

GRAY LOGGING LLC

"OUR ROOTS RUN DEEP"

Owner: Jerry Gray
2010 Florida Outstanding Logger of the Year

PREPARED BY:

THE SOUTHEASTERN WOOD PRODUCERS ASSOCIATION, INC.
2010 FLORIDA OUTSTANDING LOGGER OF THE YEAR COMMITTEE
MIA WADE, SWPA INC.

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*Jinger
Gray*

*Hannah
Light*

*Jerry
Gray*

(Granddaughter)

Daughter of Megan (Gray) and Joshua Light

Gray Logging's roots go back even before 1956 when W.C. Gray, Jerry Gray's father, began logging with his future brother-in-law, James Stephens in Homerville, GA. W.C.'s father had worked as a sawyer and the Gray family cannot remember a time when 'logging' wasn't a part of their heritage. In 1957 W.C. traveled with James Stephens and crew to New Mexico where they logged for two years in the mountains until the lumber market declined urging them all back to South Georgia. They soon moved to Perry, FL working on land that would later be bought out by Buckeye-Foley. In 1961 W.C. married Sylvia Thrift and they moved to Madison County where he ventured out on his own in 1971 and began W.C. Gray Logging. In 1973, another brother-in-law, "Buck" Thrift joined the operation. When W.C.'s son's Jackie (1978) and Jerry (1979) joined the operation they officially became "W.C. Gray and Son's". At this time the family business included farming as well as raising cattle.



Jerry Gray married Ginger Sale in 1981. Jackie Gray was diagnosed with melanoma in 1998 and in 2001 he lost his battle with cancer. Both W.C. and "Buck" retired from the business the same year. It was during this time that Jerry's 'metal' was tested and his faith sustained him as he transformed their traditional family logging operation into a professional harvesting business named "Gray Logging LLC". Land was purchased in the Madison Industrial Park in 2002 where the current shop and offices are located. A Husqvarna dealership was also acquired at this time. Jerry and Ginger managed the family and the business according to the principles of faith, excellence, discipline and planning based on ambitious but realistic goals. GH Timber was formed under the entity of Gray Logging, LLC in 2005 and a second crew was added. Forester Larry Hammock became instrumental in timber procurement for GH Timber and the second crew. Ginger Gray left her first grade class of sixteen years to become secretary-bookkeeper for the operations. In an effort to improve efficiencies and reduce costs to the operation, additional expansions and adjustments to the business structure were made. For example, parts and supplies for equipment and trucks is purchased in bulk and stored at the shop for maintenance and upkeep. Gray Logging is not only a Husqvarna dealer but also a dealer for Gates Hydraulic, Wicks Filters, Great America Parts, GoodYear Tires (bulk buyer) and Akins LLC (Oil Distributor). Jerry's personal favorite motto to live by comes from renowned basketball coach John Wooden, "If you fail to prepare you are preparing to fail."

The employees of Gray Logging enjoy an exceptional relationship with their employer. Not only are Gray Logging employees paid an above average wage for the region¹, but each one feels a sense of ownership in the business's success or failure due to Jerry's management principles and company employment policies. For many years customers and consumers of Gray Logging wood fiber have referred to Jerry's business as being "a cut above". When asked what makes his business such a stand out in the industry Jerry replied: "We believe that if we set the highest standards for ourselves others will be pleased with what we provide for them. I would not be satisfied with minimum effort from myself and I



won't accept it from anyone who works for me. At the same time, I genuinely appreciate what my employees do for this business and I make sure they know it." Gray Logging LLC was the Florida Outstanding Logger of the Year District (III) winner in 1999, 2000, and 2004. From the shop-garage to the woods and trucking operations, every aspect of this business evidences exceptional leadership and management. Jerry's favorite quote as told by his family and peers is: "If you don't forget where you come from you'll always know where you're going". The roots of this organization are indeed deep and thriving in fertile soil.

¹ Based upon the SWPA 2009 Survey of harvesting businesses in Florida and Georgia.

Root Control - Safety Program & Practices



In addition to reliance on employees to perform safely, specific policies and mechanisms are in place as redundant systems within the operation. For example, every truck is mechanically regulated not to exceed a set speed. Simple measures such as prohibiting window tinting on all trucks, no smoking policy on equipment and ongoing awareness and follow-up on personal safety equipment are established. Company disciplinary actions for employee non-compliance vary according to the infraction and the severity. On each job site the service truck houses safety information and first aid supplies. Tailgate meetings prior to commencing work make every employee aware of the unique circumstances present on each tract and at each landing.

Company safety programs are developed and delivered every month by Jerry with Josh Ensminger - Shop Manager/Truck Supervisor and Kyle Hunter - Crew(s) Supervisor/Main Mechanic. Program topics come from specific crew and trucking experiences and issues as well as available material from The Southeastern Wood Producers Association (SWPA), The Forest Resources Association, OSHA (an SWPA Alliance Partner) and other publications and websites. Employees provide input and suggestions ahead of time as well as during safety meeting discussions. Record keeping of safety programs is thorough and easy to access. Gray Logging is concerned not only with regulatory compliance but more importantly with establishing practices, procedures and expectations for job performance that exceed the minimum requirements and protect the company's valuable resources including employee's lives.

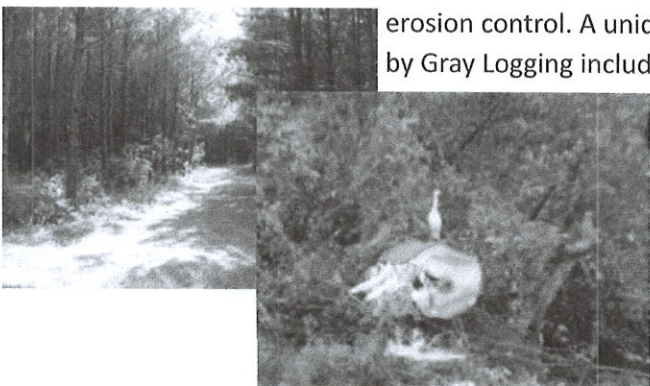
Root Care - Forest Management

Approximately ninety percent of Gray Logging's harvesting is performed on non-industrial private land. This diverse customer base translates into the operation providing and adapting to hundred's of different land owner desires and preferences. While the landowner's desired outcomes are the primary goal, Gray Logging also provides a host of consulting and guidance for land owner's relative to the Sustainable Forestry Initiative (SFI®), Florida's Best Management Practices (BMPs), and future planting and harvesting needs. SFI® information as well as local, regional and state contact information for appropriate

"When I think of sustainable forests, Gray Logging quickly comes to mind. They strive to not only comply with forest best management practices, but to go above and beyond to protect the environment...(b) I rank their performance in the woods among the best there is."

Jeff Doran, Exec. VP, Florida Forestry Assoc.

government agencies/offices is provided as a courtesy to landowners so that the harvesting and replanting process are simplified and explained as much as possible. The information to a land owner may also include recommendations on "leave trees" or replanting along with available land owner programs, streamside management, stream crossing, and soil erosion control. A unique approach to problem solving for one land owner implemented by Gray Logging includes a lease arrangement under which land management, including



herbicide, land-prep, planting, wildlife management and hunting lease management for the property, are provided. This contract experience has improved the knowledge and skill-set Gray Logging brings to the table. The ability to have additional control and input on long term forest management provides a path for true sustainability for both the forest and the harvesting operation.



Root Growth - Timber Harvesting

Gray Logging, LLC, with GH Timber, is comprised of, one certified forester, two full time harvesting crews, truck drivers, contract haulers, shop personnel and office staff for a total of twenty-three employees. The company also procures wood for other harvesting operations and provides contract performance oversight from start to finish for these projects. Crew one includes: Dean Tuten, crew foreman and fellerbuncher operator; Edward Hutchinson, loader operator; Andrew Hodge, skidder driver; Eugene Coney, saw hand; and John Needham, saw hand and skidder driver. Crew two includes: Richard Hunter, crew foreman, fellerbuncher operator, and brother-in-law to Jerry; Wayne Hunt, loader operator; Sammy Harry, skidder driver; and Jonie Taylor, saw hand.

Company employed truck drivers include six full time and one part-time employee. They are; Norman McCall, Freddy Stalnaker, Kenny Richardson, Jerome



Carter, Rudy Koon, Frankie Hodge, Willie Hall, and Richard Anderson (part-time). In addition to company trucking staff Gray Logging utilizes three contract haulers as needed. Contract haulers are: Ray Coker, Ray Coker Trucking; Anthony Ivory, Hunter Trucking, LLC; and Willie Velazco with Velazco Trucking, LLC. These owner-operators have all had a long-term relationship with Gray Logging and are held to the same standards as Gray Logging LLC employees with regard to safety and job performance.

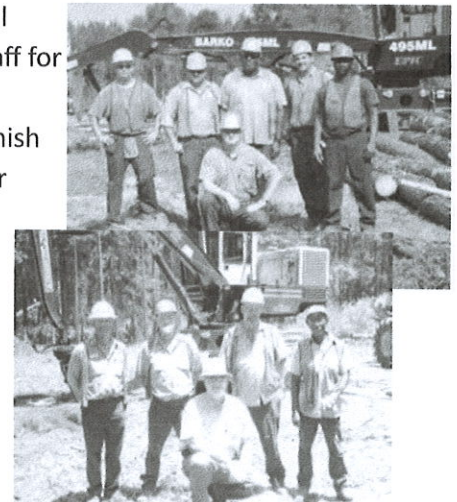
At Gray Logging's headquarter offices and shop the following employees keep the crews, equipment and trucks running smoothly. Employees at the shop are: Josh Ensminger, shop manager and truck supervisor; Kyle Hunter, crews supervisor, main mechanic, and nephew of Jerry; and Rodney Bearden, shop mechanic. Equipment maintenance is performed on a regularly scheduled basis and both equipment operators and shop personnel utilize established record-keeping procedures. The shop, inventory, work floor, tools, and environment are kept in pristine condition. Woods equipment life and performance are greatly extended because of the extraordinary care they receive. Detailed records kept by operators and shop personnel often head off mechanical problems before they have a chance to cause breakdowns and damage.

"(b)...cutting operations performed by Gray Logging ...have met the highest professional standards" "The attention to detail is also a very strong point....unique environmental features are well marked and designated for protection."

Ron Heierman, Bituminus Insurance

Aesthetics of the harvest, landing and road construction as well as landing and road retirement is paramount. Gray Logging's reputation and repeat business are a testimony to their first-rate harvesting practices. A large volume of work is performed on certified tree

farms. Utilization on tracts varies from one to seven sorts and the majority of tops and slash are merchantable timber in Gray Logging's operational area. Wood fiber delivered from Gray Logging operations enjoys a first-rate reputation among consuming industry. *Cull rates for delivered wood is near zero.* Wood fiber delivery is performed on an interstate basis requiring an increased level of compliance performance under federal as well as Florida, Georgia and Alabama trucking regulations. Attention to detail and superb organization serves the landowner, the forests and the business well. Jerry stated that, "My objective on each tract is to adhere to the highest standards possible and that is why I believe landowners and consumers that work with Gray Logging are pleased with our work. I want to leave the forest better than I found it and promote increased forestation."



The Roots of Gray Leadership - Business Management

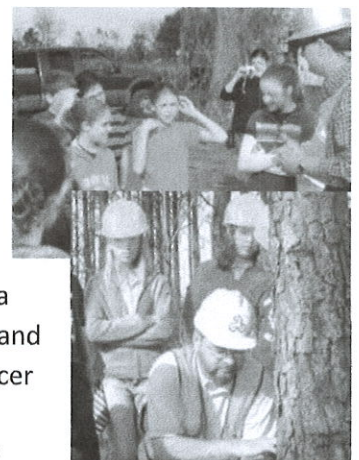
The business model cultivated by Gray Logging includes wood procurement, landowner forestry consulting, equipment, parts, filter, tire and oil dealer-reseller services, mechanic shop services, and trucking logistics. The objective in adding these additional business components to the business is to minimize costs and maximize both control and profits. Employees, business associates, customers and consumers see Jerry as a Leader, not just a business owner. Jerry believes the most important factor in Gray Logging's success has been that he "makes every move count".

Written contracts are standard procedure on all projects and contracts are required for projects that Gray Logging procures for other harvesting operations as well. All employees and contractors are paid a professional wage and expected to conduct themselves as professionals in the woods, on the road and in the office/shop. Gray Logging provides employees with workman's comprehensive coverage, major medical coverage through a 50% employer paid plan, matching contributions to a company retirement program and access to life, disability and accident insurance at reduced rates through employer payroll deductions. Leave and vacation time is available to employees as well. Bonuses are given each year at an employee appreciation banquet. In addition, employees receive bonuses based on performance including, but not limited to safety and job performance and work product delivered. Employees are also included in discussions and their ideas and input are considered whenever and wherever possible.

Owner Jerry Gray brings an unusual mix of detail oriented planning and great enthusiasm to the helm of the business. Jerry's wife Ginger provides administrative support. Ginger's support includes office administration, interaction with customers, vendors and consuming industry as well as book-keeping to compile and supplement records, details and information provided by every other segment of their business. Accounting practices to fulfill the business's needs are a joint effort choreographed by Jerry and including Ginger, Josh and contracted accounting services. The management system applied by Gray Logging has built in checks and balances that allow the business to work smoothly but also to adapt to market conditions as well as unforeseen circumstances as they arise. For example, crew and trucking logistics are cross-referenced including contracted crews and haulers to maximize production and reduce both costs and liabilities. By increasing the number of variables under his control, Jerry has increased the ability of the company to make adjustments necessary to correct problems or take advantage of opportunities.

Root Building - Advocacy and Community Service

Jerry Gray is a Florida Master Logger and Gray Logging, LLC was selected by the Florida Logger of the Year Committee as "District Logger of the Year" in 1999, 2000, and 2004. In addition to these awards, Gray Logging received the Bituminous Safety Award for Logging Operations in 1999. Jerry sponsored two employees, Josh Ensminger and Kyle Hunter in Florida Forestry's "Forty Under 40" leadership program. Jerry, Kyle and Josh have contacted and met with Florida legislative offices to speak with them about the concerns and issues unique to timber harvesting operations. Gray Logging has participated in the Florida Forestry Association's Teacher's Tour program, FRA's Log A Load, and participates in a "Community Classroom" program with the local school district. The business donates time and money to the North Florida Livestock Show, National Wild Turkey Federation, American Cancer Society Madison County Relay for Life, Madison Football, Little League, and the Madison Chamber of Commerce. He is on the Pastor's Council and serves as Trustee for the Madison Church of God. Jerry has been a member of The Southeastern Wood Producers Association and The Florida Forestry Association since 1999. Gray Logging were featured in "Southern Logging Times" magazine in the October 2003 and the following poem written by JerriAnn Gray, (daughter), was published: "Dad's Job: I've got two more long hours to sleep in. But at five o'clock his day begins. The job gets done though. And with my Dad, it's done right. From the dawn of the day, til the first hours of night. He gets what he deserves, nothing more nothing less. He works for all he owns, and by that gains respect. I really enjoy my father being a Logger, for I'm proud to be fed by timber dollars."



Gray Logging LLC - Jerry Gray