

STATE OF ALABAMA

COUNTY OF SHELBY

This instrument prepared by:
CANAL WOOD CORPORATION

TIMBER DEED

This Timber Deed, made and entered into this the 25th
day of June, 1996, between CANAL WOOD
CORPORATION (hereinafter referred to as Purchaser) and
TOM WILLIAMS (hereinafter referred to as
Seller).

W I T N E S S E T H :

1. The Seller does hereby grant, bargain, sell and convey
to the Purchaser for the sum of \$ 5,187.48 (Five thousand
one hundred and eighty - seven dollars & 48/ cents -----)
Dollars and other good and valuable considerations payable upon ex-
ecution of this document by Seller, and the Purchaser does hereby
purchase from the Seller, the following timber and/or trees as des-
cribed below:

ALL UNMARKED TIMBER, LESS and EXCEPT, the Streamside
Management Zones painted in orange, where no timber
is to be harvested.

2. The above described timber and/or trees conveyed hereby
is located on the following described tract of land in SHELBY
County, Alabama, to-wit:

TOWNSHIP 18 SOUTH, RANGE 2 EAST

SECTION 14: The NE 1/4 of the SW 1/4, containing 20 acres
more or less.

3. Purchaser agrees to hold Seller harmless from all public
liability which might arise from Purchasers occupation of the above
described lands during the term of this Timber Deed.

4. Purchaser agrees that all public utility lines, fences

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Inst # 1996-22929

and roads located on the above described lands shall be protected so far as possible in the cutting and removing of said timber and/or trees. Purchaser agrees that when logging operations might cause excessive damage to the property to where it cannot be fixed back properly at that time, and if logging operations must cease, it will cease for a reasonable amount of time until conditions are more favorable for logging. Any such amount of time logging operations are halted due to weather will automatically be added to the amount of time allowed in this Timber Deed to cut and remove said timber.

5. The Purchaser is hereby granted the privilege of conveying to others all or any portion of the timber and/or trees hereby conveyed and all rights with reference thereto hereby vested in the Purchaser.

6. The Seller hereby grants unto the Purchaser the right to enter said herein described lands and to cut and remove therefrom the timber and/or trees hereby conveyed, it being expressly understood however, that in the cutting and removing of said timber and/or trees the Purchaser shall not cut from said lands any timber and/or trees other than those conveyed hereunder, except any such small timber and/or trees as may be necessary to cut and remove in felling, cutting and removing said timber and/or trees hereby conveyed, or in order to open up any necessary roadways or loading areas to enable Purchaser to haul from said lands the timber and/or trees hereby conveyed.

7. The Seller expressly covenants and warrants to and with the Purchaser that the Seller is lawfully seized in fee simple of the timber and/or trees hereinabove described and conveyed; that the same is free from all and any liens, mortgages and encumbrances; that Seller has a good and perfect right to sell and convey the same; that Seller does and will, and his executors and administrators

shall forever warrant and defend the title to said timber and/or trees and the possession thereof, unto the Purchaser, its heirs, assigns and successors, against the lawful claims of any and all persons whomsoever.

8. This Timber Deed shall become effective on the day it is signed and agreed to by both parties, Purchaser and Seller, and shall be terminated as soon as all of the timber and/or trees hereby conveyed are cut and removed from said lands or twelve (12) months from the date this Timber Deed is signed and agreed to by both parties, whichever is the earlier, and on such date all of the rights and interest of the Purchaser shall cease and title to all timber and/or trees remaining then standing, lying or growing shall revert to the Seller.

9. Notification to Seller or their Agent of beginning and ending of harvest operations.

10. Logging operations must be carried out in accordance with State of Alabama (BMP) Best Management Practices guidelines.

11. Logging Restrictions: (a) no cutting will take place outside of the boundary lines (b) no trees or tops of trees will be left across sale area boundaries (c) no boundary line trees will be cut (d) all roads, whether existing or newly constructed, will be worked at the completion of the logging operation (e) all roads and creeks must be kept free from logging debris (f) any deep ruts, those exceeding two feet in depth, within the sale area, will be filled with dirt or logging slash and smoothed down before the equipment is moved from tract (g) loading areas will be left with tops spread and not piled (h) all trash as a result of the logging operation will be disposed of properly.

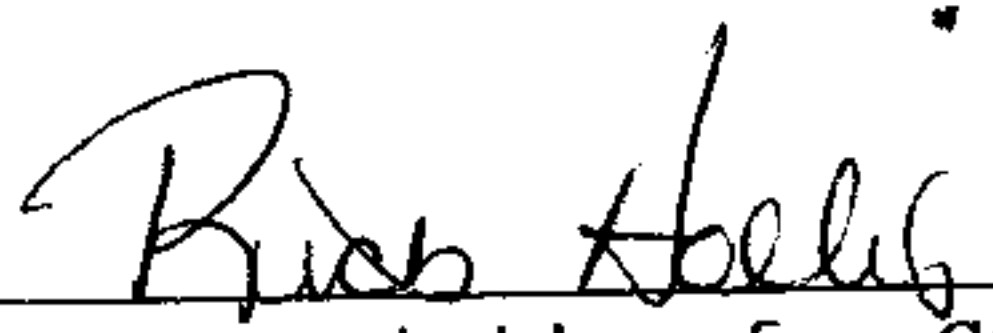
12. Upon agreement to this Timber Deed by both parties, the Purchaser agrees to submit a cashiers check in the amount of \$1,000.00 as a Performance Deposit covering the herein described

property while this Timber Deed is in force. This deposit shall be returned in full to the Purchaser if all of the conditions of the Timber Deed have been adhered to. If in the event certain conditions of the Timber Deed are not adhered to and the said violations of the terms and conditons of this Timber Deed, then at the option of the Sellers or their agent, SOUTHERN FORESTRY SERVICES, INC., a portion or all of the said Performance Deposit may be used to rectify those certain violations.

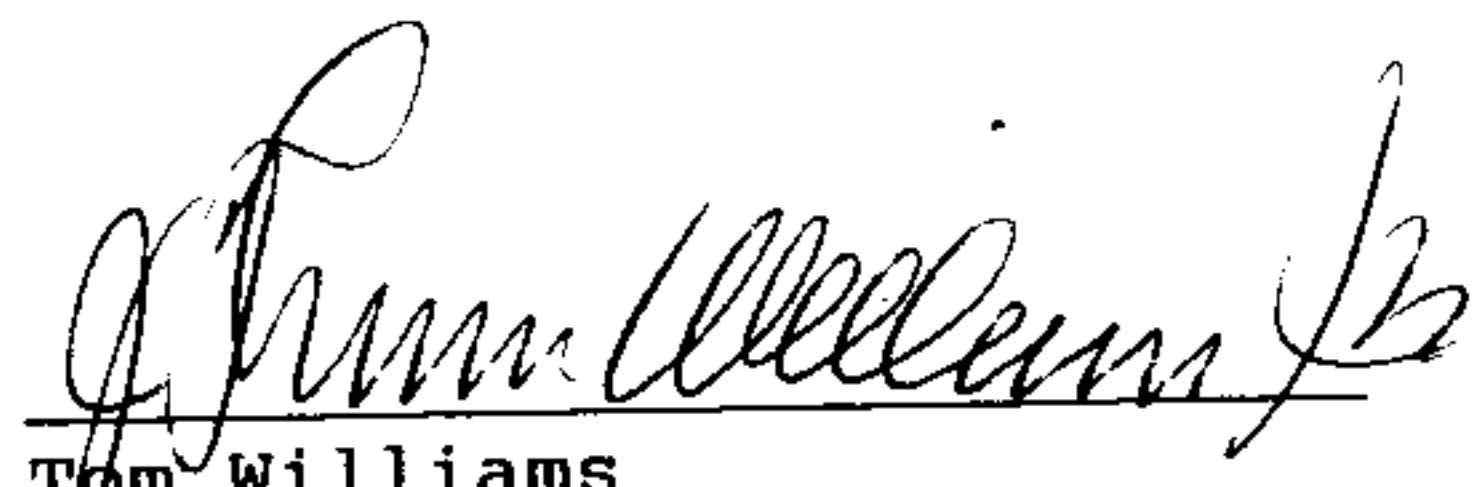
13. During the life of this Timber Deed, Purchaser will for itself, its Agents, Contractors and Employees, maintain a minimum of \$500,000.00 in Commercial General Liability Insurance coverage and \$250,000.00 per occurrence; maintain a minimum of \$250,000.00 of Automotive Liability Insurance coverage on any owned, non-owned or hired vehicles; maintain the necessary Workers Compensation Insurance coverage required under laws of the State of Alabama.

IN WITNESS WHEREOF, the undersigned have set their hands and seals on this the 12th day of June, 1996.

PURCHASER:


Representative for Canal Wood
Corporation of Mississippi

SELLERS:


Tom Williams

STATE OF ALABAMA ,

COUNTY OF SHELBY ,

I, the undersigned authority, a NOTARY PUBLIC for said County in the said State, hereby certify that TOM WILLIAMS, whose name is signed to the foregoing document, and who are known to me, and being first duly sworn by me, acknowledge before me on this day that, being informed of the contents of said document, they executed the same voluntarily, on the day the same bears date.

GIVEN under my hand and official seal on this the 25th day of June, 1996.

Laurie W. Curod
NOTARY PUBLIC

(Seal)

My Commission Expires : 2-23-98

Inst # 1996-22929

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