

THIS FINANCING STATEMENT IS PRESENTED TO A FILING OFFICER FOR FILING PURSUANT TO THE UNIFORM COMMERCIAL CODE

1. Debtor(s) (Last Name First) and address(es)

H & H PULPWOOD & LOGGING INC

5070 ACADEMY ROAD

BESSEMER AL

2. Secured Party (ies) and address(es)

THE PEOPLES BANK OF ALABAMA

P.O. BOX 157

WOODSTOCK, ALABAMA

35188

3. Filing Office, Date, Time, No., and

Filing Office

OFFICE OF PROBATE

DEC 13 PM 1:51

RECEIVED
SHELBY COUNTY
CLERK'S OFFICE

027060

4. ☐ Debtor is a utility.

5. This financing statement covers the following types (or items) of property:

ASSIGNMENT OF TIMBER CONTRACT FROM SHELBY SPRINGS STOCK FARMS, INC (SELLER) TO
H & H PULPWOOD & LOGGING INC. (BUYER) LOCATED IN SECTIONS 5,7, AND 8, TOWNSHIP
22 SOUTH, RANGE 1 WEST SHELBY COUNTY AL. (278 ACRES MORE OR LESS)
SEE ATTACHED "EXHIBIT A"

Complete only when filing with the Judge of Probate:

6. The initial indebtedness secured by this financing statement is \$ 122,040.00

Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$.00

7. ☐ This financing statement covers timber to be cut, crops, or fixtures and is to be cross indexed in the real estate mortgage records (Describe real estate and if debtor does not have an interest of record, give name of record owner in Box 5)

8. Check X if covered: ☐ Products of Collateral are also covered.

No. of additional sheets presented 6

9. This statement is filed without the debtor's signature to perfect a security interest in collateral (check X, if so)

- ☐ already subject to a security interest in another jurisdiction when it was brought into this state.
☐ already subject to a security interest in another jurisdiction when debtor's location changed to this state.

- ☐ which is proceeds of the original collateral described above in which a security interest is perfected.
☐ acquired after a change of name, identity or corporate structure of debtor
☐ as to which the filing has lapsed

Filed with:

Judge of Probate

Signature(s) of Debtor(s)

(1) Filing Officer Copy - Alphabetical

The Peoples Bank of Alabama

Signature(s) of Secured Party (ies)

(Required only if filed without debtor's signature—see Box 9)

STATE OF ALABAMA)

COUNTY OF SHELBY)

This timber sales contract is made this the 23rd day of November, 1990, by and between H & H Pulpwood & Logging, ^{INC. (G-N)} ~~a Partnership~~ of Bessemer, Alabama, hereinafter known as BUYER, and Shelby Springs Stock Farms, Inc., Mr. Howard Hall, Sr., Owner, hereinafter known as SELLER.

WITNESSETH that the Seller, for and in consideration of the sum of ONE HUNDRED FIFTY TWO THOUSAND, FIVE HUNDRED FIFTY AND NO/100 DOLLARS (\$152,550.00), in hand paid by Buyer, receipt of which is hereby acknowledged by Seller, and other promises and valuable considerations hereinbelow stated, hereby conveys, contracts, bargains, and sells unto the Buyer all of the blue painted selectively marked pine trees and all merchantable hardwood trees as may be located on approximately a 278 net acre portion of the following described tract as per the attached plat and more particularly described as follows:

That part of Sections 5, 7, and 8, Township 22 South, Range 1 West that is bounded on the west by a orange flagged line and a cut-over area and a pasture, on the north by Camp Branch Creek, on the south by road and fence, and on the east by a yellow painted line and a orange flagged line.

This odd-shaped parcel of land contains approximately 278 acres and is more particularly described on the "crosshatched" marked timber sale area on the attached timber sale plat.

1/ The Seller warrants that he is the owner of the said land and timber, that he has the perfect right to sell and convey the timber from said land, and that he will protect the right of the Buyer to cut and remove said timber from the above described land until the expiration date of this contract. The Seller further warrants that he has duly conferred upon the Resource Management Service, Inc. the authority to act as his Agent in the negotiation of the sale, to collect all stumpage payments in his name, and to make frequent inspections of the operation of this above described sale.

2/ The Buyer contracts and agrees to cut only those pine trees that have been marked at breast height and at the stump with blue paint by Foresters of Resource Management Service, Inc. and all merchantable hardwood trees within the Sale Area, leaving all other trees that have not been marked and/or conveyed herein.

3/ The Buyer contracts and agrees to remove said timber or that portion of said timber he desires to remove by May 23, 1992, the expiration date of this contract being either May 23, 1992, or on the completion date of cutting, whichever date occurs earliest. After the expiration date of this contract all rights of the Buyer to possess, cut or control such timber shall terminate and cease and any portion of the above consideration paid for such timber shall be surrendered as liquidated damages for the breach of said contract.

4/ The Buyer further agrees and contracts to cut and remove the timber in a good and workmanlike manner; to take particular and reasonable care and precaution in timber felling and logging to reserve the residual timber, the young growth and reproduction; to take all reasonable precautions against destructive logging practices which unnecessarily damage the residual timber compatible with the economic removal of the timber. Rubber-tired skidders may be used, but skid trails and loading decks should be kept to a minimum and unnecessary damage to reproduction and residual unmarked pine trees avoided. In addition, the Buyer shall avoid felling or dropping trees or tops into any fences, fields, trails, roads, ponds, creeks, or pastures on the Seller's or any neighbor's property and should this occur, Buyer shall remove said trees or tops immediately from such fences, fields, trails, roads, ponds, creeks, or pastures by pulling them back well within the woods, and fences shall be repaired. Cattle gates will be kept closed at all times except for ingress and egress.

5/ The Buyer contracts and agrees to take all reasonable precautions against fire and to suppress any fire that might damage the residual timber and young growth which occurs in the timbered area on the above described property during their presence on the property. The Buyer shall also accept full and prompt liability for any damages to Seller occurring as a result of any fire resulting from Buyer's logging activity which may get out on the Seller's or any neighbor's property from the use of any kind of fire on the subject property. The Buyer, his employees, agents or contractors are prohibited from hunting game on this property.

6/ The Buyer further agrees and contracts not to cut, remove, or needlessly damage any other trees than the above described selectively marked pine timber and merchantable hardwood herein being conveyed by this instrument. Should this portion of the contract be broken, the Seller or his Agent or Agents may enter upon said land and take possession of the timber without notice to the Buyer. Thereupon the Buyer shall be required to pay an amount equal to twice the value of the illegal stumpage cut or removed from the land and wrongfully or needlessly destroyed by poor timber cutting or logging practices as liquidated damages for the breach of this contract before the Buyer shall have the right to continue cutting and removing the remaining portion of the conveyed timber. For purposes of this contract, the diameter breast height of any wrongfully cut tree shall be taken as the average diameter of such tree at the stump, inside bark, and shall be scaled by the Scribner Scale, Form Class 78 for pine and Doyle Scale, Form Class 76 for hardwood; using "Tables for Estimating Board-Foot Volume of Timber" by Mesavage and Girard, U.S.D.A., Forest Service, the stumpage value for the pine sawtimber being set at \$190/M board feet, and hardwood sawtimber at \$80/M board feet, and standing pine and hardwood pulpwood at \$18 and \$7/standard cord, respectively. Any

mis-cut tree with a stump diameter in excess of 10 and 12 inches shall be considered as pine or hardwood sawtimber, respectively, and any tree smaller shall be considered as pulpwood. The unit volume of the mis-cut or unnecessarily damaged sawtimber trees shall be taken from the selectively marked inventory stand tables recently prepared for this sale and attached as estimates to this contract.

7/ The Seller contracts and agrees that the Buyer his Agents and employees shall enjoy the full right for the term of this contract to enter upon said lands and to cut and remove the timber in the manner as above described. The Buyer is given the right to make only necessary trails or passageways in the timbered area for the purpose of removing said conveyed timber only as long as the existing woods roads or woods trails, or field edge roads cannot suffice for this purpose and the crossing or cutting of any exterior fences, excepting at established gates or gaps, and the unnecessary cutting of any standing merchantable timber for trails and loading areas is avoided. All operating equipment and machinery shall be removed from the property within ten (10) days following the termination date of this contract. Buyer shall keep all fences or other property improvements in full and immediate repair as a consequence of any use or damage as a result of any of its operations.

8/ The Buyer may assign or convey any portion of said timber to a third party under the full terms and conditions of this contract, but Buyer will be directly responsible to Seller for all the actions of any contracting third party, employee, assignee, or subcontractor. He further contracts and agrees to assume all liability for and shall indemnify the Seller against all claims, demands, or causes of action, including the cost of defending same,

of every nature whatsoever arising out of or resulting from in any manner the operation of the Buyer or any contracting third party, employee, assignee, or subcontractor under this agreement, and to pay or have paid all timber taxes, wages, Workmen's Compensation claims, and any and all of the claims or obligations imposed on them by reasons of the Buyer's operation under this agreement.

9/ The Seller designates and the Buyer accepts the Resource Management Service, Inc. as the Agent of the Seller for purposes of inspecting, checking, and overseeing, from time-to-time, the compliance of the cutting and logging of the timber conveyed under this contract and other provisions pertaining thereto. The Buyer further agrees to notify the Resource Management Service, Inc. when their operation shall commence on said property and when it is either completed or delayed for any extended period in excess of two weeks' time.

10/ It is mutually agreed that the Seller and the Buyer have respectively sold and purchased the above described forest products evolving upon the works and estimates of the Resource Management Service, Inc. and that Buyer has satisfied himself as to the reasonableness of such estimates made for the knowledge of Seller and furnished Buyer for his possible interest; but as between the two parties no representation made by the estimates of the Resource Management Service, Inc. shall be a condition or a basis for the modification of the written conveyance.

11/ It is further agreed that the Buyer shall not be responsible or accountable for incidental or unavoidable damages necessarily resulting from the operation of any reasonable timber cutting and logging operations on the above described lands.

WITNESSETH:

SELLER:

Shelby Springs Stock Farms, Inc.

Howard Hall Sr.
Howard Hall, Sr., Owner

Eula B. Reguett

BUYER:

H & H Pulpwood & Logging, INC.
~~207~~ A Partnership

By: Thomas H. H.

Paul C. C.

1. Deed Tax	_____
2. Mtg. Tax	_____
3. Recording Fee	_____
4. Indexing Fee	_____
5. No Tax Fee	_____
6. Certified Fee	_____
Total	_____

RECORDED
INDEXED
1950 DEC 13 PM 1:51

90 DEC 13 PM 1:51

RECORDED
INDEXED
1950 DEC 13 PM 1:51