

STATE OF ALABAMA — UNIFORM COMMERCIAL CODE — FINANCING STATEMENT FORM UCC-1 ALA.

Important: Read Instructions on Back Before Filling out Form.

750.83

☐ The Debtor is a transmitting utility as defined in ALA CODE 7-9-105(n).

No. of Additional Sheets Presented **6**

This FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code.

1. Return copy or recorded original to:

THIS SPACE FOR USE OF FILING OFFICER
Date, Time, Number & Filing Office

FIRST NATIONAL BANK OF COLUMBIANA
106 E COLLEGE ST P O BOX 977
COLUMBIANA, AL 35051

Pre-paid Acct. # _____

2. Name and Address of Debtor

(Last Name First if a Person)

HORTON, ERWIN
P.O. BOX 406
COLUMBIANA, AL
35051

Social Security/Tax ID # _____

2A. Name and Address of Debtor

(IF ANY)

(Last Name First if a Person)

Social Security/Tax ID # _____

☐ Additional debtors on attached UCC-E

3. SECURED PARTY (Last Name First if a Person)

4. ASSIGNEE OF SECURED PARTY

(IF ANY)

(Last Name First if a Person)

Social Security/Tax ID # _____

☐ Additional secured parties on attached UCC-E

Inst # 1993-00895
01/11/1993-00895
01:12 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
006 MCD 217.50

5. The Financing Statement Covers the Following Types (or Items) of Property:
TIMBER CONTRACT RIGHTS DATED 12-29-92 BETWEEN GULF STATES PAPER CORPORATION AND ERWIN HORTON LOGGING

"ALL ADDITIONS AND ACCESSION THERETO AND PROCEEDS THEREOF.
THE INCLUSION OF PROCEEDS IN THE FINANCING STATEMENT DOES NOT
AUTHORIZE THE DEBTOR TO SELL OR DISPOSE OF THE COLLATERAL WITHOUT
SPECIFIC AUTHORIZATION OF THE SECURED PARTY".

5A. Enter Code(s) From
Back of Form That
Best Describes The
Collateral Covered
By This Filing:

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

6. 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.

7. Complete only when filing with the Judge of Probate:
The initial indebtedness secured by this financing statement is \$ 133,000

Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$ 217.50

8. ☐ This financing statement covers timber to be cut, crops, of 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)

Signature(s) of Secured Party(ies)
(Required only if filed without debtor's Signature — see Box 6)

First National Bank Columbiana
Signature(s) of Secured Party(ies) or Assignee
Duffy J. Bentley
Signature(s) of Secured Party(ies) or Assignee

Signature(s) of Debtor(s)

ERWIN HORTON
Signature(s) of Debtor(s)

Type Name of Individual or Business

Type Name of Individual or Business

STATE OF ALABAMA

TUSCALOOSA COUNTY

TIMBER SALE CONTRACT

THIS AGREEMENT, Made and Entered this 29th day of December, 1992 by and between GULF STATES PAPER CORPORATION, hereinafter referred to as "SELLER", AND ERWIN HORTON LOGGING hereinafter referred to as "Buyer".

W I T N E S S E T H:

1. Seller shall sell to Buyer and Buyer shall purchase from Seller, on the terms and conditions herein stated, all of the merchantable timber designated for cutting, estimated, but not guaranteed to be 487 MBF Pine Sawtimber, Scribner Log Scale, 13 MBF Hardwood Sawtimber, Scribner Log Scale, 1133 cords of Pine Pulpwood, and 588 cords of Hardwood Pulpwood, growing and forming a part of the following described real property located in Shelby County, Alabama, to-wit:

A portion of SE1/4 bounded on North, East, and west by the primary GSPC gravel road in Section 23, and portions of NE1/4 of NW1/4 bounded on west side by the primary GSPC gravel road and game food plot, and NE1/4 bounded on West, South, and East sides by the primary GSPC gravel road in Section 26; all in T21S, R2W, being 180 acres, more or less, as shown on the plat labeled Exhibit "A", which is attached to and made a part of this contract.

Management Area: CATERA (205) Unit 82

For the purposes of this contract, the designated "merchantable timber" shall be defined as follows:

A. All merchantable pine and hardwood trees.

2. Immediately upon execution of this contract, Buyer shall pay Seller as consideration for the above described timber, the sum of \$132,830.00 as payment in full.

3. Seller hereby grants to Buyer fee simple title to all timber designated for cutting until the expiration date of this contract. Buyer shall bear all risks of loss or damage to said timber.

4. The Seller hereby gives and grants unto the Buyer the right to enter said above described lands and to cut and remove therefrom said designated timber on said lands. All timber not designated for cutting is reserved by the Seller, its successors and assigns. Seller covenants and agrees with Buyer that Seller is the owner of the lands upon which said timber is situated and is the owner of said timber in fee simple; that said lands and timber are free from all liens and encumbrances, and Seller will forever warrant and defend the title to said timber and the peaceable possession thereof unto the Buyer, its successors and assigns against the lawful claims and demands of all persons whomsoever.

5. The Buyer shall not place or erect or cause to be placed or erected on said lands any sawmill or planing mill or any houses or other buildings.

6. Buyer shall not commit any acts which increase the risk of forest fires on said land, and in the event Buyer discovers fire on said land or on any other land of the Seller in the vicinity thereof, the Buyer shall immediately notify the Seller and the

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State Division of Forestry of the location of the fire and shall undertake to extinguish said fire and to use all means available to it in preventing damage to the timber, trees and timber growth on said land.

7. The Buyer shall report and pay to the State of Alabama the Forest Products Severance Tax for timber purchased under this agreement and shall reimburse the Seller for any such taxes which the Seller may be required to pay.

8. The Buyer in the exercise of the rights herein granted shall not in any way interfere with the reasonable use by the Seller of said land or with the reasonable use by grantees, contractors, or agents of the Seller of any portion of said land under rights heretofore or hereafter granted by the Seller.

9. The Buyer shall make no unlawful or offensive use of premises and shall comply with applicable laws, ordinances, rules, and regulations of the local, State and Federal governments, and any other public authorities having jurisdiction over said property, including the State of Alabama's "Best Management Practices (BMP'S) for Silviculture". In addition, specified requirements are stated in Exhibit "B", which is attached to and made a part of this contract.

10. Buyer shall maintain all telephone lines, ditches and fences located on the above described property and all adjoining lands in good repair. Buyer shall keep all roads located on the above described property free of logs, tops, brush and debris. The Buyer shall leave all existing roads in as good condition upon completion of the logging operation as they were at the beginning. The Buyer will be expected to take action as necessary to prevent excessive erosion to any new roads and skid trails made or constructed in connection with harvesting this timber.

11. Whenever excessively wet weather conditions exist, Seller shall have the right to request that Buyer cease logging operations until the ground has dried up sufficiently to prevent damage to Seller's lands from Buyer's logging operations. Seller agrees to extend the term of this contract for a period of time equal to the number of days Seller requests Buyer to cease operations hereunder.

12. During the period of this agreement, buyer shall continuously remove and properly dispose of all trash, rubbish and garbage resulting from logging operations on the above described lands. If Buyer fails to remove and dispose of all such trash, rubbish and garbage, Buyer shall reimburse Seller for all such expenses Seller may incur in undertaking such.

13. The introduction of loaded or unloaded firearms onto the above described lands shall be absolutely forbidden unless expressly and specifically authorized by the Seller.

14. All creeks, streams, rivers, and lakes will be protected from damage by Buyer's logging operations. During logging operations, all trees and/or tops felled into these bodies of water will be promptly removed by the Buyer.

15. The Buyer shall indemnify and hold Seller harmless against any and all liability whatsoever for damages to any person or thing and from any loss, damage, or expense, including reasonable attorneys' fees and other costs of litigation, arising out of or connected with the Buyer's performance of this contract, including, but not limited to, claims arising from Buyer's negligent acts or omissions or the negligent acts or omissions of Buyer's agents, employees or subcontractors.

16. The Buyer agrees to deposit with the Seller \$3000.00 in cash on the execution of this agreement. Such payment is made to guarantee the performance by the Buyer of this contract and to protect the Seller from loss or damage. If on completion of this contract the Buyer has satisfactorily performed all of the

conditions herein and there remains a balance in favor of the Buyer, the Seller shall with reasonable promptness refund said balance to Buyer.

17. The Buyer or its subcontractor will, at its own expense, provide and carry during the performance of this contract Comprehensive or Commercial General Liability Insurance without limiting endorsements, and Comprehensive Automobile Liability Insurance on all automobiles and over-the-road vehicles used in the performance of this work. Such Comprehensive Commercial General Liability coverage and Comprehensive Automobile Liability coverage shall contain a limit of liability of not less than \$1,000,000 combined single limits. The Buyer or its subcontractor shall also keep in force during the performance of this contract Workmen's Compensation Insurance with limits as required by law and Employer's Liability Insurance with limits of not less than \$100,000. Each and all of the said policies of insurance shall provide that the insurance companies give thirty (30) days' notice to Gulf States Paper Corporation before canceling such policy. Certificates evidencing such coverage shall be submitted to the Seller ten (10) days before any logging activities are commenced under this contract.

18. It is distinctly understood and agreed that the Seller has no right and claims no right with regard to the details of the work, personnel practices of the workers or the hours of work, or other conditions of the employment of those employed or used by the Buyer, or any subcontractor of the Buyer, in the performance of this work, and that no agent, employee, or servant of Buyer shall be deemed to be the agent, employee, or servant of Seller.

19. Should the Buyer fail or refuse to cut said timber in compliance with the terms of this contract, or should the Buyer at any time fail to carry out and perform any provision of this contract, the Seller, at its option, shall have the right, without prejudice to its other legal rights and remedies, to immediately stop all cutting activity until such time as Buyer has satisfactorily complied with all terms and provisions of this contract.

20. In the event of a dispute between Buyer and Seller arising out of the terms and conditions of this instrument and the performance by either party hereunto, Buyer and Seller hereto agree to accept the decision of an arbitration board of three (3) members. Each party shall select an arbiter and a third arbiter shall be selected by the first two arbiters. The two arbiters must be selected by the parties hereto within thirty (30) days after either party has requested arbitration. The period allowed herein for cutting and removal of timber shall be extended automatically for the number of days required to the selection of arbiters and to complete the arbitration of the dispute. Arbitration shall be performed in accordance with the Arbitration and Awards Statutes of the State of Alabama set forth in Section 6-6-1 through 6-6-30 of the 1975 Code of Alabama.

21. The Buyer shall not assign this contract or any of the Buyer's rights or interest hereunder without written consent of the Seller, and it is distinctly understood and agreed that no agent or representative of the Seller shall have the right to in any way change, modify or abrogate any of the terms of this contract, and none of the terms hereof shall be in any way abrogated, changed or modified except in writing and by authorization of the Seller's Natural Resources Manager or its duly authorized officers.

22. The rights herein granted shall become effective on the 28th day of December, 1992, and shall terminate and end as soon as the designated timber conveyed is cut and removed or on the 31st day of December, 1993, whichever occurs first, and on such date all of the rights and interests of the Buyer hereunder, shall cease and terminate, and the title to all timber then standing, lying or growing on said lands shall revert to the Seller.

23. Before Buyer commences harvesting operations under this agreement, Buyer shall furnish Seller with a list of any subcontractors Buyer proposes to use in its logging operations.

WITNESS our hands and seals in duplicate the day and year first above written.

WITNESS AS TO SELLER:

GULF STATES PAPER CORPORATION

Eloise P. Guin

By:

Walter G. Anderson

Its: Manager, Natural Resources

WITNESS AS TO BUYER:

ERWIN HORTON LOGGING

Tony Rothert

By:

Erwin Horton

Date:

12-29-92

Address of Buyer:

Erwin Horton Logging
Mr. Erwin Horton
P. O. Box 466
Columbiana, AL 35051
(205) 669-6353

Address of Seller:

Gulf States Paper Corporation
Timber Management Office
P. O. Box 48999
Tuscaloosa, AL 35404-8999
(205) 553-6200

or

Columbiana District Office
Attn: David Gilbert
(205) 669-3141

LIMBIANA

CALERA

I21SB1W

I21SB2W

QUAD

BOUNDS LAKE

PHOTO

LEGEND Exhibit A

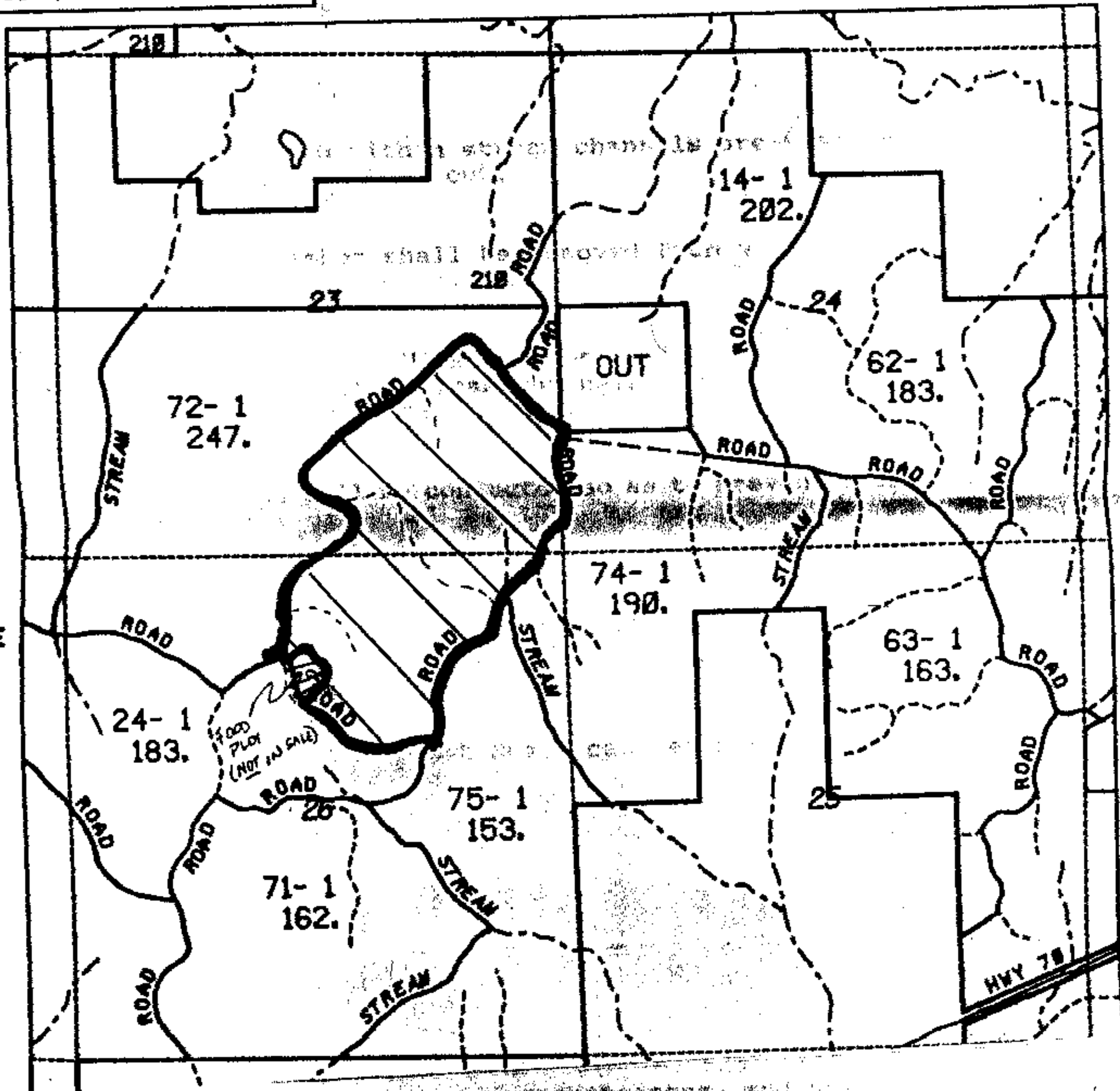
SALE BOUNDARIES (ROADS & FENCES)

GROSS AC: 183

NET AC: 179

Food Plot

Exhibit 'A'



possession thereof unto the Buyer, its successors and assigns against the lawful claims and demands of all persons whomsoever.

5. The Buyer shall not place or erect or cause to be placed or erected on said lands any sawmill or planing mill or any houses or other buildings.

6. Buyer shall not commit any acts which increase the risk of forest fires on said land, and in the event Buyer discovers fire on said land or on any other land of the Seller in the vicinity thereof, the Buyer shall immediately notify the Seller and the

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