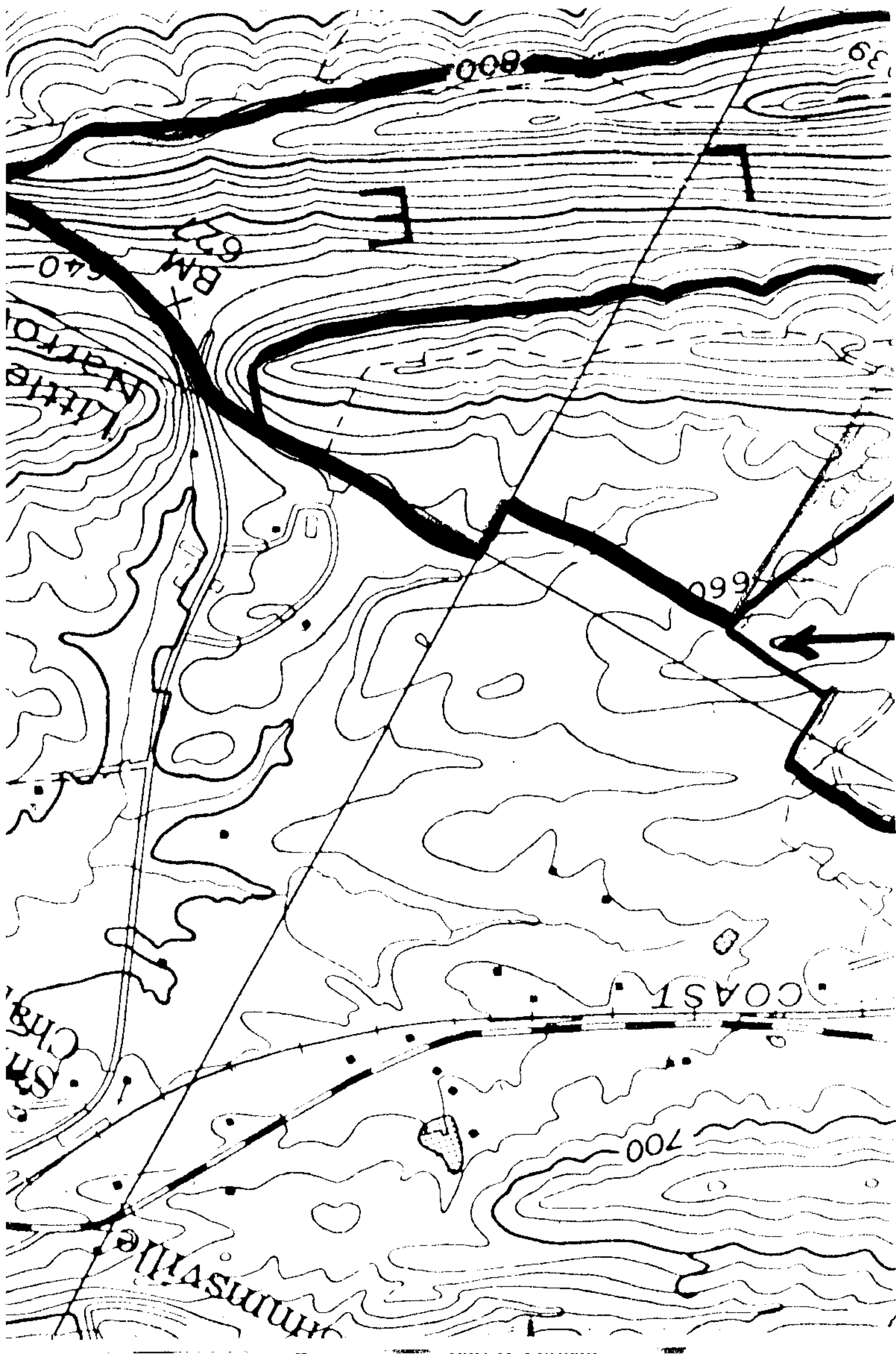
This Instrument Prepared By:
Joseph G. Stewart
Burr & Forman
3100 SouthTrust Tower
420 North 20th Street
Birmingham, AL 35203

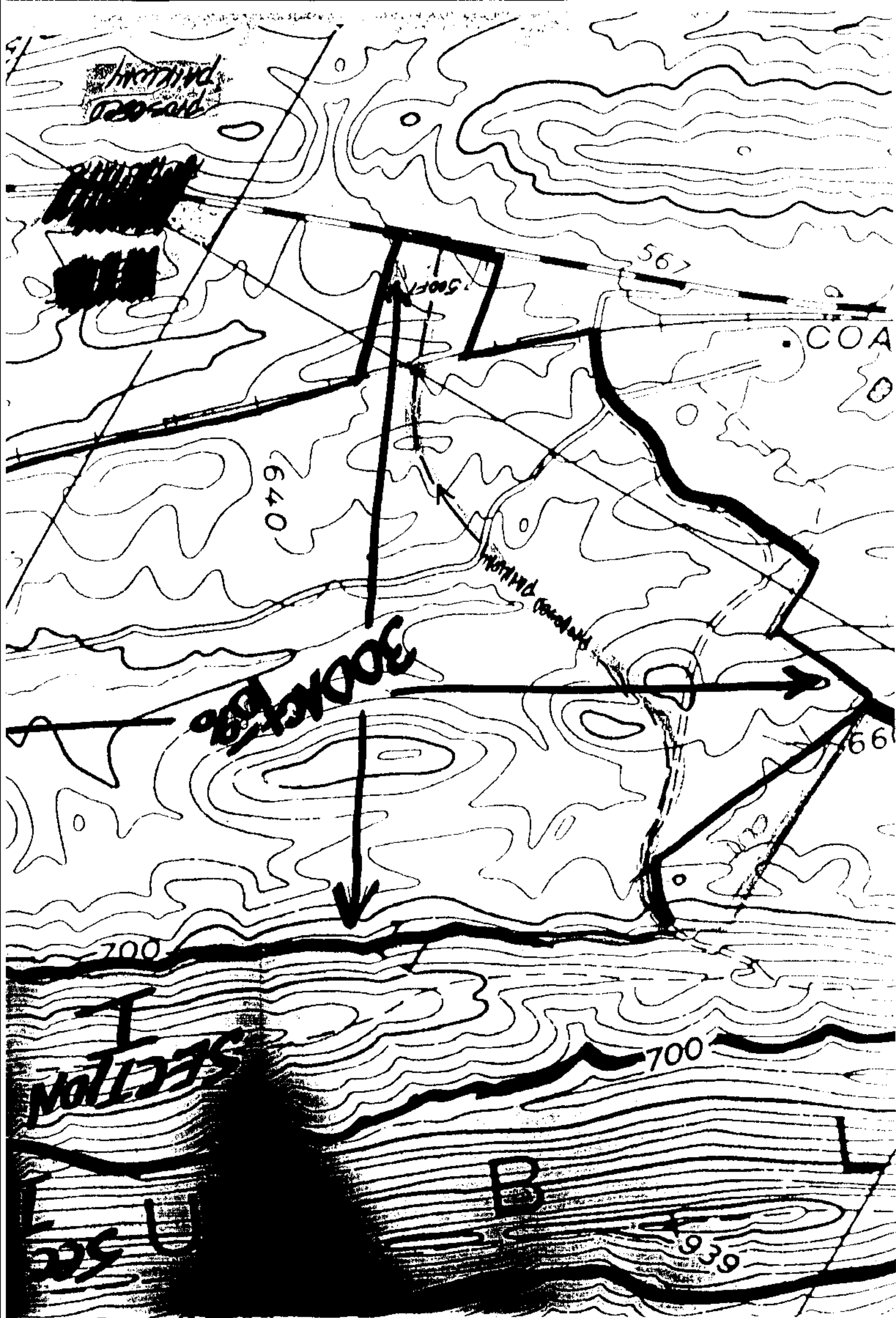












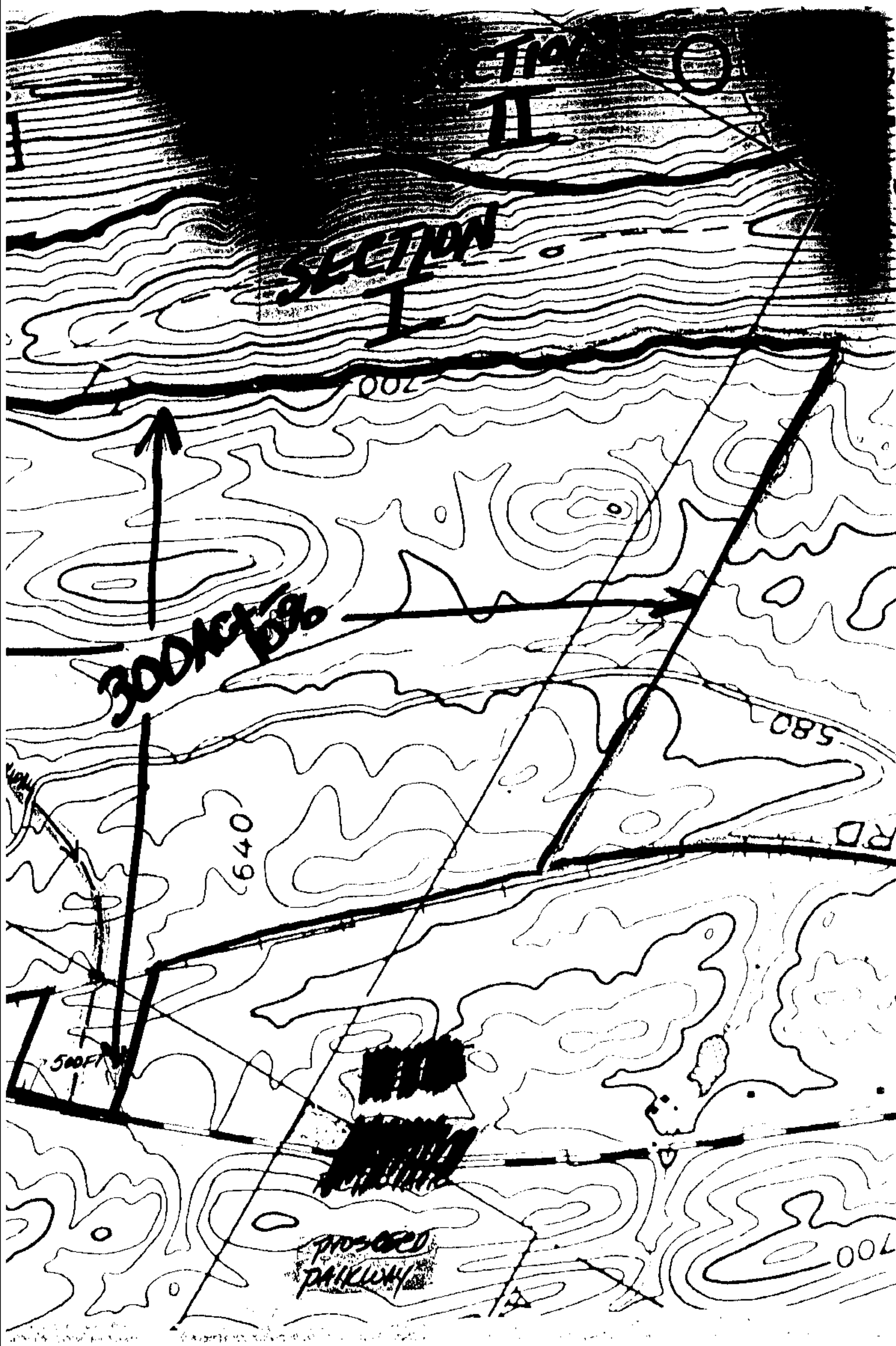




EXHIBIT B
TO OPTION TO PURCHASE REAL ESTATE BETWEEN
HARBAR HOMES, INC.
AND DOUBLE MOUNTAIN LLC

PROPOSED PROTECTIVE COVENANTS

1. **Building Plans.** A site plan and plans and specifications for all structures must be submitted to the Architectural Control Committee, or its duly authorized agent or to its successors or assigns, for written approval as to the quality of workmanship and materials, and harmony of exterior design with the residential subdivision to be developed south of the property. A copy of such plans shall be retained by the Architectural Control Committee. No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building setback line shown on any recorded plat. For the purposes of this covenant, eaves, steps and open decks shall not be considered as part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. Roofs on all structures must have a minimum of 6/12 pitch on the structure. No gambrel or mansard roofs will be permitted. Shingles or roof tiles must be of a natural or slate color. No white roofing materials of any kind will be permitted. All stack pipes, exhaust fans, and other roof projections shall be located on the rear or side of the building roofs unless prior written consent is obtained from the Architectural Control Committee or its duly authorized agent. The only exterior materials that are acceptable are brick, stone and wood (but not board and batting).
2. **Signs.** No sign of any kind shall be exhibited in any way on or above the property without the written approval of the Architectural Control Committee
3. **Animals.** No husbandry of either animals or fowl shall be conducted or maintained on the property.
4. **Fences.** No fencing of any kind shall be used without the prior written approval of the Architectural Control Committee.
5. **Water and Sewer.** The laws of the State of Alabama and Shelby County as well as the rules and regulations of their administrative agencies now or in the future in effect with regard to sewage, disposal, water supply and sanitation shall apply to the property. All buildings shall connect with central water. No privy or receptacle of any kind can be used for storage or waste.

6. **Trucks, Trailers, and Temporary Structures .** No tents, barns, or other outbuildings shall be allowed on any of the lots. No lots shall be used as a junk yard or auto graveyard. No trucks, truck trailers, boats, boat trailers, or house trailers of any kind shall be permitted to be parked on the property for a period of more than eight hours unless the same is present in the actual construction or repair of buildings located on the property, and no truck shall be parked overnight.
7. **Commercial Uses.** Buildings on the property shall be limited to use as offices, retail stores, convenience stores with gasoline islands, restaurants, banks, and repair shops, but shall not include service stations or drycleaning establishments (other than a pick up and delivery point) .
8. **Mailboxes and Lampposts.** All mailboxes, lampposts, street lighting and posts must be constructed and located with the Architectural Control Committee's consent.
9. **Landscaping and Lighting.** All front and side yards will be landscaped with solid sod and shall be attractively maintained. All exterior lighting shall be in character and keeping with the general area and shall not unduly interfere with adjoining residential subdivisions.
10. **Air Conditioning Units.** Outside air conditioning units may not be located so as to be visible from the street front and no window or through the wall air conditioning units will be permitted.
11. **Garbage and Refuse.** No lumber, metal or bulk materials shall be kept, stored or allowed to accumulate on the property except building materials during the course of construction of any improved structure or improvement. No refuse or trash shall be kept, stored or allowed to accumulate. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, such trash or refuse must be placed in sanitary containers. Such sanitary containers should be placed in the open only on the day that a pick up is to be made on the property as to provide access to the persons making such pickup. At all other times, such containers shall be stored in such manner so as they cannot be seen from the other property or the street.
12. **Outside Burning.** Burning of trash, refuse or other materials on the property except during construction of the structures is prohibited.
13. **Pipes.** No water pipes, gas pipes, sewer lines or drainage pipes shall be installed or maintained above the surface of the ground except for hoses and movable irrigation pipes.
14. **No Noxious Activities.** No noxious or offensive activity shall be carried on upon any lot or shall anything be done thereon which may be or become an annoyance or nuisance to the subdivision.

15. **Architectural Control Committee.** The Architectural Control Committee shall be composed of five individuals designated from time to time by Double Mountain LLC, or its successors or assigns, but shall include at all times a representative of Harbar Homes, Inc.

STATE OF ALABAMA

EXHIBIT "C"

COUNTY OF SHELBY

TIMBER SALE AGREEMENT

THIS BUY SELL AGREEMENT made this 11th day of November, 1994 by and between **DOUBLE MOUNTAIN L.L.C.**, hereinafter referred to as Seller, and **INTERNATIONAL PAPER CO.**, hereinafter referred to as Buyer.

1. Whereas, Seller agrees to sell and Buyer agrees to buy all pine timber twelve inches in diameter outside the bark at a six inch stump height and larger and gum, oak and poplar twenty inches in diameter outside the bark at a twelve inch stump height and larger with the exception of all timber inside the fifty foot wide buffer strips as flagged along roads and twenty-five foot buffer strips on either side of the railroad as shown on the sale blocks map. See Exhibit "A" for Legal Description and Exhibit "B" for Map, both of which are attached hereto, made party of and incorporated herein by reference.
2. The consideration paid for this agreement and the trees to be cut hereunder is the sum of One Hundred (\$100.00) dollars, 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.

5. Buyer agrees to use good logging practices in the 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 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.

~~all~~
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. Water bars must be placed on temporary roads, new roads and major skid trails and these roads seeded with ground cover when logging is completed.

6. Buyer agrees to notify Hatcher & Elland, 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 describe 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.

Seller warrants and represents to Purchaser, its successors and assigns, that to the best of Seller's knowledge (1) no permit under the Endangered Species Act or the Clean Water Act is necessary to remove or cut timber and (2) there is no threatened or endangered species, or occupied habitat on the land subject to this contract. To the extent any threatened or endangered species are found on the land or if purchaser is otherwise prevented from harvesting any timber hereunder without such a permit, Purchaser, at Purchaser's election, shall have the right (a) to require seller to extend the term of this contract and obtain the necessary permit within ninety (90) days (failing which, Purchaser may then choose another of these options), (B) to cancel this contract without liability, paying only for timber cut, or (c) to cancel this contract only as to the affected acreage and timber thereon, in which case seller shall reimburse or excuse Purchaser from payment for the prorated portion of the purchase price relating to the affected acreage. The affected acreage shall be determined by a joint cruise between Purchaser and Seller. If the parties cannot then agree on the affected acreage, the issue shall be referred tot the appropriate state or federal agency for determination.

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 and is solely liable for all its acts and all labor and expenses in connection with its 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 are 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 \$500,000.00 dollars. 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, and wrongfully cutting of marked trees. All undesigned 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 the 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 November 30, 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:

Paul H. J. [Signature]
DOUBLE MOUNTAIN L.L.C.

BUYER:

INTERNATIONAL PAPER COMPANY

Charles L. Hart III
By: Superior Timber Acquisition
Its authorized agent
STATE OF ALABAMA
COUNTY OF JEFFERSON

Personally appeared before me, the undersigned authority in and for the said county and state, on this 11th day of NOVEMBER, 1994, within my jurisdiction, the within named Double Mountain L.L.C. who acknowledged that he executed the above and foregoing instrument.

Janice Davis
Notary Public
My commission expires _____
NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Dec. 29, 1997.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

STATE OF ALABAMA
COUNTY OF BIBB

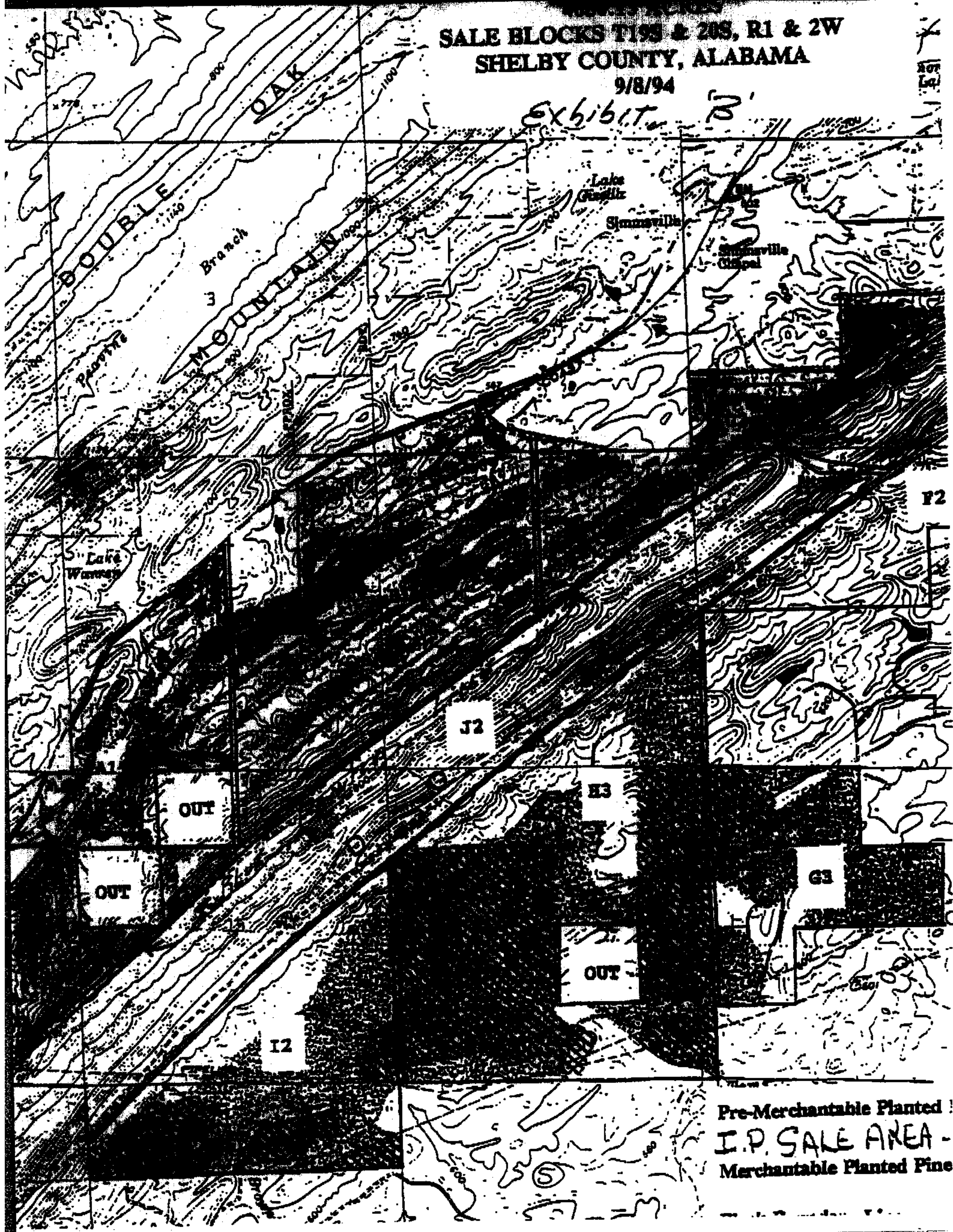
Personally appeared before me, the undersigned authority in and for the said county and state, on this 9th day of November, 1994, within my jurisdiction, the within named agent for International Paper Company who acknowledged that he executed the above and foregoing instrument.

Cathy D. Moore
Notary Public
My commission expires _____
NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Mar. 2, 1997.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

SALE BLOCKS T19S & 20S, R1 & 2W
SHELBY COUNTY, ALABAMA

9/8/94

Exhibit B



Pre-Merchantable Planted
I.P. SALE AREA
Merchantable Planted Pine

EXHIBIT "C"

PRICES FOR STUMPAGE OF DAMAGED TIMBER:

PINE SAWTIMBER.....	\$775.00/MBF
PINE PULPWOOD.....	\$76.00/CORD
HARDWOOD SAWTIMBER.....	\$257.00/MBF
HARDWOOD PULPWOOD.....	\$76.00/CORD

First American Title Insurance Company

SCHEDULE B PART I

Agent's File No.: 91320
Policy Number FA- 31 46758 LOAN Policy Number FA- 33 35579 OWNERS

This policy does not insure against loss or damage by reason of the following:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Any adverse claim to any portion of said land which has been created by artificial means or has accreted to any such portion so created and riparian rights, if any.
6. Taxes or special assessments which are not shown as existing liens by public records.
7. Any prior reservation or conveyance, together with release of damages, of minerals of every kind and character, including, but not limited to oil, gas, sand, and gravel in, on, and under subject property.

NOTE: Exceptions numbered 1-7 above are hereby deleted.

8. The mortgage, if any, referred to in Schedule A. (This exception does NOT apply to Loan Policies.)
9. General and special taxes or assessments for 19 94 and subsequent years not yet due and payable.

10. Any loss, claim, damage or expense including additional tax due, if any, due to the fact that ad valorem taxes for subject property have been paid under a current use assessment. (See 1975 Code of Alabama Section 40-7-25.3).

11. Mineral and mining rights and all rights, privileges, conditions and covenants in connection therewith.

12. Rights of ways granted to Shelby County, Alabama by instruments recorded in Deed Book 180 page 544, Deed Book 229 page 489, Deed Book 229 page 492, Deed Book 39 page 469 and Deed Book 329 page 365 in the Probate Office.

13. Rights of ways granted to Alabama Power Company by instruments recorded in Deed Book 127 page 336, Deed Book 126 page 55, Deed Book 165 page 105, Deed Book 127 page 440 and Deed Book 131 page 411 in the Probate Office.

14. Rights of ways granted to Colonial Pipe Line by instruments recorded in Deed Book 222 page 638, Deed Book 223 page 825, Deed Book 112 page 231 and Deed Book 283 page 716 in the Probate Office.

15. Railroad right of way reserved by South and North Alabama Railroad by Deed Book "T" page 655 in the Probate Office.

16. Right of way granted to Atlantic Birmingham & Atlantic Railroad by instrument recorded in Deed Book 40 pages 106 and 108 in the Probate Office.

17. Lack of a right of access to and from the land; and, paragraph number 4 of the insuring provisions hereinabove, is expressly deleted from this Policy.

18. There are many existing road right of ways, railroads, power lines, utility lines and other easements across portions of

First American Title Insurance Company

SCHEDULE _____ (Continued)

Agent's

File No.:

Policy No.: FA-

subject properties, all of which would be disclosed by an accurate survey; and this policy excepts all such items as would be so disclosed.

19. Railroad right of way referred to in deed recorded in Deed Book 23 page 100 in the Probate Office.
20. Reservations of rights of way for South & North Alabama Railroad or L & N Railroad Company by instrument recorded in Deed Book 67 page 132 in the Probate Office.
21. Easement from Kimberly-Clark Corporation to Thomas Tillery dated June 3, 1977 and recorded in Deed Book 208 page 771 in the Probate Office.
22. Easement from Kimberly-Clark Corporation to Mrs. W. H. Walton dated August 19, 1974 and recorded in Deed Book 311 page 414 in the Probate Office.
23. Right of way to South Central Bell recorded in Deed Book 312 page 440 in the Probate Office.
24. Memorandum and Affidavit regarding oil and gas lease between Kimberly-Clark Corporation and The Anschutz Corporation dated February 9, 1982 and recorded in Misc. Book 45 page 303 in the Probate Office.
25. Gas Utility Facilities Easement between Kimberly-Clark Corporation and Alabama Gas Corporation dated December 14, 1992 and recorded by Instrument 1993-38321 in the Probate Office of Shelby County, Alabama.
26. Easement to South Central Bell as recorded in Deed Book 274 page 859 in the Probate Office.
27. Memorandum of Oil and Gas Lease to Atlantic Richfield Company as recorded in Deed Book 324 page 391 in the Probate Office.
28. Easement to Alabama Power Company as set out by instrument recorded in Deed Book 299 page 370 in the Probate Office.

EXHIBIT E

Send Tax Notice To:

This instrument prepared by Joseph G. Stewart, Attorney-at-Law, Burr & Forman, 3100 SouthTrust Tower, 420 North 20th Street, Birmingham, Alabama 35203

STATE OF ALABAMA)

)

KNOW ALL MEN BY THESE PRESENTS,

SHELBY COUNTY)

)

That in consideration of _____ Dollars (\$ _____) to the undersigned grantor, Double Mountain LLC, in hand paid by _____ (the "Grantee"), the receipt of which is hereby acknowledged, the said Double Mountain LLC, an Alabama limited liability company (the "Grantor"), does by these presents, grant, bargain, sell and convey unto the Grantee the real estate situated in Shelby County, State of Alabama, described on Exhibit A attached hereto which is made a part hereof by this reference.

Subject to:

1. Current year's ad valorem taxes;

[And To Extent Applicable To The Real Property]

2. Rights of way granted to Shelby County, Alabama by instruments recorded in Deed Book 180 page 544, Deed Book 229 page 489, Deed Book 229 page 492, Deed Book 39 page 469 and Deed Book 329 page 365 in the Probate Office of Shelby County, Alabama;
3. Rights of way granted to Alabama Power Company by instruments recorded in Deed Book 127 page 336, Deed Book 126 page 55, Deed Book 165 page 105, Deed Book 127 page 440 and Deed Book 131 page 411 in the Probate Office of Shelby County, Alabama;
4. Rights of way granted to Colonial Pipe Line by instruments recorded in Deed Book 222 page 638, Deed Book 223 page 825, Deed Book 112 page 231 and Deed Book 283 page 716 in the Probate Office of Shelby County, Alabama;

5. Railroad right of way reserved by South and North Alabama Railroad by Deed Book "T" page 655 in the Probate Office of Shelby County, Alabama;

6. Right of way granted to Atlantic Birmingham and Atlantic Railroad by instrument recorded in Deed Book 40 pages 106 and 108 in the Probate Office of Shelby County, Alabama;

7. Railroad right of way referred to in deed recorded in Deed Book 23 page 100 in the probate Office of Shelby County, Alabama;

8. Reservations of rights of way for South & North Alabama Railroad or L & N Railroad Company by instrument recorded in Deed Book 67 page 132 in the Probate Office of Shelby County, Alabama;

9. Easement from Kimberly-Clark Corporation to Thomas Tillery dated June 3, 1977 and recorded in Deed Book 208 page 771 in the Probate Office of Shelby County, Alabama;

10. Easement from Kimberly-Clark Corporation to Mrs. W. H. Walton dated August 9, 1974 and recorded in Deed Book 311 page 414 in the Probate Office of Shelby County, Alabama;

11. Right of way to South Central Bell recorded in Deed Book 312 page 440 in the Probate Office of Shelby County, Alabama;

12. Memorandum and Affidavit regarding oil and gas lease between Kimberly-Clark Corporation and The Anschutz Corporation dated February 9, 1982 and recorded in Misc. Book 45 page 303 in the Probate Office of Shelby County, Alabama;

13. Gas Utility Facilities Easement between Kimberly-Clark Corporation and Alabama Gas Corporation dated December 14, 1992 and recorded by Instrument 1993-38321 in the probate Office of Shelby County, Alabama;

14. Easement to South Central Bell as recorded in Deed Book 274 page 859 in the Probate Office of Shelby County, Alabama;

15. Memorandum of Oil and Gas Lease to Atlantic Richfield Company as recorded in Deed Book 324 page 391 in the Probate Office of Shelby County, Alabama;

16. Easement to Alabama Power Company as set out by instrument recorded in Deed Book 299 page 370 in the Probate Office of Shelby County, Alabama;

17. Timber sales agreement dated December 11, 1994, between Grantor and International Paper Co.;

18. Oil, gas, and mineral and mining rights not owned by Grantor.

TO HAVE AND TO HOLD to the Grantee, its successors and assigns forever.

And the Grantor does for itself, its successors and assigns, covenant with the Grantee, its successors and assigns, that it is lawfully seized in fee simple of said premises, that they are free from all encumbrances unless otherwise noted above, that it has a good right to sell and convey the same as aforesaid, and that it will, and its successors and assigns shall, warrant and defend the same to the Grantee, its successors and assigns forever, against the lawful claims of all persons.

IN WITNESS WHEREOF, the said Double Mountain LLC has caused this instrument to be duly executed on this _____ day of _____, 1996.

Double Mountain LLC

By: _____
Its _____

STATE OF ALABAMA)
)
_____ COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that _____, whose name as _____ of Double Mountain LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he as such _____, and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal of office this _____ day of _____, 1996.

[NOTARIAL SEAL]

Notary Public
My commission expires: _____

EXHIBIT A TO DEED

[Description of Real Property From Survey]

Inst # 1996-13260

04/24/1996-13260
09:14 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
035 SNA 93.50