

SHELBY COUNTY
STATE OF ALABAMA

Send tax notice to:
Richard G. Anderson, Sr.
Sharon M. Anderson
500 Shoshone Drive
Montevallo, Alabama 35115

SPECIAL (STATUTORY) WARRANTY DEED
R.E. No. HW HW02 (GD 6034)

\$560,000.00

THIS INDENTURE, made this 7th day of July, 2005, between **HAWAII ERS TIMBERLAND LLC**, a Hawaii limited liability company, having a usual place of business c/o Hancock Forest Management, Inc., 3891 Klein Road, Harpersville, Alabama 35078 ("Grantor"), and **RICHARD G. ANDERSON, SR. and SHARON M. ANDERSON**, husband and wife, having an address of 500 Shoshone Drive, Montevallo, Alabama 35115 (individually or collectively, "Grantees").

WITNESSETH, that the Grantor, for the sum of Ten and 00/100 (\$10.00) Dollars, and other good and valuable consideration, to it paid by the Grantees, the receipt and sufficiency of which is hereby acknowledged, does hereby GRANT, BARGAIN, SELL and CONVEY unto the said Grantees the following land and the standing timber thereon (Premises), situated in the County of Shelby, and State of Alabama, being more particularly described as follows; to wit:

(SEE EXHIBIT "A" ATTACHED HERETO AND
BY THIS REFERENCE MADE A PART HEREOF)

EXCEPTING AND RESERVING, HOWEVER, UNTO GRANTOR, ITS AFFILIATES, PERMITTEES, SUCCESSORS AND ASSIGNS, the rights hereinafter provided with respect to the portion of the Premises described on Exhibit "B" hereto (the Timber Reservation Area) and such other portions of the Property as hereinafter provided:

1. Grantor hereby reserves the exclusive right to manage and harvest all existing timber located on the Timber Reservation Area; Grantor's right to manage and harvest said timber shall expire on July 13, 2010 (the "Timber Reservation Expiration Date"). Grantor agrees to conduct the management and harvesting of said timber in accordance with the following conditions, and assumes responsibility for the actions and obligations of logging, surveying, and other crews operating in consequence of this reservation:

(a) Unless written extension is granted by Grantees, Grantor will forfeit all rights and claims to said timber, or portions thereof, remaining on the Timber Reservation Area after the Timber Reservation Expiration Date.

(b) Grantor, or its representative, shall give Grantees at least seven (7) days notice prior to construction of any improvements, including buildings and bridges, and prior to the cutting of any live trees, in clearing for roads, skid trails, and landings; during this time, Grantees may inspect the planned construction or clearing sites and either approve the plans or reach an alternative understanding with Grantor or its representative.

(c) Notwithstanding anything contained herein to the contrary, Grantor agrees to leave at all times approximately ten (10) live (pine or hardwood) trees on each acre included in the Timber Reservation Area.

(d) Grantor shall conduct its timber cutting and removal under this reservation in a prudent and responsible manner, using generally accepted and sound silvicultural and harvesting procedures and practices in accordance with Alabama's "Best management practices," as published by the Alabama Water Improvement Commission and the Alabama Forestry Commission, in order to protect and preserve, in all respects, the land upon which said timber is located and any adjoining timber and lands of Grantees. Trees shall be cut as low as practical to the ground. Grantor shall repair all fences or structures damaged by its operations, maintain and leave all roads used by Grantor as they were prior to this Deed, and leave all fire breaks, property lines, running streams and drainage ditches clear of logs, timber, limbs or debris.

(e) Residual tops and branches usable for fuel-wood shall belong to Grantor; Grantees shall permit no other parties to cut and remove such fuelwood without Grantor's prior consent, by name. Any such fuelwood remaining on the logging site after the Timber Reservation Expiration Date shall be Grantees' exclusive property.

(f) Grantor agrees to abide by all state and local open burning and forest fire laws, during harvesting operations governed by this reservation. Grantor agrees to do all in its power to prevent and suppress fires in and near the harvesting area.

(g) Grantees will pay to Grantor the value of any and all harvested or damaged trees, where such harvesting or damage occurs as the result of action by Grantees or Grantees' agents. The volume of such trees shall be determined at Grantees' expense by a registered forester mutually acceptable to both Grantor and Grantees; and rate of payment shall be twice the trees' stumpage value as determined by that forester.

2. Grantees expressly grant to Grantor the reasonable rights of ingress and egress upon the Premises, including, without limitation, the Timber Reservation Area, and across other property owned by Grantees, as necessary for all men, materials, and logging and hauling equipment necessary for the management and harvesting of the timber. Grantor agrees to conform to all Federal and State laws governing the employment, payment, and safety of employees while engaging in its timber management and harvesting operations on the Timber Reservation Area. Grantor agrees to furnish to Grantees a certificate showing that Grantor has comprehensive general liability insurance in force during its performance of the activities contemplated by this reservation. No relationship of employer/employee, master/servant, principal/agent, partnership or joint venture, or any similar relationship, is intended by this Deed nor shall it be construed to exist. The selection and payment of servants, agents, employees, and/or suppliers shall be Grantor's responsibility; and neither Grantor nor Grantor's servants,

agents, employees or suppliers shall be subject to any orders nor the supervision or control of Grantees. Grantor hereby indemnifies and holds harmless Grantees in connection with and from any and all causes of action, liabilities, losses, damages, injuries, claims and litigation arising out of or incurred due to Grantor's cutting and removal activities and operations in respect to said timber. Grantor shall reimburse Grantees for any and all reasonable fees and expenses incurred by Grantees in connection herewith.

3. All rights, duties and obligations of each of Grantor and Grantees under this reservation shall be deemed covenants running with the land with respect to the period of its ownership and shall bind and inure to the benefit of Grantor, Grantees and their respective heirs, successors and assigns; provided that no conveyance of the land or timber shall relieve a party of any obligation accrued while such party held title thereto.

The Premises described hereunder are hereby conveyed "as is," by the tract and not by the acre, the acreage not being guaranteed by the Grantor, and are also conveyed subject to the rights of any tenants or lessees, any persons in possession; all outstanding mineral rights or reservations, oil, gas or mineral leases; water districts, water rights; restrictions or reservations; roadways, rights of way, easements; any contracts purporting to limit or regulate the use, occupancy or enjoyment of said Premises; and any matters which could be disclosed by an accurate, current survey or inspection of said Premises.

TO HAVE AND TO HOLD the above-described Premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantees and to the Grantees' heirs and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed the foregoing deed as of the day and year first-above written.

HAWAII ERS TIMBERLAND LLC

By: Hancock Natural Resource Group, Inc., Its Manager

By Michael J. Morgan

[Seal with HNRGI Seal]

Its Michael J. Morgan, Sr. Vice President & CFO

ATTEST:

Karen M. Bonner
Karen M. Bonner, Assistant Secretary



COMMONWEALTH OF MASSACHUSETTS)
) SS
COUNTY OF SUFFOLK)

I, Phiroja Billimoria, a Notary Public in and for said County and Commonwealth, hereby certify that Michael J. Morgan, whose name as Senior Vice President & CFO of Hancock Natural Resource Group, Inc., on behalf of Hawaii ERS Timberland LLC, is signed to the foregoing instrument and who is known to me (or satisfactorily proven), acknowledged before me on this day that, being informed of the contents of the instrument, s/he, as such officer and with full authority, executed the same voluntarily (on the day the same bears date) on behalf of such entities for and as the act of said entities.

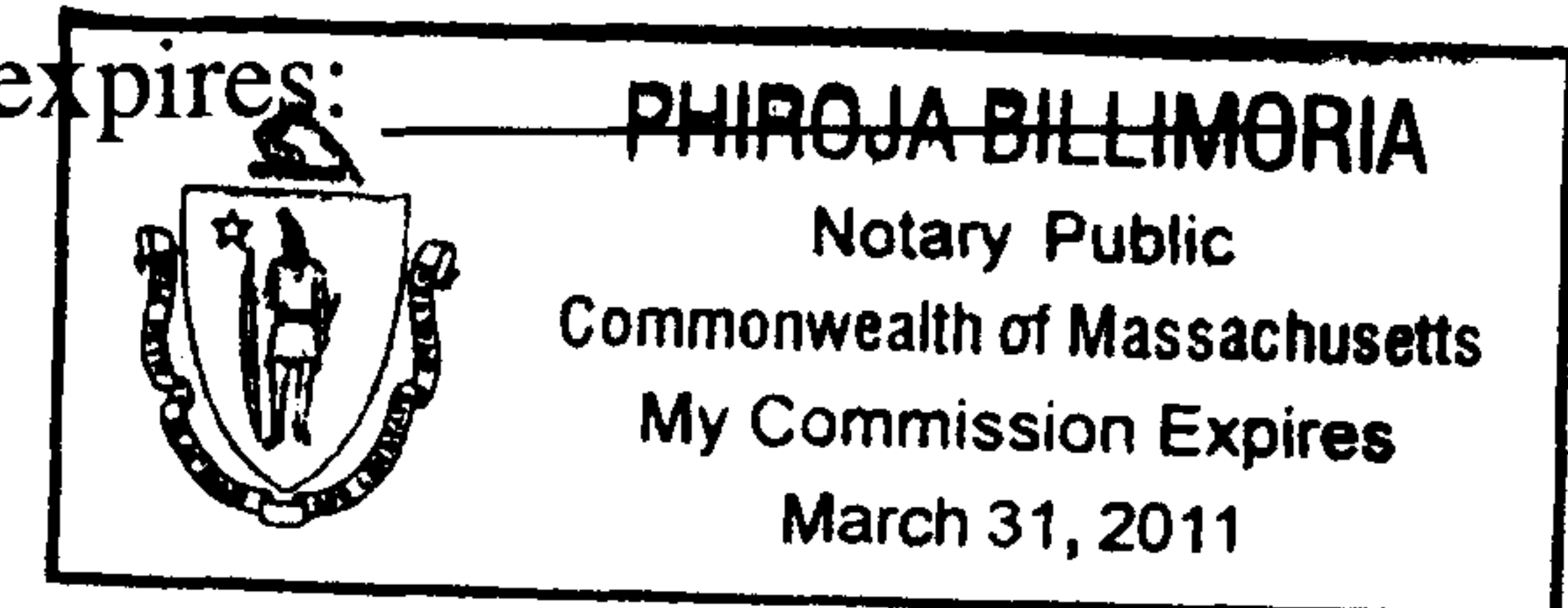
Given under my hand and official seal on July 7, 2005.


Phiroja Billimoria, Notary Public

Prepared by:

Mr. Timothy D. Davis
Sirote & Permutt, P.C.
2311 Highland Avenue South
Birmingham, Alabama 35205

My commission expires: _____



Note: Section 5, Township 21 South, Range 3 West, Shelby County, Alabama.



20050720000363420 5/6 \$586.00
Shelby Cnty Judge of Probate, AL
07/20/2005 02:11:38PM FILED/CERT

EXHIBIT "A"

Legal Description

Township 21 South, Range 3 West, Shelby County, Alabama

Section 5: The West One-Half of the Northeast Quarter (W1/2 of NE1/4);

The East One-Half of the Southwest Quarter (E1/4 of SW1/4).

Being a portion of the premises conveyed to Grantor by deed, dated February 10, 2000, recorded in the Probate Office of Shelby County, Alabama, as Instrument No. 2000-04449 and as corrected in corrective deed recorded in Instrument No. 2001-27340.

20050720000363420 6/6 \$586.00
Shelby Cnty Judge of Probate, AL
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EXHIBIT "B"

Description of Timber Reservation Area

The West one-half (W1/2) of the Northeast Quarter (NE1/4) of Section 5, Township 21 South, Range 3 West, Shelby County, Alabama.

Shelby County, AL 07/20/2005
State of Alabama

Deed Tax: \$560.00