

agreed that all checks for timber harvested shall be issued payable to the Newton County Board of Commissioners at the rate of \$16.75/ton and Barber Forest Consultants, Inc. a rate of \$1.25/ton on a weekly basis .

3.

(a) The Buyer shall have 12 months to cut and remove all of the conveyed timber from the land herein described and to exercise all of the privileges herein conveyed.

(b) Neither Seller nor Buyer shall be responsible for nonperformance or delay due to strike, lockout, riot, war, act of the public enemy, act of God or other causes (whether or not of a similar nature) beyond the reasonable control of the party. The terms of this contract shall be extended for an equivalent period of time as the performance of the parties is excused; and, without limiting the foregoing, it is specifically agreed Buyer shall cease all logging operations during wet weather so as to avoid damage by heavy equipment to the property. Only Mack Barber of Barber Forest Consultants, Inc. reserves the right to cease the logging due to wet weather at his discretion.

4.

Buyer, its successors and assigns, shall have the right for itself, its servants, agents and workmen of ingress and egress, in, through, across, over and upon the said lands and all lands owned by Seller which are contiguous to the above described tract for the purpose of cutting, manufacturing, removing and transporting the said trees and timber granted, and the full right to use such vehicles and other machinery as are used in logging operations.

5.

Buyer shall have the further right to use all approved roads from and within said property and to construct roads sufficient to cut and remove trees off of this tract or adjoining tracts. Seller's agent shall approve all new layout of roads prior to construction. All loading will be done within designated sale areas. No loading or logging equipment will be allowed outside the harvest area or within any young natural

pine stand. All logging debris (limbs, tops, butts, etc.) accumulated at the loading decks and limbing gates is to be either piled in open areas at least 66 feet from the nearest merchantable tree or scattered throughout the areas that were logged. All existing roads and fences shall be maintained during logging and will be restored by Buyer to their present condition when logging is completed. It is agreed that Newton County will restore the woods road entrance to the 46 acre tract off of Davis Ford Road for logging access. Buyer further agrees to keep open areas and roads free of tops and logging debris. In locating skid roads and trails, Buyer agrees to abide by the "Recommended Best Management Practices for Forestry in Georgia" manual published by the Georgia Forestry Commission. It is understood however that Buyer is under no obligation to take any extraordinary measures such as the placing of culverts or other device to aid in drainage, avoid erosion, etc.

6.

The Seller hereby gives and grants to the Buyer the right to operate skidders, tractors, trucks, and any other logging equipment necessary for cutting and removing the timber herein conveyed.

7.

At the completion of the logging operation no junk, equipment, tractor tires, oil drums, or other debris shall be left on the property by the Buyer.

8.

All trees that are not subject to this agreement shall be protected against damage from felling, skidding, and hauling operations conducted by Buyer or any of its agents or assigns. In the event that Buyer or any of its agents or employees cut any trees which are not included in this sale, Buyer agrees to pay Seller a sum equal to twice the reasonable market value of such trees based on the value of the timber at the time of the execution of this instrument. It is further agreed, that any merchantable trees that have

been cut and left in the timber sale area shall be valued by Mack Barber and paid for at the above unit price.

9.

A. Seller hereby warrants that it has good and merchantable fee simple title to the said lands and the right to sell the timber herein described, free of all taxes, levies, government regulations and other restrictions (except as noted), for the term of this agreement; that Seller has the legal right and authority to sell said trees and timber, to make this contract; and Seller will forever defend said title and the rights herein granted against the claims of all persons whomsoever; and to grant and extend to Buyer all of the rights, privileges and authority herein sought to be granted and extended. Seller covenants and agrees to save harmless and keep indemnified the Buyer, its successors and assigns, against any and all losses, costs, damages, adverse claims, tort claims, judgments, decrees and expenses which Buyer, its successors or assigns, may or shall suffer, incur, sustain or be subjected to by reason of any want or failure of, or defect in, or encumbrance upon the title to the timber sold. Buyer shall hold the Seller harmless and indemnify Seller from any claim or liability which may occur or be caused solely by the negligence of Buyer, in any operations connected with the cutting and removing of the timber herein sold.

B. To the best of Seller's knowledge and belief, the Property is not known to be the habitat of any species listed, or in published proposals for listing, under Federal or State law or regulation as a threatened or endangered species, and Buyer may harvest the Timber without violating any state or federal laws, including environmental laws or regulations.

1. Buyer will conduct its logging operations in compliance with state and federal

environmental laws and regulations relating to logging and forest management practices. Buyer shall also comply with the Georgia Forestry Commission's "Best Management Practices" in the harvesting of said trees and timber.

2. In the event that the harvesting of the trees and timber constitutes a violation of any federal or state environmental law or regulation currently in existence or hereinafter enacted, the parties hereto shall bear responsibility for any costs, expenses, fines, or losses attributable to any such violations or purported violations in proportion to their relative responsibilities.

10.

Seller agrees to pay to the Tax Commissioner of Newton County, Georgia, if and when due, ad valorem taxes accruing pursuant to O.C.G.A. Section 48-5-7.5.

11.

In the event of any dispute between Seller and Buyer arising out of the terms and conditions of this agreement and the performance of either party hereunder, Seller and Buyer agree to accept the decision of an arbitration board of three (3) members. One member shall be selected by Seller, one by the Buyer, and the third member shall be selected by the first two arbiters appointed. All of said arbiters chosen shall be foresters licensed by the State of Georgia. The arbiters must reach an agreement within thirty (30) days after the appointment of an arbiter by the Seller and Buyer. The period allowed herein for cutting and removal of timber shall be extended automatically for the number of days required to complete the selection of arbiters and to complete the arbitration of such issue. In the event that either party is dissatisfied with the decision of the arbitrators, then they must pursue any other remedies provided by law, including the filing of a law suit to determine their rights.

12.

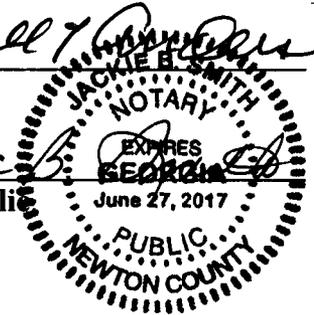
IN WITNESS WHEREOF, the Seller and Buyer have hereunto set their hands and affixed their seals the day and year first above written.

SELLER: Newton County Board of Comm.

By: William K. Ellis
William K. Ellis
Authorized Signature

Signed, sealed and delivered
by Seller in the presence of:

Carrell T. [Signature]
Witness
Jackie B. [Signature]
Notary Public



BUYER: Piedmont Forestry LLC

By: [Signature]
Authorized Signature

Signed, sealed and delivered
by Buyer in the presence of:

[Signature]
Witness
[Signature]
Notary Public





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This contract shall inure to the benefit of, and be binding upon, the heirs, executors, administrators, successors and assigns of the respective parties hereto, and shall be binding upon the successors in title to the said lands and/or to the timber thereon.

13.

SPECIAL PROVISIONS

- 1. Buyer shall notify Seller's agent, Barber Forest Consultants, Inc. of its intention to begin cutting operations on the aforesaid lands. In the event it discontinues cutting operations with the intention of subsequently again cutting during the term of this agreement, it shall give the notice before again commencing its cutting operations.**
- 2. Buyer agrees to furnish Seller certificates of insurance evidencing adequate insurance coverage in amounts satisfactory with Seller, said certificates to include an indemnity clause to indemnify and defend Sellers against all claims, losses and liability arising out of Buyer's timber operations hereunder, except as noted above.**

Minimum Insurance Requirements:

- A. Worker's Compensations - Statutory**
- B. Automobile Liability:**
 - Bodily Injury and Property Damage -**
 - \$1,000,000 Single Limit**
- C. General Liability:**
 - Bodily Injury and Property Damage -**
 - \$1,000,000 Single Limit**

- 3. Buyer shall deposit a performance bond of TWO THOUSAND FIVE HUNDRED (\$2500.00) DOLLARS into Barber Forest Consultants, Inc. Forestry Escrow Account. Said amount shall be held until such time as Buyer shall fulfill the requirements of this Timber Contract. Part or all of the performance bond deposit may be used by the Seller to offset any losses sustained by the Seller because of the Buyer's noncompliance with any contractual obligations created hereunder. Seller's ability to receive damages from the Buyer is in no way limited to the \$2500.00. The Seller and Buyer agree that the \$2500.00 performance bond amount does NOT represent liquidated damages.**