

TIMBER AGREEMENT

STATE OF NORTH CAROLINA
COUNTY OF GASTON

THIS AGREEMENT, made this 21st day of April, 2012 between the Heirs of WH Sparrow (hereinafter referred to as "Seller") and Dustin Ellis Logging, (hereinafter referred to as "Buyer"), WITNESSETH:

Sellers for and in consideration of the sum of payment made or to be made by the Buyer has and does hereby grant, bargain, sell and convey unto Buyer, its successors and assigns, all of the following timber products, both standing and fallen:

All merchantable pine trees and any smaller hardwood trees that may be affected during pine harvest operation. Trees are located in the designated harvest area as seen on the attached Timber Sale Map. There will be an approximately 100 foot buffer left untouched around the existing shed or picnic area.

Said timber being located on the tract or parcel of land lying, situate and being in the County of Gaston, State of North Carolina containing 28 acres, more or less, described as follows:

Parcel ID Number(s): 155744

Payment consideration: Buyer shall pay for all forest products on a pay-as-cut, per unit basis. Buyer shall furnish to Seller or Seller's agent, **Medlock Forest Resources**, copies of all weight and/or scale tickets and agrees to pay Seller according to the following schedule of prices:

Species	Class of Material	Unit of Payment	Price per Unit
Pine	Pulpwood	ton	\$5.00
Pine	Chip N Saw	ton	\$16.00
Pine	Logs	mbf	\$150.00
Virginia Pine	Logs	mbf	\$100.00
Hardwood	Pulpwood	ton	\$5.00

mbf = thousand board feet

Skidding, loading, decking and access routes shall be confined to the sale area, or another location approved by Medlock Forest Resources. All existing roads shall be left in as good or better condition than before harvesting operations begin. Newly constructed roads shall be left in good passable condition. No trees, brush, limbs, tops or other logging debris shall be left in streams, roads, fields or boundary lines. All garbage (drink cans, oil cans, grease tubes, etc.) must be removed from site upon harvest completion. Buyer will be responsible for any damage resulting from the harvesting operation to fences, equipment, buildings, crops, fields, pastures, roadways, creeks and the like, and to any other improvements or personal properties on or adjacent to the sale areas.

Medlock Forest Resources is to be notified within at least 48 hours prior to the beginning and any cessation of harvesting operations and reserves the right to halt harvesting operations if conditions become too wet or it deems the other conditions contained herein have been violated.

The Buyers, its successors and assigns, shall have until April 21, 2012 to remove said timber from said land. However, should the harvesting of said timber be stopped by injunction or other legal process, then in that event, the time of stoppage shall not be included in the time period stated above, but shall be in addition thereto.

All harvesting operations must be carried out in such a manner as to be in full compliance with the requirements of all applicable federal, state and local legislation. Proper maintenance of Stream Management Zones and adherence to the stream obstruction laws are the responsibility of the Buyer.

The Buyer, its successors and assigns, their agents and employees, shall have the right of ingress and egress in, to, on and over the lands hereinabove described and the adjoining land of Sellers to a public road for the purpose of doing any and all work necessary to complete the harvest of said timber.

If a dispute, controversy or claim (whether based upon contract, tort, statute, common law or otherwise) arises from or relates directly or indirectly to the subject matter of this Agreement to Sale and Purchase and if the dispute cannot be settled through direct discussions, the parties shall resolve the dispute by a mediation proceeding administered by a Certified North Carolina Mediator who is an attorney who has been actively engaged in the practice of law for at least fifteen (15) years and who has experience in commercial transactions with substantial experience in the area of dispute. Any attorney who serves as a mediator shall be compensated with a rate equal to his or her current regular hourly billing rate unless the parties and the mediator agree otherwise. Unless otherwise deemed appropriate by the mediator, the prevailing party shall be entitled to an award of all reasonable out-of-pocket costs and expenses (including attorney and mediator fees) related to the mediation.

Sellers hereby warrant good and sufficient title to said property, and the right to sell the timber herein described, free of all taxes, levies and government laws or regulations that restrict the harvest of any timber included in this agreement (except as noted), for the term of this agreement; and, Sellers forever defend said title and the rights granted herein against the claims of all persons whomsoever.

The Buyer agrees to indemnify and save harmless Sellers against any and all actions, claims or demands, of whatsoever nature, which may arise out of the conduct of Buyer's operations herein contemplated.

In witness whereof the Sellers have signed and sealed this Agreement the day and year first above written.

SELLER(s) _____

Street _____

City, State, Zip _____