

☐ 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 STATE BANK
OF CLAY COUNTY
P. O. BOX 547
LINEVILLE AL 36266

2. Name and Address of Debtor

(Last Name First if a Person)

Shaddix Pulpwood Co., Inc.
PO BOX 187
LINEVILLE AL 36266

Social Security/Tax ID#

2A. Name and Address of Debtor

(IF ANY)

(Last Name First if a Person)

Shaddix, W. D.
PO BOX 187
LINEVILLE AL 36266

Social Security/Tax ID#

☐ Additional debtors on attached UCC-E

3. Name and Address of Secured Party

FIRST STATE BANK
OF CLAY COUNTY
P. O. BOX 547
LINEVILLE AL 36266

Social Security/Tax ID#

☐ Additional secured parties on attached UCC-E

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

ALL TIMBER ON THE PROPERTY LOCATED IN SHELBY COUNTY
ALABAMA AS DESCRIBED IN THE CROSS INDEXED TIMBER
CONTRACT RECORD OWNERS ELSIE MCARDEL AND ALFRED
RANDALL

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

Inst # 1999-44200
10/27/1999-44200
10:12 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
006 HHS 171.00

Shelby Co.

4. Name and Address of Assignee of Secured Party

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

200 401

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 \$ 100,000.00
Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$ 150.00

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

FIRST STATE BANK OF CLAY COUNTY
Type Name of Individual or Business

STANDARD FORM - UNIFORM COMMERCIAL CODE - FORM UCC-1

(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)

Hatcher



Eiland

Foresters

TIMBER SALE AGREEMENT

STATE OF ALABAMA

COUNTY OF SHELBY

THIS BUY SELL AGREEMENT made this 2nd day of October, 1999 by and between Elsie McArdel and Alfred Randall, hereinafter referred to as Seller, and Shaddix Pulpwood Company, Inc., hereinafter referred to as Buyer.

1. Whereas Seller agrees to sell and Buyer agrees to buy all blue marked timber located in SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Section 24, and in the NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 25, T19S, R1W, Shelby County, Alabama and shown on the attached map. Hatcher & Eiland, Inc. will monitor the cutting and at any time may stop cutting.
2. The consideration paid for this agreement and the trees to be cut hereunder is the sum of Ninty-Six Thousand Seven Hundred Ninety-Seven dollars and Seventy-One cents (\$96,799.71), 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. No *orange* marked boundary line trees are to be cut.
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.

Hatcher & Eiland, Inc.

Robert D. Hatcher, ALC, 13350 Hwy 53 East, Marble Hill, GA 30148 (770) 893-1800 (770) 893-1804 FAX
Joe W. Eiland, ALC, 7018 Gadsden Hwy, Suite 116, Trussville, AL 35173 (205) 655-0191 (205) 655-0191 FAX
John R. Frankhouser, ALC, 375 Green Hill Road, Sylvania, GA 30467 (912) 863-3745 (912) 863-4825 FAX

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. No oil or fuel from any compartment on any machine or vehicle shall be drained onto the ground.

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 workday. 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.

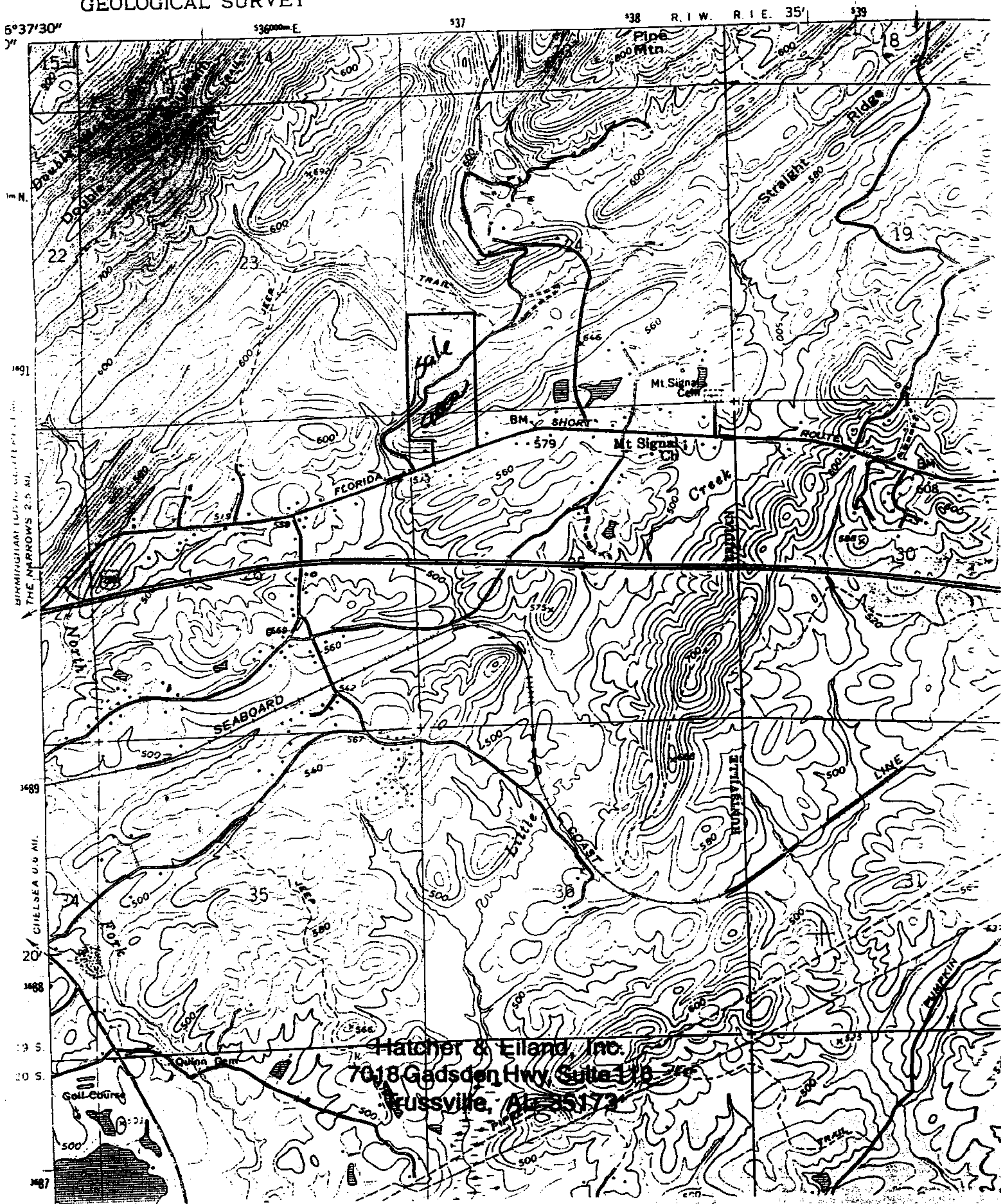
Buyer shall exercise due care to avoid unreasonable damage to the timber not being cut, and wrongfully cutting of marked trees. All undesignated trees which are unreasonably damaged or cut in the course of Buyer's operations shall be marked by Seller or its agent and paid for at double prices which are 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 should be cut and removed by September 30, 2000, 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.

12. Buyer shall exercise due care to avoid any damage to Stone House Foundation located near southwest corner of property - Any damage by equipment or by felling of timber shall be repaired at expense of buyer.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

733



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

SELLER: Elsie McArdle

Alfred Randall

Elsie Randall McArdle
by: Elsie McArdle

Alfred Randall
by: Alfred Randall

BUYER: Shaddix Pulpwood Company, Inc.

Ray T Chandler

Jennifer L. Marshall
By: Notary Public 7-27-02
Its authorized agent
STATE OF ALABAMA

This September 15, 1999 appeared
Alfred Randall to sign this
document

Sandra M Huuki
Sandra M Huuki
Houghton County, Michigan
My commission expires
6/20/2003

Inst # 1999-44200

10/27/1999-44200
10:12 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
006 NMS 171.00