

TIMBER SALE AGREEMENT

THIS BUY SELL AGREEMENT made this 2nd day of April, 2005 by and between, the Estate of the Nell Waite: Bobby Waite and Mary Waite, executors, hereinafter referred to as Seller, and Blue Ox Forestry, Inc. hereinafter referred to as Buyer.

1. Whereas Seller agrees to sell and Buyer agrees to buy the Blue marked timber located on approximately 160 acres in Sections 12 and 13, T22S, R1W, Shelby County, Alabama and the sale area more particularly shown on the attached map labeled 'exhibit A'.
2. The consideration paid for this agreement, and the trees to be cut hereunder, is \$114,235.
3. Loading areas must be approved by Seller or its agents. Damages to residual stand may be breakage of stem, or bark removal of more than 25% of stem circumference at any location on the stem. Liquidated damages to residual stand will be assessed at a rate of \$15 per tree; a tree is defined as any woody stem greater than 5" dbh even if pre-merchantable. A bond in the amount of \$5,000 will be held in escrow to be used to pay for damages to timber or to roads. Damages to roads will be the total amount needed to return to original condition.
4. Buyer agrees to exercise reasonable care to prevent damage to trees not designated to be cut. Buyer agrees that all fences must be maintained in original condition. Buyer will follow the "Best Management Practices" as set down by the Alabama Forestry Commission.

Buyer agrees to indemnify and hold harmless 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, 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. No oil or fuel from any compartment on any machine or vehicle shall be drained onto the ground. No harvesting shall be conducted in excessive wet weather so as to cause rutting in excess of nine inches for a distance of ten feet or greater.

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 workday. 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.

6. Buyer agrees to notify Hatcher & Eiland, 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 described herein.
8. Seller warrants clear marketable title to all timber on the above described land and agrees to defend same at no cost to Buyer.
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 the potential liability under this contract, Buyer, at his own expense, shall carry public liability insurance in the amount of not less than \$1 million dollars and name as an additional insured the Seller herein. 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 act 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.

10. All trees conveyed herein shall be cut and removed by November 15, 2005 (Seller may at any time stop logging operations for timber sale agreement violations), 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.

12. Buyer shall remain in privity with Seller during the entire term of this contract. Buyer is responsible for any contractors it selects to enforce compliance with this contract and to pay said contractor or withhold any amounts Buyer is required to withhold under law.
13. Buyer shall conduct all operations in compliance with all federal, state, and local laws, rules and regulations. Buyer is responsible for any damage to public road way, including deposits of mud, which is caused by any vehicle used in hauling timber. It shall promptly respond to any complaint and shall properly posts signs required by law and shall remove any mud or other debris which is a traffic hazard. Buyer shall observe all the rules of the road including weight limits.
14. This is the entire agreement between the parties. Any modification must be in writing and signed by both parties.

IN WITNESS HEREOF, the parties hereto have executed, sealed and delivered these presents of the day and year first above written.

Seller Bobby Waite
Bobby Waite

Mary Waite
Mary Waite

Buyer George S. Crum

Witness Gray Gray

Witness Gray Gray

Witness Joe Eiland



20050404000152240 4/4 \$135.50
Shelby Cnty Judge of Probate, AL
04/04/2005 11:10:23AM FILED/CERT

