

TIMBER SALE CONTRACT

This Timber Sale Contract ("Contract") entered into this 11th day of February, 2012 by and between, David // with an address of // // Road, //, KY. 42// ("Purchaser"), and Donald // and his wife //, parties to the first part, with an address of // // Lane, //, KY. 40// and //, Inc. with an address of c/o //, //1 // Blvd., //, KY. 42// ("Sellers").

PURCHASE PRICE

The Seller agrees to sell and the Purchaser agrees to buy for the sum of //////Dollars and //Cents (\$ //, //, //), under the terms and conditions set forth in this Contract, all the marked standing timber upon an area of approximately // +/- acres (see attached Timber Summary Sheet) in Casey County, Kentucky land owned by Donald //, // and //, Inc.

The location of the area can further be described as follows: approximately 2 ½ miles N.E. of //, Kentucky between //Creek and // Creek of south side of //.

The Purchaser further agrees to pay a non refundable 10% down payment of \$ //, // to Seller at the time of contract signing. The remaining balance of the Purchase Price (\$ //, //, //) will be due no later than May 11, 2012, or before the harvesting of any timber, whichever occurs first.

SELLER

With regard to the timber conveyed in this Contract, the Seller agrees with the following conditions:

- a. All trees to be included in this sale will be marked as follows: Trees are marked with blue paint once at breast height (4 ½ feet above the ground) and again at below stump height. All sawlogs and pulpwood material contained in the marked trees is included in this sale. Seller makes no guarantee of the volume of timber contained in the sale area and is under no obligations to guarantee a specified volume.
- b. The Purchaser and his employees shall have access to the area at all reasonable times and seasons for the purpose of carrying out the terms of this contract.
- c. The Seller covenants that he is the lawful owner of the above timber and has the right to sell the above timber.

PURCHASER

The Purchaser agrees to cut and remove the timber conveyed in the Contract in strict accordance with the following conditions:

- a. Unless an extension of time is agreed upon in writing between the Seller and the Purchaser, all timber shall be cut and removed on or before and no later than the 11th day of November, 2013 and any materials not so removed shall revert to the Seller.
- b. Only marked trees shall be cut. Unmarked trees and young timber shall be protected against unnecessary injury from felling and logging operations.
- c. Best Management Practices will be followed to ensure minimum impact on water resources both on site and downstream. This includes, but is not limited to, smoothing and seeding skid roads, logging roads, and field areas disturbed by logging activity.
- d. Logging should be carried out only during times when the ground is firm enough to prevent deep rutting of cleared fields by logging equipment.
- e. The Purchaser agrees to take precautions against felling trees into adjoining landowners property. Any trees felled over the property line shall be brought back onto the premises immediately. Any accidental damage to fences or property of adjoining landowners will be the responsibility of the Purchaser to repair promptly.
- f. Purchaser shall protect property such as fields, fences, gates, telephone, light and power lines, buildings, ditches, bridges, etc. against injury and shall repair damage caused by him in restoring them to the condition found prior to change.
- g. Purchaser agrees to limit the disturbance of fences that are instrumental in controlling the movement of cattle. Any temporary gaps in fences created by Purchaser to access timber should not allow cattle to enter the gap. Any accidentally damage to fences is to be repaired immediately to a condition equal to, or better than, prior to damage.
- h. It is understood that several additional acres of adjoining timber will be included in this sale. This timber will be marked and tallied by Tim Arnzen no later than April 15, 2012 and the Purchaser agrees to pay \$///.00/1,000 bd ft for the additional timber and will have until November 11, 2013 to remove said timber. Payment for this timber will be made prior to cutting any of these additional trees.
- i. Tree tops resulting from felled timber should have any unusually tall protruding limbs bucked off.

- j. Tops of trees which were growing in the woodland should be pushed/pulled back into, or at the edge, of adjacent woodland.
- k. Farm access roads should remain passable at all times.
- l. Purchaser agrees to protect, indemnify and save harmless, Seller and Seller's forestry agents, including, but not limited to Tim Arnzen and Arnzen Forestry Services, from any and all liability for personal injuries, death and/or property damage or theft suffered or incurred by any person including, but not limited to, injuries to employees, agents, visitors and contractors hired by Purchaser in connection with the Purchaser's performance of this Contract.
- m. It is understood by both parties that the buyer is an independent contractor and not an employee of the Seller.
- n. Some bucking and pushing of tree tops of marked field grown trees will be necessary to fill ditches adjacent to these tops.
- o. Purchaser is required to carry a minimum of \$1,000,000.00 general liability insurance.

MISCELLANEOUS

Seller and Purchaser mutually agree as follows:

- a. All modifications of this Contract will be reduced to writing, dated, signed and witnessed, and will be attached to this contract.
- b. This Contract may no be assigned or transferred without Seller's prior written consent.
- c. Resale of any portion of the standing timber conveyed by this Contract will not release the Purchaser from any or all the terms of this Contract unless the Seller signs a written release.
- d. In case of dispute over the terms of this contract, final decision shall rest with a reputable person mutually agreed upon by parties of this contract. In the case of further disagreement, final decision shall rest with an approved board of three persons, one to be selected by each party to this contract and the third to be selected by the other two.

Signed: _____ Date: _____