

PREPARED BY:
CANALE FOREST MANAGEMENT CO.
P. O. Box 1786
Oxford, MS 38655 - (662) 236-5435

Sectional Index: Section 31, Dec 12 4 24 PM '01
Township 2 South,
Range 7 West, Desoto County,
Mississippi

BK 406 457
PLK.

STATE OF MISSISSIPPI
COUNTY OF DESOTO

WILLIAM GERBER

EXHIBIT "A" attached

Grantor

to

TIMBER DEED & CONTRACT

T & S SAWMILL CO., INC.

Grantee

FOR AND IN CONSIDERATION OF Ten Dollars (\$10.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the undersigned **WILLIAM GERBER**, 6240 Meadowgrove Cove, Memphis, Tennessee 38120, herein referred to as "Grantor", does hereby sell, convey, and warrant unto **T & S SAWMILL CO., INC.**, 625 Garfield Street, Clarendon, AR 72029, hereinafter referred to as "Grantee", all merchantable hardwood trees fourteen (14) inches DBH (Diameter at Breast Height) or seventeen (17) inch stump and larger at a height of fourteen (14) inches above ground now standing and growing and forming part of the real property on a designated 54 acre, more or less, timber area, shown as "Sale Area" on (EXHIBIT A) attached, that is standing, lying and being situated on the following described real property located in Desoto County, Mississippi, and being more particularly described as follows, to-wit:

SECTION 31, TOWNSHIP 2 SOUTH, RANGE 7 WEST

54 acres net timber area, more or less, being designated as "Sale Area" on the attached map (Exhibit A), being a part of the following described real property, to wit:

Part of Section 31, lying South of Hurricane Creek, Township 2 South, Range 7 West, Desoto County, Mississippi *THE QUARTER SECTIONS SW 1/4 & SE 1/4 W 1/2*

This Timber Deed and all rights granted to the Grantee herein as to the ownership and/or removal of timber from the herein described property shall expire *MARCH 15, 2002 TSB* ~~December 15, 2002~~. Such expiration, however, shall not affect nor abridge all other rights and responsibilities that either the Grantor or Grantee shall have for the faithful and prudent performance of the terms and conditions of this Timber Deed.

Ownership of all trees and timber remaining on the property at the expiration of this Timber Deed shall revert to the Grantor.

The Grantee herein, its successors and assigns, shall have reasonable rights of ingress and egress over and across the above described property for the purpose of cutting and removing said timber. The Grantee is hereby granted the right to use logging equipment necessary for cutting and removing said timber.

Grantee agrees to maintain roadways during the harvesting period. Grantee further agrees that it shall repair all roadways, including those of third parties, over which timber is hauled under grants of easements, as nearly as practicable to the same condition as when entered upon by Grantee. Grantee further agrees to leave all roadways utilized level and well drained, and to install water bars, dips, or other diversions as needed to dissipate surface runoff and minimize erosion on all primary skid trails and temporary roads. Also, Grantee agrees to leave logging roads and open fields free of tree tops or other debris caused by its operation and to remove all cans, bottles, or other trash placed on site by his operation.

Grantee agrees that all logging shall be in accordance with the "Best Management Practices" (BMP) guidelines.

It is agreed and understood between the Grantor and the Grantee herein, its successors and assigns, that should any dispute arise as to the terms and conditions of this grant, that said matters will be settled by arbitration of three (3) arbitrators, whose majority decision shall be final and binding upon the parties hereto. Said arbitrators shall be selected by the Grantor selecting one arbitrator, the Grantee selecting one arbitrator, and the arbitrators so selected shall select a third arbitrator. Said arbitrators shall be graduate forestry consultants. The selection of arbitrators shall be commenced not later than thirty (30) days following any dispute which may arise, and completed with due and reasonable diligence. Said arbitration referenced above shall require the written consent of both parties hereto and is in addition to, and not in lieu of, the right of both parties to litigate any breach of this agreement and to recover full damages, including compensatory and punitive for its breach. The non-breaching party shall also be entitled to recover from a party breaching the agreement reasonable attorney fees and all other costs of litigation.

It is absolutely understood that a portion of the consideration of this conveyance is the assumption by the Grantee herein of any and all liability for accidents or injuries occurring which are in any way connected with the logging operation. The Grantee herein agrees to hold harmless and indemnify the Grantor in the event of any such injuries.

Grantee shall at all times maintain worker's compensation insurance coverage on all employees or contractors employed by Grantee in the harvesting of said timber. Grantee shall further maintain liability insurance with limits of not less than \$1,000,000.00, *and name the Grantor as an additional insured W&A.*

Grantee further agrees that this Timber Deed contract shall not be assigned in whole or part without the written consent of the Grantor and that in event of assignment, the terms of this Timber Deed contract will apply.

WITNESS MY SIGNATURE ON THIS THE 12 day of December, 2001.

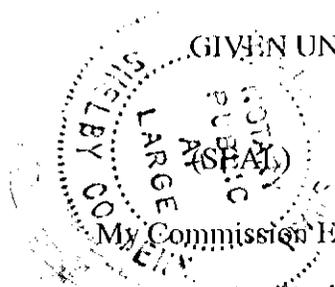
William Gerber
William Gerber

STATE OF Tennessee
COUNTY OF Shelby

This day personally appeared before me, the undersigned authority in and for the said County and State, the herein named William Gerber, who, acknowledged before me that he acknowledged and signed the above and foregoing Timber Deed on the day and year therein mentioned for the purposes therein appearing, after being duly sworn by me.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, this the 12 day of December, 2001.

Julia Grisham
Notary Public



My Commission Expires:

My Commission Expires Feb. 25, 2004

WITNESS the signature of the Grantee as evidence of its agreement to the terms and obligations provided for herein.

T & S SAWMILL CO., INC.

BY: John Berry
PROMUNEMENT FORESTER

DATE: 12-11-01

STATE OF MISS

COUNTY OF DESOTO

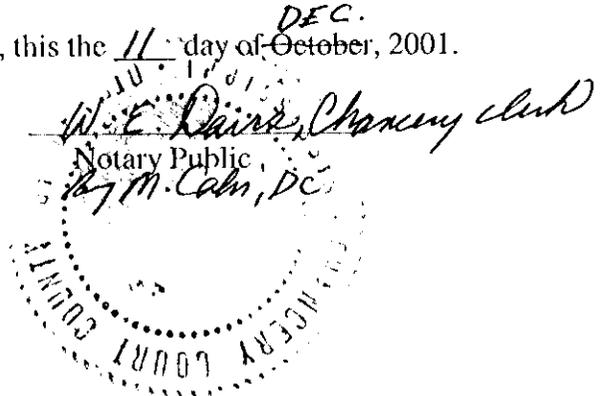
This day personally appeared before me, the undersigned authority in and for the said County and State, the herein named THOMAS BERRY, who acknowledged that he is FORESTER for T & S SAWMILL CO., INC., and that for on behalf of said corporation, and as its act and deed, he signed, sealed and delivered the above and foregoing Timber Deed for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said company so to do.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, this the 11 day of ^{DEC.} ~~October~~, 2001.

(SEAL)

My Commission Expires:

MY COMMISSION EXPIRES
JAN. 5, 2004



GRANTOR:
William Gerber
6240 Meadowgrove Cv.
Memphis, TN 38120
(901) 767-4613
NA

GRANTEE:
T & S SAWMILL CO., INC.
625 Garfield St.
Clarendon, AR 72029
(870) 747-3339
NA

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