

# W&J Timberlands LLC

## HUNTING LEASE

STATE OF: Arkansas  
COUNTY OF: Grant

W&J Timberlands LLC., a Arkansas limited liability company, (“Lessor”), and Providence Hunting Club (“Lessee”) organized under the laws of the State of Arkansas, enter and execute this Hunting Lease (the “Lease”) effective as of this 21 day of August, 2004.

### WITNESSETH:

For the term, and in consideration of the payments, and subject to obligations to be observed by Lessee, Lessor does hereby lease unto Lessee exclusive rights and privileges of protecting, hunting, shooting and taking legal game on the following described lands of Lessor in Grant County, Arkansas (the “Leased Premises”):

Being 1602 acres, more or less: AS SHOWN ON THE ATTACHED PLAT EXHIBIT A

together with full rights in Lessee to enter upon, over across and out of said lands solely for purposes above-described and for none other whatsoever, Lessee covenants and agrees to pay an annual rental fee to Lessor at its office at 111 Center Street, Little Rock, AR 72201 Rates may change for multi year leases as shown below.

The Fee for which this lease is granted is an annual cash fee in the following amounts payable annually in advance to Lessor and must be made by certified check, cashiers check or money order before the following dates: 1st year — September 1, 2004, \$6408 for the term August 1, 2004 thru July 31, 2005. 2nd year— July 1, 2005, \$6408 for the term August 1, 2005 thru July 31, 2006.

Checks should be made payable to W&J Timberlands LLC.

### IT IS UNDERSTOOD AND AGREED THAT:

1. The term of this Lease shall be Two (2) year(s), unless sooner terminated as provided herein, and shall commence on August 1, 2004 and expire on July 31, 2006. The grant of any extension or renewal, as well as its terms and conditions, shall be at the sole discretion of Lessor.

2 Lessee acknowledges that Lessor manages all lands covered by this agreement for the primary purpose of growing, harvesting, and marketing of wood fiber, timber, and other forest products, and that Lessee and its members and guests shall enter said lands at their own risk. Lessee will not do anything which will in any way damage or destroy any trees, crops, buildings, fences, roads, or other improvements located on said lands, nor interfere in any way with the growing, harvesting, or marketing of fiber, timber, or other forest products located on said land. Notwithstanding the preceding sentence, Lessee may cut wood to be used as firewood as long as the cut wood is not removed from the Leased Premises. If, in the course of Lessor’s land management operations, it becomes necessary, expedient or advisable for Lessor to prohibit, curtail or suspend all hunting on the lands, Lessor shall have the right to do so immediately upon written notice thereof to Lessee, or Lessor may terminate this Lease, which shall

be considered a termination without cause pursuant to paragraph 15 below.

3 Lessee must furnish Lessor a copy of its by-laws, rules, or regulations and a list of the names and addresses of those persons affiliated with Lessee that are entitled to the benefits of this Lease (“members”) and those persons who are authorized to act on behalf of Lessee with respect to this Lease. Lessee shall notify Lessor immediately upon any change in the lists so furnished. While Lessee, insofar as *its* by-laws, rules, or regulations permit, shall have the right and privilege of permitting from time to time persons other than those identified on the list referred to above (“guests”) to use the lands for hunting, any privileges so extended to other persons by Lessee shall be strictly subject to all limitations and conditions of this Lease, and Lessee shall be responsible for all actions of such persons.

4. Lessee will neither engage in, nor permit any third party to engage in, any commercial hunting, fishing or recreational pursuits on the lands without written permission from Lessor. Lessee shall not sell, assign, or sublease any rights granted under this Lease, nor make any charge, on a commercial basis, to members or guests for the privilege of hunting, fishing, or recreation on lands without written permission of Lessor. Lessee may, however, require persons to pay for supplies and facilities furnished and to pay a prescribed fee and/or membership dues for the privilege of membership in its organization.

5. Lessee will not set fire to any part of the Leased Premises and will take reasonable efforts to suppress any fire that may occur on the lands during the term of this Lease. If any fire is willfully or negligently started or allowed to spread onto any of Lessor’s lands, Lessor shall have the right immediately to terminate this Lease pursuant to paragraph 16 below and recover from Lessee any damages which Lessor sustains as the result of such fire.

6. Lessee will comply with all laws, rules, and regulations now existing or hereinafter enacted by any county, state, or federal authority, and with any rules established by Lessor, with respect to its activities hereunder. Bag limits and the length of the hunting season shall strictly conform to the game laws of the particular counties in which the land is located.

7 Hunting is prohibited within *fifty* (50) yards of the right-of-way of any public road, and no firearm will be discharged across any public road or right-of-way, or within sight of any house, public property, or Lessor’s personnel or equipment. No hunting shall be permitted within one-fourth (1/4) mile of where active timber management and/or harvesting practices are being carried out by Lessor.

8. Lessee will not install upon the lands any crops, plantings, food plots, roads, bridges, gates, fences, camps, buildings, lodges, shelters, docks, landings or other structures, permanent or temporary, without having first obtained Lessor’s written consent. Any permitted construction or installation shall be at Lessee’s expense and in strict compliance with any specifications or limitations imposed by Lessor. Lessee shall maintain same in a condition of repair, cleanliness and safety agreeable to Lessor. Stands used for hunting shall not be **nailed** to trees or fastened with any metal device that penetrates the bark. Any buildings or equipment installed or maintained by Lessee shall be subject to inspection by Lessor at any time. Lessee further agrees to pay all state and county and valorem taxes resulting from any such structure.

9. Lessee, on behalf of both Lessee and Lessor and at the Lessee’s sole expense, shall procure and maintain during the full term of the lease the following insurance, with insurance companies satisfactory to Lessor:

<u>Type of Insurance</u>	<u>Amount of Insurance</u>
Commercial General Liability (occurrence form)	1,000,000 combined single limit for bodily injury and property

damage per occurrence

Coverage to specifically include:

- a. All Premises/Operations
- b. Owners and Contractors Protective Liability
- c. Contractual Liability - specifically covering the liability of the Lessee under the Indemnification Clause of the lease
- d. Fire Damage Liability
- e. Personal Injury Liability
- f. Member-to-Member coverage
- g. Guest Liability
- h. Damage caused by smoke from hostile fire
- i. Punitive Damages (where the law allows insurance coverage)
- j. Liability coverage for use of dogs, saddle animals, falconry, tree stands and structures
- k. Fire Suppression expenses of others
- l. Products Liability
- m. Mobile Equipment Liability
- n. Coverage for the use of reasonable force for the purpose of protecting persons or property
- o. Fire Damage Legal Liability

If automobiles or other licensed vehicles are used on the Leased Premises, liability insurance for these vehicles will be the responsibility of the vehicle owner. Lessor shall be named as an additional insured on the Commercial General Liability policy. A Certificate of Insurance evidencing the above coverages shall be provided to Lessor and the Certificate of Insurance shall provide for a thirty (30) day advance notice of cancellation or material change to be given to Lessor.

10. All minors permitted by Lessee on the lands shall be under the direct supervision of a parent or guardian, which parent or guardian, as well as Lessee, shall be fully responsible for the acts and safety of such minor. Lessee indemnity obligations hereunder shall include any Adverse Consequences resulting from the acts of or loss by or with respect to any minor.

11. Lessee will pay all taxes, levies and assessments upon all or any part of Lessee's interest herein should such interest be levied or assessed upon, as a result of Lessee's actions or otherwise imposed by state or local governments relative to lease hunting.

12. Lessee shall post the Leased Premises, is authorized to publish notices and/or use any and all lawful means to prevent trespass, or prohibit hunting or fishing on said property, by persons other than its member or guests. Posted signs or other signs erected by Lessee should be attached to trees of poor quality or form using aluminum nails, staples, or non-metallic fasteners.

13. Lessee will respect the rights of adjoining landowners and conduct all activities in a courteous manner, with due regard for the rights, safety and well-being of all persons. Lessee agrees to be solely responsible for, and to promptly resolve any problems with adjoining landowners that may arise from Lessee's activities or use of the lands and to indemnify and hold Lessor harmless as provided for in paragraph 29 below.

14. Lessor shall have the right to exclude from the Leased Premises any person, whether Lessee's member or guest, for conduct, which, in Lessor's sole opinion, is in violation of the terms of this Lease. Failure of Lessee to exclude any member or guest after being requested to do so by Lessor shall be a

breach of this Lease.

15. Lessor and Lessee each reserve the right to terminate this Lease without cause after first giving the other party thirty (30) days prior written notice thereof. If terminated by Lessor without cause, Lessee shall be entitled to reimbursement of any rentals paid based on the following schedule:

- Termination prior to the first day of any white-tailed deer hunting season as proscribed by state law in the state where Lessor's lands are located: 100%.

- Termination between the first and final days of any white-tailed deer season as proscribed by state law: Reimbursement will be 80% of the rental paid multiplied by the percentage of days remaining in any white-tailed deer season (number of days remaining divided by the total number of days of white-tailed deer season), but not less than 10% of rentals paid

- Termination after the final day of any white-tailed deer season as proscribed by state law through the first two days of spring turkey season: Reimbursement will be 10% of the rental paid

- Termination after the first two days of spring turkey season as proscribed by state law:

No reimbursement.

If terminated by Lessee, all rentals theretofore paid shall be forfeited to Lessor as liquidated damages for early termination of this Lease.

16. If Lessee fails to timely perform any of the covenants herein, or violates any of the conditions hereof, in addition to all other available legal or equitable remedies, Lessor shall have the right to immediately terminate this Lease by delivering written notice setting forth the basis therefore. Lessee may enter upon the lands and take possession without further notice or penalty, and may expel Lessee with or without process of law or in equity. In the event of such termination, Lessee shall not be entitled to any reimbursement of rental paid. Neither delay nor forbearance on part of the Lessor shall be deemed a waiver of its rights to exercise this option upon any subsequent default.

17. Upon expiration or termination of this Lease, Lessee shall have thirty (30) days thereafter to take and remove from the lands any and all buildings, structures, equipment, or other personal property owned by Lessee; if Lessee shall fail or refuse to remove the same within such time, title thereto shall ipso facto vest in Lessor.

18. Lessor reserves the right to sell or exchange all or any portion of the Leased Premises. Such event shall constitute a termination without cause, and Lessee shall be entitled to refund of rentals paid in accordance with paragraph 15

19. Lessee will conduct its activities hereunder in an environmentally sound, clean and litter-free manner. Dumping or littering is expressly prohibited. Lessee will periodically inspect the Leased Premises and remove all unauthorized trash and litter.

20. If, in the sole judgment of Lessor, weather conditions become such as will cause the exercise of the rights and privileges herein granted to present a material fire hazard to the trees on the Leased Premises, Lessee shall, at the request of Lessor, cease all activities granted Lessee under the terms of this Lease until such time as Lessor shall advise Lessee that, in Lessor's judgment, conditions have sufficiently improved as to permit resumption of activities by Lessee.

21. No agreement, plan, or program concerning the regulation of animal populations or the

management of water, land, or other natural resources on the Leased Premises shall be made by Lessee or its guests with any local, state, or federal agency or private group, without prior written consent of Lessor. Any such agreement, if made without Lessor's written consent, shall be void ab initio, and shall be a breach of this Lease.

22. At the request of Lessor, Lessee agrees to participate in deer and any other game or wildlife management programs, including but not limited to, antlerless deer seasons, weighing and measuring animals taken, and other annual activities that may be required by Lessor.

23 Lessee's access to the Leased Premises shall be solely for the purposes stated herein, and use for any other purpose shall be a breach of this Lease.

24. Lessee is expressly prohibited to stock, release, or bring onto the lands any species of animal not sanctioned by state law. No species, domestic, feral, or exotic, may be introduced without written or licensed certification from the state's wildlife agency and Lessor's written authorization.

25. Lessee shall maintain all designated roads and fire lines on said lands in a reasonable state of repair. Off-road vehicles or ATVs may be operated during hunting season for hunting purposes only, or to patrol and inspect said lands throughout the year. Lessor assumes no responsibility or liability for any accident or incident resulting from the use of an ATV.

26. If Lessee, without prior written approval from Lessor, shall erect, lock, or cause to be locked any gates on access roads to the lands, Lessor shall have the right to cut any cable or chain and/or insert a lock which shall interlock with the lock of the Lessee. Lessor can dismantle gates that may at any time interfere with Lessor's operations, or be used in an unauthorized manner. Lessor reserves the right to require all gates to be locked or unlocked and opened for any period of time for any reason. Gate(s), if approved in writing by Lessor, must be marked and highly visible from all directions. Maintenance of gate(s) is the sole responsibility of Lessee. Gate(s) become the property of Lessor after this Lease is terminated. Keys shall be provided to Lessor at Lessor's request.

27. Lessee shall inform its members and guests of the terms of this Lease and furnished unaltered copies to its members prior to the exercise by any such persons of the privileges hereunder.

28. The individual signing this Lease shall be the agent of Lessee for all purposes of the Lease, including, but not limited to, the receipt of all notices required from time to time at the address noted below, and as agent, is authorized to act on behalf of Lessee in its relationship with Lessor.

29. Lessee agrees to indemnify and save harmless Lessor from and against any and all claims, demands, payments, liabilities, suits, losses, actions, recoveries and judgments of whatsoever nature, kind and description, (a) brought or recovered against Lessor for, or on account of, any injury (including death resulting there from) or damage or loss received or sustained by any person or persons by reason of any act or omission of Lessee, its members, or guests resulting from, incidental to, or arising out of the actions of Lessee or the presence of Lessee on the Leased Premises, whether such is alleged to have been caused in whole or in part by the negligence of Lessor, its members, or guests, or (b) resulting from or caused by the breach of Lessee of any of the provisions of this Lease. Lessee further agrees to defend all such actions at its own expense, to pay all attorneys' fees and court costs and all other expenses of any kind and character and, in the event that judgment is rendered against Lessor in any such action, to satisfy same.

30 Lessee assumes responsibility for and the risk of the condition of the Leased Premises, and agrees Lessor shall not be liable or responsible for any damages or injuries sustained by Lessee, its members, or its guests that are caused by any vices or defects of the Leased Premises, whether

latent or patent. This Lease is made and accepted without any representations or warranties of any kind on the part of Lessor as to the title or suitability to the purposes for which same is granted.

This Lease is expressly subject to (i) any and all existing easements, mortgages, reservations, liens, rights-of-way, contracts, leases or other encumbrances or servitudes now of record or on the ground affecting the Leased Premises and, (ii) to any such agreements that may hereafter be granted from time to time to others by Lessor.

31. Lessee and Lessor agree that notwithstanding local law, convention, or custom, this Lease creates a mere license to use the Leased Premises and does not, nor shall it be construed to, create an interest in the Leased Premises. Lessee acknowledges that it will not use or claim any interest in the Leased Premises, or in any land adjacent or contiguous thereto, adversely to Lessor.

IN WITNESS WHEREOF, the parties have caused by this Lease to be executed in duplicate originals by their duly authorized agents on the day and year first herein above set out.