

This instrument was prepared by:
Timber Managers Company
Post Office Box 48999
Tuscaloosa, Alabama 35404-8999

STATE OF ALABAMA

TIMBER CONVEYANCE

COUNTY OF SHELBY

This agreement made and entered into this the 7 day of JANUARY, 2002, by and between Martha A. Smith and Patricia Bolian, (hereinafter called the "Seller") and Thornton & Associates, 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 trees are conveyed.

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

That part of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ lying East of a powerline and that part of the W $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ lying West of an easement in Section 20. That part of the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ lying East of a powerline and North of Shelby County Road 280, and that part of the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ lying West of an easement and North of Shelby County Road 280 in Section 29. All of the above being located in Township 19 South, Range 1 East.

See map labeled "Exhibit A" attached to and made a part of this contract.

2002-03180

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

A total sum of Fifty-five thousand six hundred eight and 00/100 Dollars (\$55,608.00) to be paid upon execution of this Timber Conveyance Contract.

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 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. The Buyer agrees to pay the Seller, \$2,000.00 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 the terms and conditions of this contract and to protect the Seller from loss or damage. Upon satisfactory completion of this contract by Buyer in accordance with terms and conditions herein stated, the Seller will refund to Buyer the performance deposit. At the sole discretion of Timber Managers Company should Buyer fail to satisfactorily comply with the terms and conditions of this contract, Timber Managers Company may utilize all or some part of the above referenced performance deposit to correct such non-compliance. The Buyer shall give Seller's agent at least one (1) day's notice before commencing cutting operations and notice of completion within three (3) days' prior to completing operations hereunder. Buyer's failure to provide this notice shall be considered a breach of this contract and shall result in the forfeiture of \$500.00 of Buyer's performance deposit to Seller. In the event any live merchantable trees not designated for cutting are cut or damaged by the Buyer, their agent, contractor, or employee, such trees, 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, shall be paid for, upon demand by Seller or their agent as agreed liquidated damages at

the following rates: \$50.00 per tree for trees below 14 inches in diameter outside bark at the stump; \$300.00 per tree for trees 14 inches in diameter outside bark at the stump to 20 inches in diameter outside bark at the stump; and \$400.00 per tree for trees larger than 20 inches in diameter outside bark at the stump.

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. The location of new roads must be mutually agreed upon by Buyer and Seller or Seller's agent. All logging debris must be removed from open areas and fields. 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. Any material used in 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. **All forestry operations must be carried out in accordance with Alabama's Best Management Practices (BMP) guidelines.** All BMP violations identified by Timber Managers Company must be properly corrected not later than thirty (30) days following notification of same to Buyer by Timber Managers. In the event such violation is not properly corrected within said thirty (30) day period, Timber Managers, may at its option, contract with another party for the performance of the necessary work to correct the violation. Where Timber Managers contracts with another party to correct such BMP violations, Buyer hereby agrees that payment for such outside services, including a \$45.00 per hour supervisory fee, not to exceed \$1,000.00, payable to Timber Managers, may be deducted from Buyer's performance bond. Should the performance bond not be sufficient to pay for all such costs, then Buyer hereby agrees to reimburse Timber Managers for such additional costs.

7. The Buyer shall report and pay to the State of Alabama the Forest Product 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. 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 the agents of the Seller of any portion of said land under rights heretofore or hereafter granted by the Seller.

10. 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.

11. Buyer shall not assign this agreement in whole or in part.

12. Seller further states that to the best of Seller's knowledge, no permits under the Endangered Species Act, Clean Water Act or any other act, or governmental regulation is required in order for Buyer to harvest all or any part of the timber and/or trees herein conveyed. To the extent any threatened or endangered species are found on the land described herein, or if Buyer is otherwise prevented from harvesting any timber and/or trees herein conveyed as a result of any such act, law or governmental regulation then Buyer shall be allowed to cancel this contract only as to the affected acreage and timber and/or trees thereon, in which case Seller shall reimburse the Buyer for the prorated portion of the purchase price related to the volume of timber that Buyer is unable to harvest as a result of any such governmental act, law or regulation as set out above. Said volume of timber shall be determined by a joint cruise performed by Buyer and Seller. Should Buyer and Seller mutually agree to cancel this contract as a result of any such governmental act, law or regulation, then Seller agrees to reimburse Buyer for the full purchase price less any timber already cut.

13. Buyer agrees to indemnify and hold harmless Seller and Gulf States Paper Corporation and its officers, directors, and employees from and against all claims arising out of Buyer's 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 \$1,000,000 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. Contractor shall show Timber Managers Company, Gulf States Paper Corporation and Landowner as additional insured. Each and all of said policies of insurance shall provide that the insurance companies give reasonable notice to Timber Managers Company before canceling any such policy. Certificates of coverage shall be submitted to Timber Managers Company ten (10) days prior to the effective date of harvesting any timber.

14. This contract shall become effective on the 7 day of JANUARY, 2002, 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 7 day of July, 2003, 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.

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

WITNESS AS TO SELLER:

12-21-01
Deborah H. Hays
Official Notary Seal
Jon Petty-Notary At Large
Commission Expires August 1, 2004

SELLER: Martha A. Smith

Martha A. Smith
Martha A. Smith

WITNESS AS TO SELLER:

Jon Petty 12/26/01
Official Notary Seal
Jon Petty-Notary At Large
Commission Expires Nov 17 2002

SELLER: Patricia Bolian

Patricia Bolian
Patricia Bolian
As PERSONAL REPRESENTATIVE
for JENNIE MORRISON

WITNESS AS TO BUYER:

Dovie Rebecca Stewart

BUYER: Thornton & Associates, Inc.

Brad J. Dyer

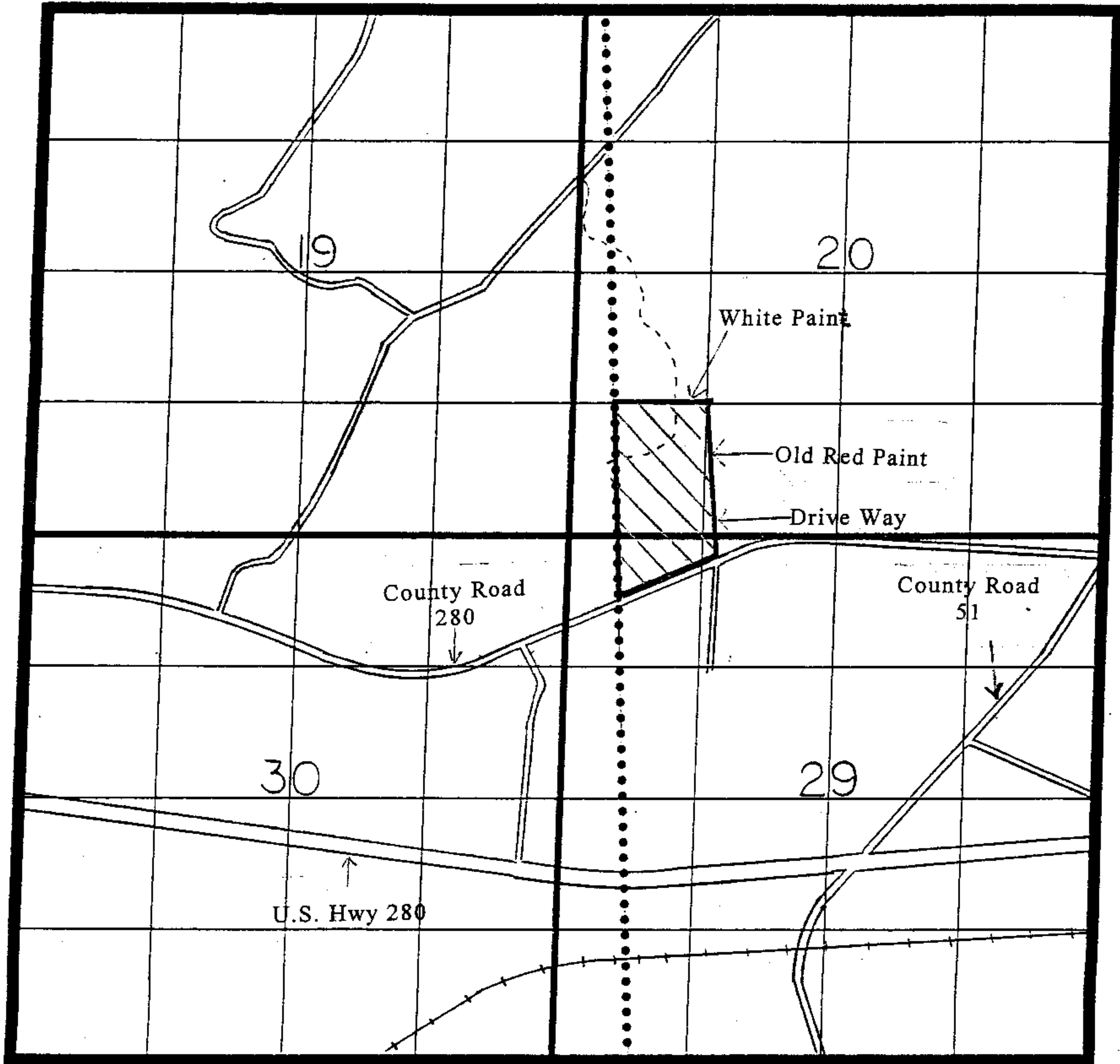
As Its: operations Manager

Tract Map
Sullivan/Morris Property
Shelby County, Alabama
± 37 Acres

"Exhibit A"

T19S

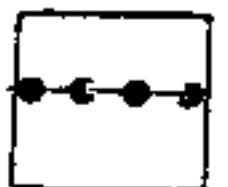
R1E



SCALE: 80mm = 1 MILE



Timber Sale Area - Only pine trees are for sale.



Powerline



Rail Road

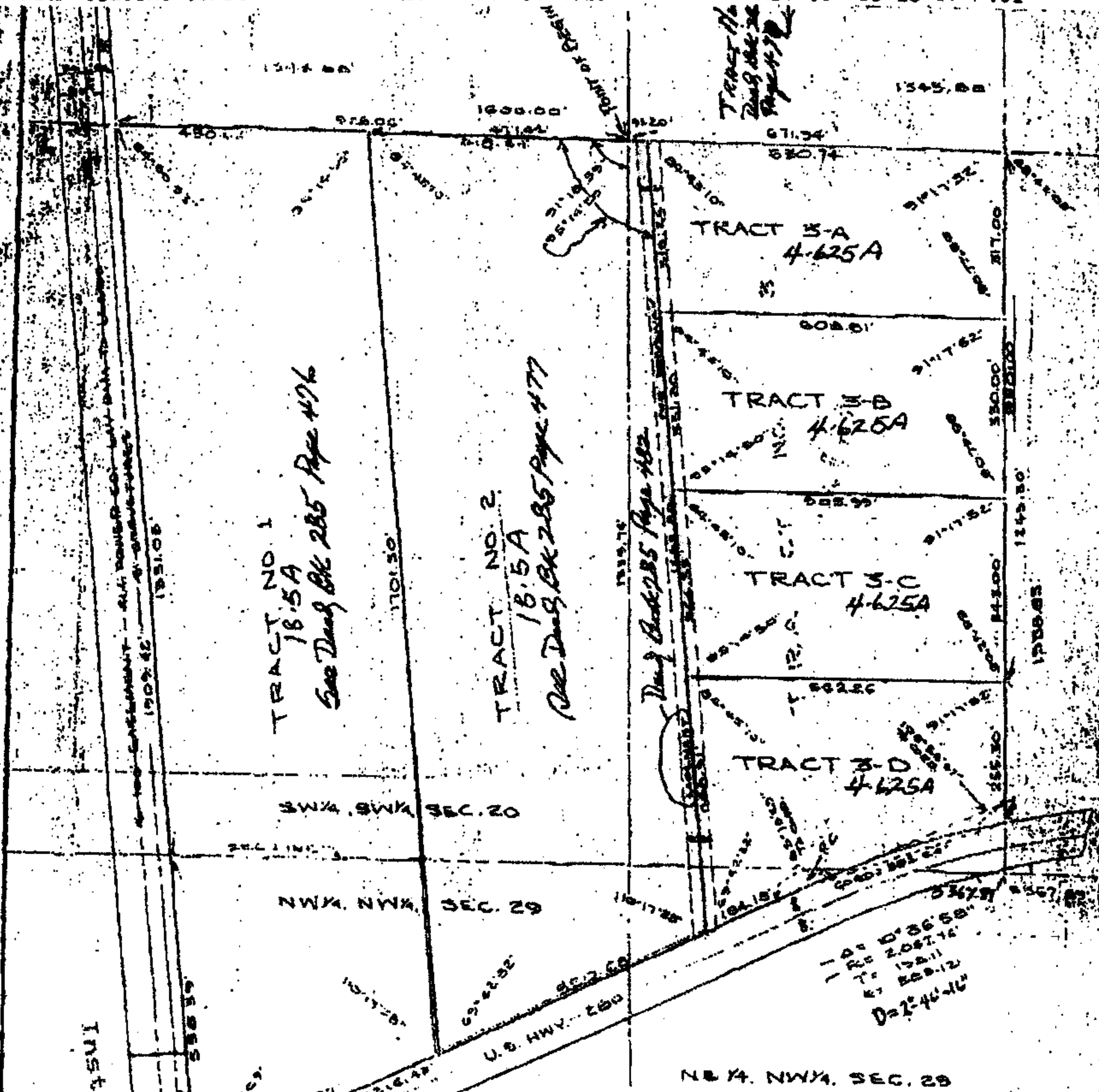


Brian Seale

11/15/01

PREPARED BY: _____

DATE: _____



TP. 19. S. R. 1. E. HUNTSVILLE MERIDIAN
SHELBY CO. ALA.

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Filed - 1/17/2002
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FRANK W. WHEELER LAND SURVEYING COLUMBIANA, ALA.	
DATE	JAN. 25, 1974
SCALE	1" = 200'
OWNER	CARDEN ESTATE
SWG. NO.	P. 1416