

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

No. of Additional Sheets Presented:

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 Bank and Trust
P. O. Drawer 7
Centreville, AL 35042-0007

Pre-paid Acct. #

2. Name and Address of Debtor

(Last Name First if a Person)

CAHABA TIMBER INC
RT 1 BOX 187
BRIERFIELD AL

35035 0000

Social Security/Tax ID#

2A. Name and Address of Debtor

(IF ANY)

(Last Name First if a Person)

000000000

Social Security/Tax ID#

☐ Additional debtors on attached UCC-E

FILED WITH:

3. Name and Address of Secured Party

First Bank and Trust
P. O. Drawer 7
Centreville, AL 35042-0007

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:

MERCHANTABLE TIMBER LOCATED ON PROPERTY BELONGING TO SHELBY SPRINGS STOCK FARMS, INC AS DESCRIBED IN EXHIBIT "A" ATTACHED HERETO. AND IN ACCORDANCE TO BUY SELL AGREEMENT ATTACHED HERETO BY AND BETWEEN CAHABA TIMBER INC AND SHELBY SPRINGS STOCK FARMS, INC. TIMBER DEED DATED 3-17-97 BETWEEN CAHABA TIMBER INC AND SHELBY SPRINGS STOCK FARMS INC IN THE AMOUNT OF \$925,000.00.

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 \$ 925000.00

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 Secured Party(ies) or Assignee

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

Type Name of Individual or Business

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

EXHIBIT "A"
LEGAL DESCRIPTION

The South 1/2 of SE 1/4; and the SE 1/4 of NE 1/4, Section 35, Township 21 South, Range 2 West.

The SW 1/4 of NW 1/4; and the SW 1/4 of SW 1/4, Section 36, Township 21 South, Range 2 West.

All that portion of the SW 1/4 of Section 5, Township 22 South, Range 1 West, lying South of Camp Branch. All that portion of the SW 1/4 of the SE 1/4, Section 5, Township 22 South, Range 2 West, lying South of Camp Branch and Northwest of Pink Flagged line.

All that portion of the SW 1/4 of Section 6, Township 22 South, Range 1 West, lying Southeast of Alabama Highway #25. All that portion of the SE 1/4 of Section 6, Township 22 South, Range 1 West, lying Southeast of Alabama Highway #25 and Southwest of Camp Branch.

Section 7, Township 22 South, Range 1 West.

LESS AND EXCEPT the SW 1/4 of SW 1/4 of said Section 7.

LESS AND EXCEPT all that portion of the SE 1/4 of SE 1/4 of said Section 7, lying East of Old Woods Road.

LESS AND EXCEPT all that portion of said Section 7, lying East of Pink Flagged Line.

LESS AND EXCEPT all that portion of said Section 7, lying Northwest of Alabama Highway 25.

LESS AND EXCEPT that portion conveyed to Shelby County Historical Society by deeds recorded in Real Record 33, Page 572; and Real Record 262, Page 982, in Probate Office.

All that portion of the NW 1/4 of Section 8, Township 22 South, Range 1 West, lying Northwest of Pink Flagged Line.

The S 1/2 of NE 1/4; SE 1/4 of NW 1/4; and N 1/2 of SE 1/4, Section 12, Township 22 South, Range 2 West.

EXHIBIT "B"

THIS INSTRUMENT WAS PREPARED BY: MIKE T. ATCHISON, ATTORNEY
P.O. BOX 822
COLUMBIANA, ALABAMA 35051

STATE OF ALABAMA
SHELBY COUNTY

TIMBER SALE AGREEMENT

THIS BUY SELL AGREEMENT made this ____ day of March, 1997, by and between SHELBY SPRINGS STOCK FARM, INC., hereinafter known as the Seller and CAHABA TIMBER, INC., hereinafter known as the Buyer.

1. Seller agrees to sell and Buyer agrees to buy, all pine 12" and larger, 6 inches from the ground and hardwood 20" and larger, 12 inches from the ground.
2. The consideration paid for this agreement and the trees to be cut hereunder is the sum of \$925,505.00, 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 cutting and removing of trees. Buyer, its agents, or employees will not leave trash in the woods, will restore damaged ground to its original condition, 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.

6. Buyer agrees to notify Lomax Pulpwood & Lumber Co., 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 described herein. However, Buyer agrees to use existing roads where possible and leave roads and fences in as good a condition as they were in 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. Seller or Seller's agent shall, however, have the right to inspect the operation 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 defend, 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 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.

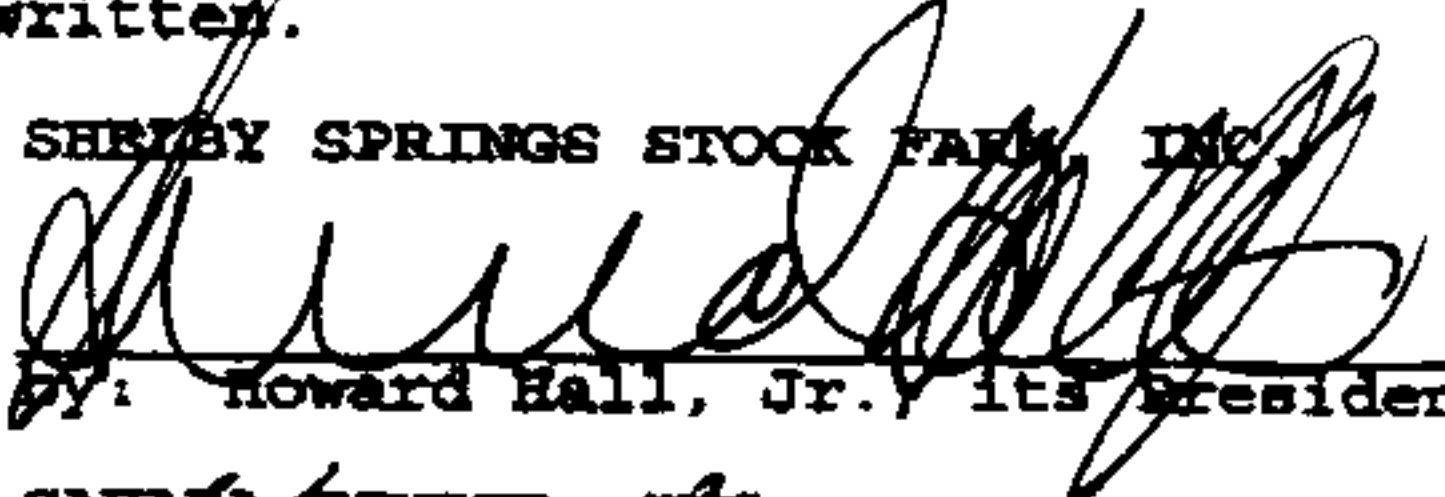
Seller, his agents and assignees shall have the right to go upon said lands and to perform any acts or operations thereon that will not interfere with the rights of the Buyer under this contract. Buyer shall pay all severance taxes, all licenses and excises required by law to be paid on account of the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

Buyer shall exercise due care to avoid unreasonable damage to the timber not being cut. 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 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. This contract expires on March 31, 1998, at which time right to all timber on the property as described in this agreement revert back to Seller and Cahaba Timber, Inc. will have no further rights to the timber described herein. Furthermore, on March 31, 1998, all obligations of the Seller will terminate and end. The obligations of the Buyer shall survive under the terms of the contract, until Buyer has fulfilled its obligations.
11. This TIMBER SALE AGREEMENT shall inure to the benefit of and be binding upon the heirs, executors, administrators and successors entitled to the land and/or trees thereon.
12. Unless otherwise agreed between the parties, there shall be no cutting within 300 feet of any building.

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

SHERBY SPRINGS STOCK FARM, INC.

By:  its President

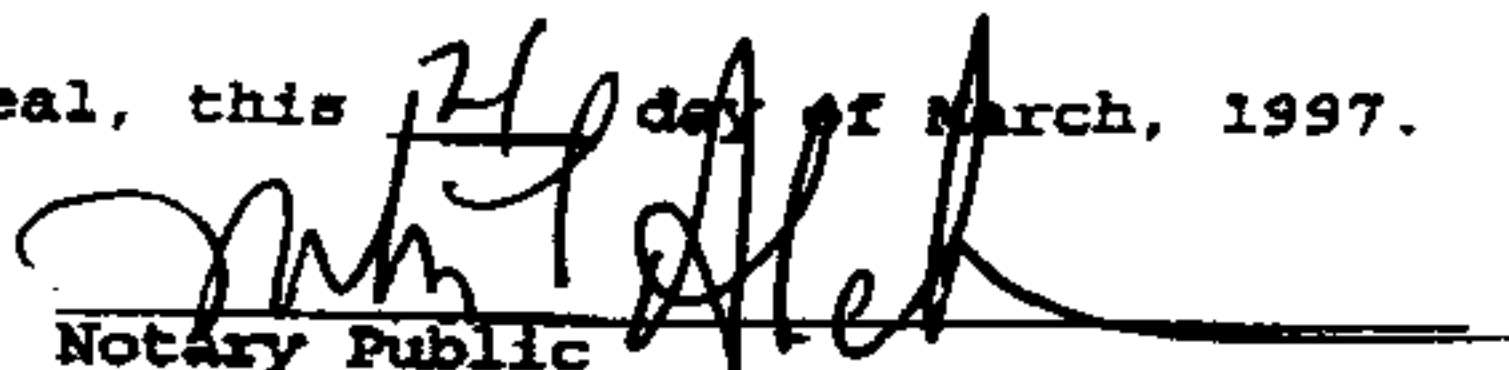
CAHABA TIMBER, INC.

By:  its President

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Howard Hall, Jr., whose name as President of Shelby Springs Stock Farm, Inc., is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date, for and as the act of said corporation.

Given under my hand and official seal, this 24 day of March, 1997.

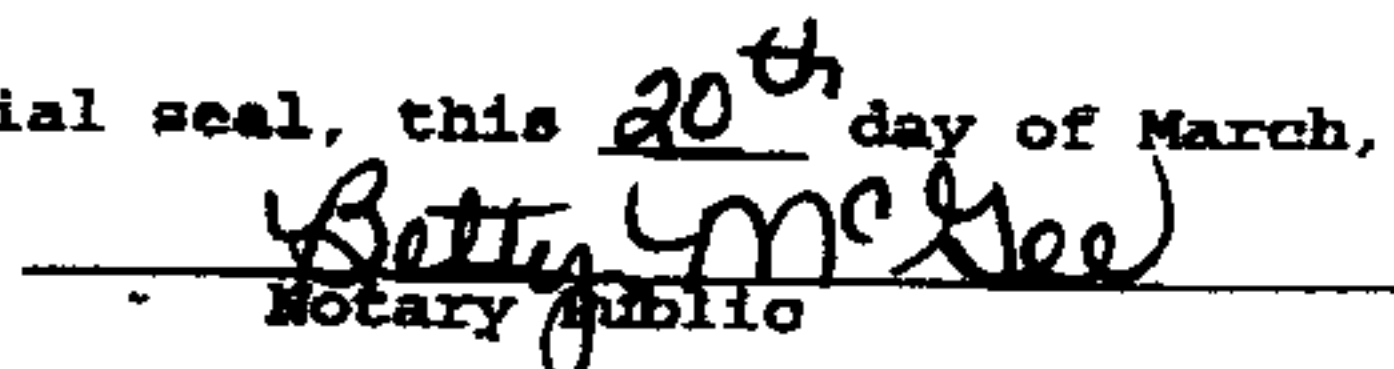

Notary Public

My commission expires:

STATE OF ALABAMA
SHELBY COUNTY

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Kermit Stephens, whose name as President of Cahaba Timber, Inc., is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, he, as such officer and full authority, executed the same voluntarily on the day the same bears date, for and as the act of said corporation.

Given under my hand and official seal, this 20th day of March, 1997.


Notary Public

My commission expires:

5/9/99

Inst # 1997-08766

03/21/1997-08766
12:07 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 MCD 1406.50