

STATE OF ALABAMA

SHELBY COUNTY:

CORPORATE REDEMPTION AGREEMENT

THIS AGREEMENT made this 20th day of December, 1996 between J. ANTHONY JOSEPH AND JOHNELLA JOSEPH, (hereinafter called the "Stockholders") and JOSEPH LUMBER FOREST ENTERPRISES, INC. (hereinafter called the "Corporation").

WHEREAS, the stockholders are the owners of all of the capital stock of the Corporation, J. Anthony Joseph owning Two Hundred (200) shares and Johnella Joseph owning One Hundred (100) shares and,

WHEREAS, the Stockholders believe it to be for their best interests and for the best interest of the Corporation that the stock of a deceased stockholder be acquired by the Corporation; and,

IT IS, THEREFORE, AGREED:

1. DEFINITIONS: The following terms shall be defined for the purpose of this agreement as follows:

(a) Independent Certified Public Accountant - A Certified Public Accountant practicing for his own account and in good standings with the Alabama State Board of Public Accountancy.

(b) Net Income - Net income shall be the net income after provision for Federal and Alabama income taxes as shown on the financial statements upon which the independent certified public accountant has rendered an unqualified opinion, except that capital gains or losses shall be disregarded.

(c) Surplus - Surplus is the equivalent of Stockholders' equity, less par value of the capital stock.

2. PURCHASE OF STOCK ON DEATH: Upon the death of any Stockholder, the Corporation shall purchase and the estate of the decedent shall sell all the decedent's stock in the

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Corporation now owned or hereafter acquired by him. The purchase price of the stock shall equal its value computed in accordance with the provisions of paragraph 3 of this agreement.

3. PURCHASE PRICE: The purchase price of each share shall be the greater of the book value or twenty percent of the earnings per share for five years. Payment shall be in five annual installments without interest.

(a) Book value shall be an amount to the book value of each share of stock at the end of the month in which the death of the Stockholder occurs. The determination of book value shall be made by the independent certified public accountant then servicing the Corporation and such determination shall be conclusive on all parties.

(b) The earnings per share shall be computed at the end of the fiscal year in which the death of the stockholder occurs and at the end of the last four fiscal years.

In the event of any dispute as to the value of the stock of the Corporation, such value shall be determined in accordance with the foregoing provision by the independent certified public accountant then servicing the Corporation.

4. DELIVERY OF STOCK: Upon the payment to the Estate of the deceased Stockholder of the purchase or redemption price, the legal representative shall assign and deliver the shares of the deceased Stockholder to the Corporation.

5. OPTION TO PURCHASE STOCK: In the event that any Stockholder desires to dispose of his stock during his lifetime, he shall first offer all his stock for sale to the Corporation, and the Corporation shall have the option to purchase all, but not less than all, of his stock. If the Corporation does not purchase all of his stock within fifteen (15) days after the receipt of such offer, all such stock shall be offered to the other Stockholders who shall have the option, among them, to purchase all, but not less than all, of such stock, and each of the other Stockholders shall

have the right to purchase such portion of the stock offered for sale as the number of shares owned by him at such date shall bear to the total number of shares owned by all the other Stockholders, provided, however, that if any Stockholder does not purchase his full proportionate share of the stock, the unaccepted stock may be purchased by the others proportionately. The purchase price for such shares of stock and the terms of payment shall be the same as fixed by paragraph 3. Simultaneously with the receipt of payment in cash, the selling Stockholder shall take all necessary steps to transfer his shares of stock to the purchasers. Any Stockholder whose stock is purchased in accordance with the provisions of this paragraph shall cease to be a party to this agreement, and shall have no further rights hereunder.

6. ENDORSEMENT ON STOCK CERTIFICATES: Upon the execution of this agreement the certificates of stock subject hereto shall be surrendered to the Corporation and endorsed as follows:

"This certificate is transferable only upon compliance with the provisions of an agreement dated 20th day of December, 1996, among J Anthony Joseph and Johnella Joseph and Joseph Lumber Forest Enterprises, Inc., a copy of which is on file in the office of the secretary of the Corporation."

After endorsement the certificates shall be returned to the Stockholders, who shall, subject to the terms of this agreement, be entitled to exercise all rights of ownership of such stock. All stock hereafter issued to the Stockholders shall bear the same endorsement.

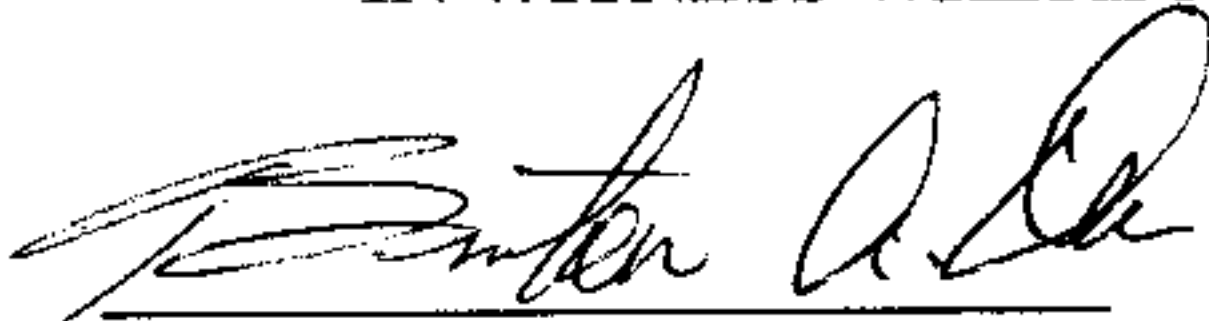
7. TERM: This agreement shall terminate upon the occurrence of any of the following events:


- (a) Cessation of the Corporation's business.
- (b) Bankruptcy, receivership, or dissolution of the Corporation.
- (c) Withdrawal, under the provisions of paragraph 5 of more than one party.

(d) The voluntary agreement of all parties who are then bound by the terms hereof.

8. BENEFIT: This agreement shall be binding upon the parties, their heirs, legal representatives, successors, and assigns. Each Stockholder in furtherance thereof shall execute a will directing his executor to perform this agreement and to execute all documents necessary to effectuate this purposes of this agreement, but the failure to execute such will shall not affect the rights of any Stockholder or the obligations of any estate, as provided in this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement.


Witness


J. Anthony Joseph


Witness

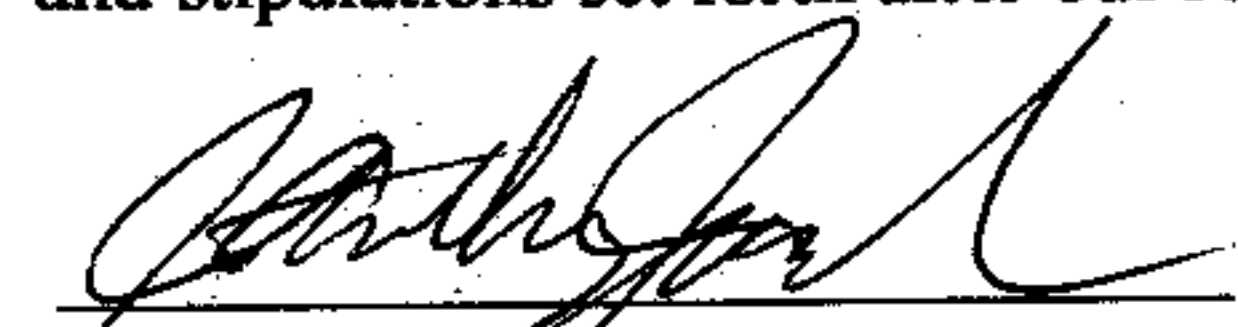

Johnella Joseph

JOSEPH LUMBER COMPANY, INC.

BY: 

ITS: 

We, the undersigned, hereby subscribe for the respective number of shares of capital stock of Joseph Lumber Forest Enterprises Company, Inc., a corporation, under process of organization under the laws of the State of Alabama, as are set after our names, and we agree to pay cash to John Anthony Joseph, as subscription agent, or the said corporation in accordance with the terms and stipulations set forth after our respective names:


J. Anthony Joseph

200 shares in cash


Johnella Joseph

100 shares in cash

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