

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

No. of Additional Sheets Presented: 0

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

1. Return copy or recorded original to:

FIRST NATIONAL BANK OF SHELBY COUNTY  
P.O. BOX 977  
COLUMBIANA, AL 35051

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

Inst # 1997-01972  
01/17/1997-01972  
04:14 PM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
005 MCD 49.00

Pre-paid Acct. # \_\_\_\_\_

2. Name and Address of Debtor

(Last Name First if a Person)

LOMAX PULPWOOD & LUMBER CO. INC.  
4030 7TH ST NORTH  
CLANTON, AL 35045

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

FILED WITH:

3. Name and Address of Secured Party

FIRST NATIONAL BANK OF SHELBY COUNTY  
PO BOX 977  
COLUMBIANA, AL 35051

4. Name and Address of Assignee of Secured Party

(IF ANY)

Social Security/Tax ID# \_\_\_\_\_

Additional secured parties on attached UCC-E

5. The Financing Statement Covers the Following Types (or Items) of Property:

Record Owner:

Real Estate Desc.: SEE RIDER ATTACHMENT "1" FOR LEGAL DESCRIPTION

Collateral Desc.: TIMBER SALE AGREEMENT  
ALL RIGHTS I HAVE NOW AND THAT I MAY HAVE IN THE FUTURE TO THE PAYMENT OF MONEY PURSUANT TO TIMBER CONTRACTS AND/OR OTHER TIMBER RIGHTS. ALL ADDITIONS AND ACCESSIONS THERETO AND PROCEEDS THEREOF. THE INCLUSION OF THE PROCEEDS IN THE FINANCING STATEMENT DOES NOT AUTHORIZE THE DEBTOR TO SELL OR DISPOSE OF THE COLLATERAL WITHOUT SPECIFIC AUTHORIZATION OF THE SECURED PARTY.

6A. Error Codes from Book of Form That Best Describes The Collateral Covered By This Filing:

100	---
200	---
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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 \$ 20,000.00

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

8.  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).

Signature(s) of Secured Party(ies)

(Required only if filed without debtor's signature - see Box 6)

Signature(s) of Debtor(s)

*James R. Fortwell Jr.*

Signature(s) of Debtor(s)

LOMAX PULPWOOD & LUMBER CO. INC.

Type Name of Individual or Business

Signature(s) of Secured Party(ies) or Assignee

*First Nat Bank Shelby County*  
*TORONA JONES*

Signature(s) of Secured Party(ies) or Assignee

Type Name of Individual or Business

(1) FILING OFFICER COPY - ALPHABETICAL  
(2) FILING OFFICER COPY - NUMERICAL

(3) FILING OFFICER COPY - ACKNOWLEDGEMENT  
(4) FILE COPY - SECURED PARTY(IES)

(5) FILE COPY - DEBTOR(S)

STANDARD FORM - UNIFORM COMMERCIAL CODE - FORM UCC-1

TIMBER SALE AGREEMENT

STATE OF ALABAMA

COUNTY OF SHELBY

THIS BUY SELL AGREEMENT made this 6 day of January, 1996 by and between CY CAM CORP. hereinafter referred to as Seller, and LOMAX TIMBER COMPANY referred to as Buyer.

- 1. Whereas Seller agrees to sell and Buyer agrees to buy all blue marked timber located in SW 1/4 OF SW 1/4, SECTION 7, T20S, R2W, Shelby County, Alabama.
2. The consideration paid for this agreement and the trees to be cut hereunder is the sum of \$20,520.00 cash in hand paid to the Seller by the Buyer, and other good and valuable considerations, pursuant to the contract for sale between the parties, the receipt and sufficiency of which are hereby acknowledged.
3. Buyer agrees to utilize good forestry practices in harvesting all timber conveyed. Loading areas must be approved by Seller or its agents.
4. Buyer agrees to exercise reasonable care to prevent damage to trees not designated to be cut. Buyer agrees that all fences and roads must be maintained and restored to original condition when logging is completed.

Buyer shall take all reasonable precautions and efforts to prevent and suppress forest fires that endanger the timber on the above described or adjacent lands. Buyer will follow the "Best Management Practices" as set down by the Alabama Forestry Commission.

Buyer agrees to protect Seller, the lands of Seller, and the timber thereon, whether or not authorized to be cut hereunder, from and against all liens and claims of liens in any way arising out of any action of default upon Buyer's part.

5. Buyer agrees to use good logging practices in the cutting and removing of trees. Buyer, its agents, or employees will not leave trash in the woods and further agree to conduct the operation in a workmanlike manner. Buyer shall remove all tops and other logging debris from or in all ditches, roads and streams. Buyer is authorized to use roads, necessary in the operations hereunder, upon the lands described herein and upon other lands in the vicinity thereof as agreed between Owners of those roads, Seller and Buyer, all at Buyer's own risk. Any roads, structures and improvements built by Buyer on Seller's property necessary to transport the timber sold hereunder shall become the sole property of Seller at the termination of this agreement. Seller makes no representations or warranties that any roads, bridges, or other improvements on the above described property or any other property are safe or suitable for use by Buyer or those actions for or under Buyer, and all such parties may use any such roads, bridges or other improvements only at their own risk. No rubbish shall be left in the woods.

Timber cutting and roads: Buyer agrees to use care in removing the timber. The Buyer will remove all equipment and fallen trees, tops, and limbs from existing roads at the end of every work day. The Buyer will use care in keeping trees and tops out of game plots, creeks, and roads. Buyer must maintain the roads and upon completion of the cutting of the timber, the Buyer will repair all roads and leave them in as good a condition as they were in prior to the cutting of the timber. Water bars must be placed on temporary roads, new roads and major skid trails and these roads seeded with ground cover when logging is completed.

6. Buyer agrees to notify Hatcher & Eiland, Inc., prior to the initiation of cutting.
7. Seller grants Buyer the right of total and uninterrupted ingress and egress in, over and across the lands describe herein. However, Buyer agrees to use existing roads where possible and leave roads and fences in as good a condition as prior to the initiation of this Agreement.
8. Seller warrants clear marketable title to all timber on the above described land and agrees to defend same at no cost to Buyer.
9. Seller is not associated or in any manner connected with the actual performance of the contract on the part of the Buyer, either as a partner, joint venturer, employer, principal or agent, or otherwise. Buyer is an independent contractor respecting the performance of this contract and is solely liable for all its acts and all labor and expenses in connection with its performance of this contract. Seller or Seller's agent shall, however, have the right to inspect the operations of Buyer to insure that only those trees designated for cutting are being cut, that proper forestry practices and other terms of this contract are being observed, but the direction of any and all of Buyer's operations shall at all times be with the Buyer, and Seller shall have no right to instruct, deal with, supervise or suggest the manner of carrying on the work of Buyer's employees, agents, servants, or subcontractors.

Buyer agrees to indemnify and save harmless Seller from and against any and all liability, demands and claims, including but not limited to, bodily injury to any person or damage to the property of any person whomsoever (including any employee or claimed employee of Buyer) in any way arising out of, in the course of, or in connection with the operations of Buyer hereunder, and the carrying out of the terms of this contract.

Continuously throughout the period of the potential liability under this contract, Buyer, at his own expense, shall carry public liability insurance in the amount of not less than \$1 million dollars and name as an additional insured the Seller herein. Buyer will also maintain insurance that will protect it from claims under worker's compensation laws, disability benefit laws or other similar employee benefit laws. Buyer shall furnish to Seller written confirmation and evidence of such insurance.

Seller, his agents and assignees shall have the right to go upon said lands and to perform any act or operations thereon that will not interfere with the rights of the Buyer under this contract. Buyer shall pay all severance taxes, all licenses and excises required by law to be paid on account of the timber felling and logging operations hereunder.

Buyer shall exercise due care to avoid unreasonable damage to the timber not being cut, and wrongfully cutting of marked trees. All undesignated trees which are unreasonably damaged or cut in the course of Buyer's operations shall be marked by Seller or its agent and paid for at double prices which are considered to be fair compensation for the stumpage value, expense incurred on account of the damage and future growth loss of the damaged trees. Unreasonable damage will be considered as breakage to the main stem, uprooting, or any abrasion which results in damage to one-third or more of the circumference of the main stem which could have been avoided in the course of logging operation.

10. All trees conveyed herein shall be cut and removed by 6-31-97, at which time this contract shall expire, except for the obligation of buyer hereunder, which shall survive until fulfilled.
11. This TIMBER SALE AGREEMENT shall inure to the benefit of and binding upon the heirs, executors, administrators and successors entitled to the land and/or trees thereon.

IN WITNESS HEREOF, the parties hereto have executed, sealed and delivered these presents of the day and year first above written.

SELLER: *Cy Cam Corp.*

*C-S-V*

BUYER: *Lomax Pulpwood & Lumber Co. Inc.*

*Lomax Pulpwood & Lumber Co. Inc.*

By: *James R. Ashwell Jr.*  
Its authorized agent

STATE OF ALABAMA

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