

STATE OF ALABAMA

TIMBER DEED

COUNTY OF SHELBY

This agreement made and entered into this the 21 day of February, 1997, by and between Henry L. Nichols, Frederick A. Nichols, and Joan Nichols Alexander (hereinafter called the "Seller") and H.C. MOORE & SON, INC., (hereinafter called the "Buyer").

W I T N E S S E T H.

1. The Seller does hereby grant, bargain, sell and convey to the Buyer, and the Buyer does hereby purchase from the Seller the following timber and/or trees as designated below:

All pine timber cut to a stump diameter of 8" at 5" high above mean ground level and all hardwood timber cut to a stump diameter of 10" at 6" high above mean ground level.

2. The above described timber and/or trees conveyed hereby are located on the following described real estate in Shelby County, Alabama, to-wit:

NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ and the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 10,
Township 22 South, Range 2 West.

3. The Buyer agrees to pay to the Seller for the timber and/or trees hereby conveyed as follows:

Lump sum - \$221,004.00 - \$22,100.40 (earnest money deposit).
Remaining balance is \$198,903.60.

4. The Seller expressly covenants and agrees to and with the Buyer that Seller is lawfully seized in fee simple of the timber and/or trees hereinabove described and conveyed; that the same is free from any and all liens, mortgages, and encumbrances; that Seller has a good and perfect right to sell and convey the same as aforesaid; and that Seller does and will, and their executors and administrators shall, forever, warrant and defend the title to said timber and/or trees, and the possession thereof, unto Buyer, its successors and assigns against the lawful claim or claims of any and all persons whomsoever.

5. The Seller hereby gives and grants unto the Buyer the right to enter into said above described lands and to cut and remove therefrom the timber and/or trees hereby conveyed, it being expressly understood, however, that in cutting and removing said timber and/or trees the Buyer shall not cut from or off of said lands any timber and/or trees other than those hereby conveyed, except 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 necessary roadways to enable the Buyer to haul from said land the timber and/or trees hereby conveyed.

6. All public utility lines, ditches, and fences located on the above described land shall be protected by the Buyer so far as possible in logging operations. Roads and trails shall as far as possible be kept free of logs, tops, brush, debris, etc. resulting from the Buyer's operations. The Buyer shall leave all existing roads in as good condition upon completion of the logging operation as they were at the beginning. The Buyer will be expected to take action as necessary to prevent excessive erosion to any new roads and skid trails made or constructed in connection with harvesting this timber. Creeks and streams must be kept free of logging slash, tree tops, limbs, etc. Material used in

Inst # 1997-05580

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P.O. Box 258
Marion, AL 36756

crossing streams during logging operations should be considered as only temporary and unless approved by the Seller or their agent is to be promptly removed upon completion of its use.

7. The buyer shall report and pay to the State of Alabama the Forest Products Severance Tax For timber and pulpwood cut under this agreement.

8. Buyer agrees that during the period of this agreement, he shall continuously remove and properly dispose of all trash, rubbish, and garbage resulting from logging operations on the above described lands. If Buyer fails to remove and dispose of all such trash, rubbish, and garbage, Buyer shall reimburse Seller for all such expenses Seller may incur in undertaking such.

9. It is distinctly understood and agreed that the Seller has no rights and retains no rights 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.

10. Buyer agrees to indemnify and hold harmless Seller from and against all claims arising out of Buyer's negligence in the performance of this contract. The Buyer or the Buyer's contractor will, at his own expense, provide and carry during the performance of this contract Comprehensive General Liability Insurance and Comprehensive Automobile Liability insurance on all automobiles and over-the-road vehicles used in the performance of this work. Such Comprehensive General Liability coverage and Comprehensive Automobile Liability Coverage shall contain a combined single limit of \$500,000 for bodily injury and/or property damage. The Contractor shall also keep in force during the performance of this contract Workmen's Compensation insurance providing limits as required by law and Employers' Liability insurance with limits of not less than \$100,000.

11. This contract shall become effective on the 13th day of February, 1997, and shall terminate and end as soon as all of the timber and/or trees hereby conveyed are cut and removed from said lands or on the 13th day of February, 1998, whichever is earlier, and on such date all of the rights and interest of the Buyer hereunder shall cease and terminate, and the title to all timber and/or pulpwood then standing, lying or growing on said lands shall revert to the Seller.

12. Seller agrees that subject property is not the homestead of his/her or their spouses.

WITNESS our hands and seals, in duplicate, the day and year first hereinabove written.

WITNESS AS TO SELLER:

Ruby Fleming
Ruby Fleming
Nancy M. Shimet
Nancy M. Shimet

WITNESS AS TO BUYER:

SELLER:

Henry L. Nicholas
Frederick A. Nicholas
Joan Nicholas Alexander

Telephone Number

BUYER

H. C. MOORE & SON, INC.

BY:

Henry Taylor
Its President

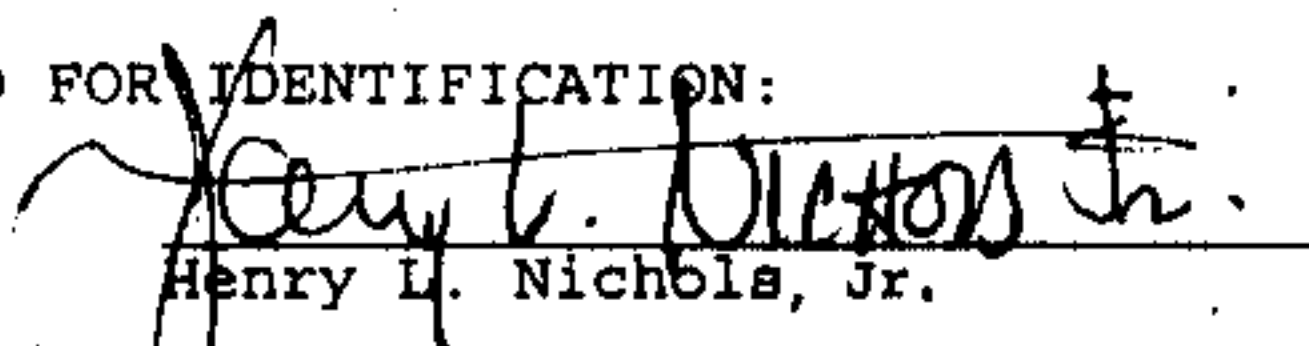
ADDENDUM TO TIMBER DEED

6. (b) Buyer shall comply with Alabama's Best Management Practices for Forestry (BMPs).

10. (b) The Sellers shall not be liable for any defect in or about the property, whether known or unknown, or for any damage, injury or liability which may be incurred or caused by the Buyer, its agents, guests, employees, invitees, trespassers, subcontractors or anyone associated therewith, or any other third persons, in regard to any operation connected with the cutting and removal of timber, and the Buyer shall indemnify and hold the Sellers harmless as a result thereof. This limitation of liability on behalf of the Sellers, includes but is not limited to, any damage or injury or liability to adjoining landowners by fire, erosion, use of water course or overflow, as a result of acts or omissions herein. The Buyer shall indemnify and hold the Sellers harmless against any personal injury, damages or liability that may occur to the personnel of the Buyer, or to its assigns, agents, guests, employees, invitees, trespassers, subcontractors or anyone associated therewith, or any other third persons. The Buyer shall indemnify and hold harmless the Sellers from any intentional, willful, wanton or negligent acts or conduct resulting in injury, damage or liability, and shall assume responsibility for any and all claims, demands, damages, costs and expenses, including reasonable attorneys' fees of the Sellers.

In order to get to the subject property, the Buyer will be using, in part, a road that crosses the property of Gulf States Paper Corporation, in which the Sellers have a right of use. The Sellers shall not be liable for any defect in or about the road, whether known or unknown, or for any damage, injury, or liability that might occur as a result of the use by the Buyer, its agents, guests, employees, invitees, assignees, trespassers, subcontractors or anyone associated therewith, or any other third persons. Buyer shall have the obligation and responsibility for repairing the road, and putting it back in as good condition as existed prior to use by the Buyer, as determined by the Sellers and/or Gulf States Paper Corporation.

SIGNED FOR IDENTIFICATION:

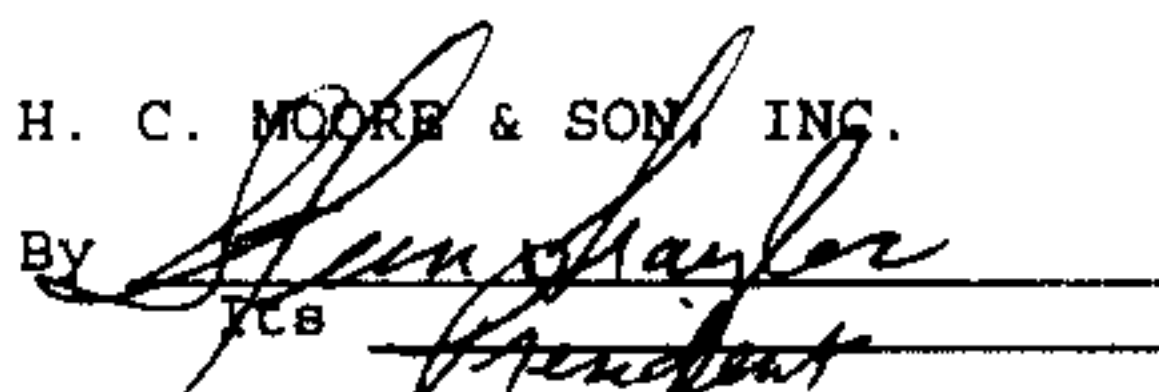

Henry L. Nichols, Jr.


Frederick A. Nichols


Joan Nichols Alexander

H. C. MOORE & SON, INC.

By


HCS President

STATE OF FLORIDA
Okaloosa COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Henry L. Nichols, Jr., whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 13th day of February, 1997.



Carla L. Cooper
Notary Public

Inst # 1997-05380

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Frederick A. Nichols, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 21 day of Feb, 1997.

Lance Brasher
Notary Public

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Joan Nichols Alexander, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 21 day of Feb, 1997.

Lance Brasher
Notary Public

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Steen Trolor, whose name as President of H. C. Moore & Son, Inc., a 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 official seal this 21 day of Feb, 1997.

Lance Brasher
Notary Public

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