A. NAME & PHONE OF CONTACT AT FILER (optional) MICHELLE MORAN 334-466-3190 B. E-MAIL CONTACT AT FILER (optional)				
MMORAN@AUBURNBANK.COM C. SEND ACKNOWLEDGMENT TO: (Name and Address) AUBURNBANK 2315 BENT CREEK ROAD AUBURN, AL 36831-3110	Ø5	60505000152000 1/12 3 60505000152000 1/12 3 elby Cnty Judge of Pro 105/2016 02:17:44 PM		
1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (considerable name will not fit in line 1b, leave all of item 1 blank, check here				
1a. ORGANIZATION'S NAME	J	<u></u>		
OR BASELINE FOREST SERVICES, INC. 1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITION	AL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
P. O. BOX 370	WETUMPKA	AL	36092	
2a. ORGANIZATION'S NAME OR 2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITION	AL NAME(\$)/INITIAL(\$)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
20. WAILING ADDITESS				
		Secured Party name (3a or 3b)		
3. SECURED PARTY'S NAME: (or NAME of ASSIGNEE of AS			AL NAME(S)/INITIAL(S)	SUFFIX
3. SECURED PARTY'S NAME: (or NAME of ASSIGNEE of AS 3a. ORGANIZATION'S NAME AUBURNBANK 3b. INDIVIDUAL'S SURNAME	SIGNOR SECURED PARTY): Provide only one	ADDITION	AL NAME(S)/INITIAL(S) POSTAL CODE	SUFFIX
3. SECURED PARTY'S NAME: (or NAME of ASSIGNEE of AS 3a. ORGANIZATION'S NAME AUBURNBANK 3b. INDIVIDUAL'S SURNAME 3c. MAILING ADDRESS 2315 BENT CREEK ROAD	SIGNOR SECURED PARTY): Provide only one FIRST PERSONAL NAME CITY AUBURN	ADDITION		'
3. SECURED PARTY'S NAME: (or NAME of ASSIGNEE OF ASSIG	FIRST PERSONAL NAME CITY AUBURN Interal: ING RIGHTS WITH RESPECT THERETO S, LLC AS LAND OWNERS AND SELLE ES NOW OR HEREAFTER GROWING OF REAL ESTATE ON WHICH THE STANI +/- 199 ACRES LOCATED IN SECTION	STATE AL UNDER THAT CERTAIN TO THE REAL DING TIMBER IS LOCATED	POSTAL CODE 36830 IMBER SALES CONTE T SERVICES, INC. AS ESTATE DESRIBED IN IS LONGRIDGE PROP	COUNTRY RACT I SAID ERTIES,

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing S because Individual Debtor name did not fit, check here	Statement; if line 1b was left blan	ık				
9a. ORGANIZATION'S NAME						
BASELINE FOREST SERVICES, INC.	<u> </u>					
Я 9b. INDIVIDUAL'S SURNAME						
FIRST PERSONAL NAME	· • · · · · · · · · · · · · · · · · · ·		Shelby C	nty Jud	00 2/12 \$81.00 ge of Probate, AL	
			05/05/20	16 02:1	7:44 PM FILED/CERT	
ADDITIONAL NAME(S)/INITIAL(S)	SUF	FIX				
). DEBTOR'S NAME: Provide (10a or 10b) only <u>one</u> additional De	ebtor name or Debtor name that o	did not fit in			Statement (Form UCC1) (use	
do not omit, modify, or abbreviate any part of the Debtor's name) a						
10a. ORGANIZATION'S NAME						
10b. INDIVIDUAL'S SURNAME		····			· • · • · • · • · • · • · • · • · • · •	
INDIVIDUAL'S FIRST PERSONAL NAME			<u> </u>	<u> </u>		
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)						SUFFIX
c. MAILING ADDRESS	CITY			STATE	POSTAL CODE	COUNTRY
1. ADDITIONAL SECURED PARTY'S NAME or 11a. ORGANIZATION'S NAME	ASSIGNOR SECURED	PARTY'S	NAME: Provide on	ly <u>one</u> nan	ne (11a or 11b)	
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL	NAME		ADDITIO	NAL NAME(S)/INITIAL(S)	SUFFIX
c. MAILING ADDRESS	CITY			STATE	POSTAL CODE	COUNTRY
. ADDITIONAL SPACE FOR ITEM 4 (Collateral):						
This FINANCING STATEMENT is to be filed [for record] (or record REAL ESTATE RECORDS (if applicable)	orded) in the 14. This FINANC	NG STATEM	MENT:			
Name and address of a RECORD OWNER of real estate described in (if Debtor does not have a record interest):	item 16 16. Description of		<u></u>	extracted	collateral is filed as a	fixture filing
. MISCELLANEOUS: AMOUNT \$20,000.00 \$29.00 + \$20.00 + \$30.00 -	\$79.00 SHELBY COUNTY	JUDGE O	F PROBATE	<u>.</u> ****		

EXHIBIT "A" TO AUBURNBANK AS CREDITOR AND BASELINE FOREST SERVICES, INC. AS DEBTOR...PAGE 1 of 10

Timber Deed Assignment

For value received, the undersigned hereby assigns a contract dated 1901/12 1901/6	between
Sheller Holdings LLC	, as SELLER and Baseline Forest
Services, Inc., as PURCHASÉR.	
This assignment provides for a specific right of reas and the expressed right for AuburnBank to collect aldue and payable under the contract.	
Executed this 26 day of AfriL	, 2016.
Baseline Forest Services, Inc.	AuburnBank
By: Jon B. M. Bonala	By:
Jon McDonald	Gene Dulaney

Its: Vice President

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Its: Senior Vice President

CONTINUE EXHIBIT "A" PAGE 2 of 10

BASELINE FOREST SERVICES, INC. TIMBER APPRAISAL

TRACT NAME: Shelby Holdings, LLC

COUNTY: Shelby
DATE: 4/26/2016

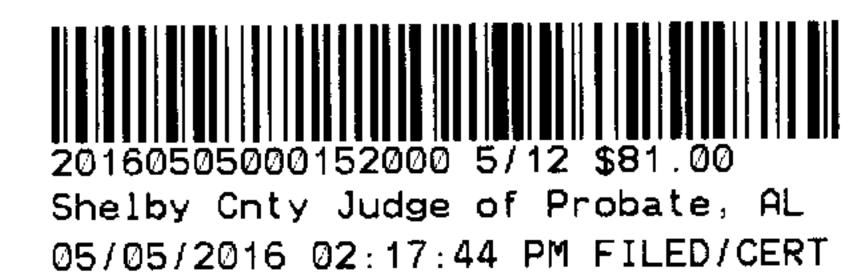
PRODUCTS	VOLUME/TONS	STUMPAGE
PINE PULPWOOD	7,000.00	\$56,000.00
PINE SAWTIMBER	500.00	\$6,000.00
HARDWOOD PULPWOOD		
HARDWOOD SAWTIMBER		

TOTAL	7500.00	\$62,000.00
TOTAL STUMPAGE AN	D COMPANY PROFIT	\$80,375.00

Amount to Draw

\$20,000.00

CONTINUE EXHIBIT "A" PAGE 3 of 10 TIMBER CUTTING AGREEMENT



STATE OF ALABAMA SHELBY COUNTY

made a part of this contract.

This Agreement, hereinafter called the "Agreement", is made and entered into this _____ day of _____, 2016, between Shelby Holdings, LLC whose address is P.O. Box 10367, Birmingham, AL 35202 (hereinafter called "Grantor"), and Baseline Forest Services, Inc., (hereinafter called "Grantee"), whose address is P. O. Box 370, Wetumpka, AL 36092, phone: (334) 514-3000. The Grantor desires to grant to

Therefore, in consideration of the payments and obligations hereinafter set forth, Grantee and Grantor hereby agree and bind themselves as follows:

Grantee, and Grantee desires to acquire from the Grantor, the right and obligation to cut certain timber which is

described in Section 1.1 of this Agreement, which timber is growing on a tract of land Shelby County, which is

more particularly described by the legal description in Exhibit A and as shown on Exhibit B, attached to and

ARTICLE 1 RIGHTS AND OBLIGATIONS OF GRANTEE AND GRANTOR

Section 1.1. Grantee shall cut and remove, (hereinafter referred to as "harvest") during the term of this Agreement, "fifth row thin" 199 acres shown on Exhibit B, as shown on the maps and attached hereto as "Exhibit B" and by this reference made a part hereof, and according to the following specifications:

First Thinning (199 Acres): Fifth row thin to 70 Basal Area. In thinning areas: select and remove trees between cut rows based on the following criteria: 1) diseased trees, 2) poorly formed trees, 3) trees naturally damaged, 4) trees with smaller than average diameter, suppressed or intermediate trees.

The above-described trees shall hereinafter be called the "Timber".

Section 1.2. Grantee shall pay to Grantor the following amounts for all Timber cut by Grantee, its employees, agents, contractors, subcontractors and/or assigns:

\$8.00	per two thousand pound ton of PPW – PINE PULPWOOD for all pine trees with a DBH of 4.6 inches and larger and being at least 20 feet in length with a minimum top diameter of 3 inches outside bark and not being suitable for products of higher value.
\$12.00	per two thousand pound ton of PCNS – PINE CHIP-N-SAW for all pine trees with a DBH of 8.6 inches at minimum and having at least one 25 foot log with a top diameter of 6 inches outside bark and not being suitable for products of higher value.
\$27.00	per two thousand pound ton of PST-PINE PLY LOGS for all pine trees having at least one clean 18-foot log with a top diameter of 10 inches inside bark.
\$10.00	per two thousand pound ton of HPW - HARDWOOD PULPWOOD for all hardwood trees with a DBH of 5.6 inches and larger and being at least 20 feet in length with a minimum top diameter of 4 inches outside bark and not being suitable for products of higher value.

Section 1.3. Grantee shall make an advance payment to Grantor in the amount of \$20,000.00 upon execution of this Agreement, which sums shall be credited against the consideration described in Section 1.2 as harvesting progresses. Grantor shall establish an Advance Payment Account balance of \$20,000.00. Such balance shall be reduced as Timber is harvested as described in Section 1.4. The check shall be made payable to "Shelby Holdings, LLC".

Section 1.4. Grantee shall send to Grantor's Consultant each week a statement of the amount of Timber harvested in the preceding week, including scale tickets. Grantee shall pay Grantor each week for Timber

Grantor Bmin Grantee

CONTINUE EXHIBIT "A" PAGE 4 of 10

harvested during the preceding week. The checks shall be made payable to "Shelby Holdings, LLC". All payments, statements, and scale tickets shall be mailed or delivered to Grantor's Consultant at Sizemore & Sizemore, Inc., P. O. Box 780278, Tallassee, Alabama 36078-0278, and telephone (334) 283-3611.

Section 1.5. Upon execution of this Agreement, Grantee shall deposit \$2,000.00 with Grantor's Consultant, which amount shall be held by Grantor's Consultant in escrow, without interest, to assure fulfillment by Grantee of Grantee's obligations hereunder. In the event Grantee fails to comply with any of the terms of this Agreement, Grantor shall make a claim against the escrowed funds in writing to Grantor's Consultant. Grantor's Consultant shall notify Grantee of the claim by providing Grantee with a copy of Grantor's written claim. If Grantee fails or refuses to respond to Grantor's Consultant within ten (10) days from the date Grantor's Consultant sends the written claim to Grantee, Grantor's Consultant shall release to Grantor from such escrowed funds amounts necessary to reimburse Grantor for its actual loss or damage on account of such failure by Grantee. In the event Grantor's actual loss or damage exceeds the balance of such escrowed funds, Grantee agrees to reimburse Grantor promptly for the difference, and nothing in this provision shall limit in any way Grantor's right to pursue its appropriate remedies in law or equity. If the escrowed funds are entirely depleted prior to the completion of the Agreement, Grantee shall pay to Grantor's Consultant an additional \$2,000.00 within seven (7) days of Grantee's being notified by Grantor's Consultant of the depletion of the escrow account. All escrowed funds not applied by Grantor's Consultant as specified above shall be returned to Grantee upon satisfactory completion of all Grantee's obligations hereunder. The deposit check shall be made payable to: "Sizemore & Sizemore Escrow Account".

Section 1.6. Title to and ownership of the Timber, including all risk of loss on account of fire, storm, disease, insects, or other damage, shall remain in Grantor until cut by Grantee. In the event of loss to the Timber before it is cut by Grantee, and damage and loss is caused by Grantee or results from Grantee's negligence the Grantee shall pay an amount obtained by multiplying the number of tons of Timber so lost, as determined by Grantee and Grantor's Consultant in a joint inspection of the Tract, by prices set forth in Section 1.2 of this Agreement.

Section 1.7. Grantee shall conduct harvesting and road construction activities in accordance with published Best Management Practices for the State of Alabama. Water bars shall be installed on any road prone to silting a stream as soon as the road is opened, and other appropriate Best Management Practices must be maintained for the duration of this Agreement.

<u>Section 1.8.</u> Grantee shall keep all roads, firebreaks, fields, streams, and other open areas on the Tract free of tops and other logging debris. No tops or logging debris shall be left with 15 feet on the SMZ. Loading decks should be placed adjacent to existing food plots to avoid compaction.

<u>Section 1.9.</u> Grantee shall cut all stumps as low as possible, with stump height not to exceed six inches wherever possible. Pine tops shall be left "piled" at the loading areas to be burned. Do not pile tops within 50 feet of adjacent timber.

Section 1.10. Grantee shall prevent damage to any of Grantor's timber in the Sale Area not subject to harvest under this Agreement.

<u>Section 1.11.</u> Grantee shall conduct its activities so as not to damage fences, roads, firebreaks, fields, and other improvements on the Tract. In the event such damage is caused by Grantee it shall, at the election of Grantor, either repair the damaged improvements or pay to Grantor their replacement value.

Section 1.12. Grantee shall not leave trash, bottles, cans, or other debris on the Tract during or after harvesting. In the event Grantee leaves such debris on the Tract, Grantor may hire a contractor to remove such debris, and Grantor's Consultant shall deduct from the escrowed funds described in Section 1.5, and pay to Grantor, an amount equal to such contractor's fees plus 15%.

Section 1.13. Grantee shall notify Grantor's Consultant when road construction and/or harvesting begins on the Tract, and shall notify Grantor's Consultant whenever the harvesting operation moves onto or off the Tract.

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Page 2 of 5

Grantor BMC Grantee

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CONTINUE EXHIBIT "A" PAGE 5 of 10

<u>Section 1.14.</u> Grantor's Consultant shall make periodic inspections of harvesting. The results of these inspections will be copied and submitted to the Grantor and Grantee as notice of any violations of the provisions of this Agreement.

Section 1.15. Grantor hereby grants to Grantee the rights of ingress and egress over the Tract during the term of this Agreement for the sole purposes of harvesting the Timber. If Grantee wants to enter upon lands not owned by Grantor, Grantee shall be solely responsible for securing permission to do so. Grantor also grants to Grantee the right to operate skidders, tractors, trucks, and other equipment necessary to harvest the Timber and to construct roads for the sole purpose of harvesting the timber. All such equipment and other property of Grantee shall be removed from the Tract within thirty days of termination of this Agreement. Any property remaining on the Tract more than thirty days after the termination of this Agreement shall be considered abandoned and shall become the property of Grantor. Grantee shall promptly reimburse the Grantor for all costs associated with the proper disposal of any such abandoned equipment or property.

<u>Section 1.16.</u> Grantee shall use existing roads wherever possible and shall leave all roads, upon termination of this Agreement, in a condition that equals or exceeds their condition when harvesting began. Roads and skid trails should have water bars where needed; roads should be free of ruts and properly ditched; any damaged culverts should be replaced before an operator moves off the property.

<u>Section 1.17.</u> Grantor or Grantor's Consultant, after consulting with the Grantor, shall approve in advance the location of any landings and roads constructed on the Tract by Grantee, and the location of any portable manufacturing plant (sawmill, chipper, etc.) on the Tract.

Section 1.18. Grantor and Grantor's Consultant shall have the right to visit the harvesting operation at any time to ensure that the provisions of this Agreement are being carried out.

<u>Section 1.19.</u> Grantor or Grantor's Consultant shall have the right to temporarily halt Grantee's harvesting activities if weather or ground conditions are such that harvesting is causing, or is likely to cause, unreasonable damage to roads, soils, or timber on the Tract.

Section 1.20. Grantee shall do no act that in any way sets fire to or causes erosion or any other damage to any part of the Tract. If such fire, erosion or other damage results from any act or omission of Grantee, Grantee shall be fully and financially responsible for all costs to extinguish and all costs of property and timber damage that result. This financial responsibility shall extend beyond the Grantor's property to the property and timber of adjacent landowners if necessary. The Grantor's and Grantor's Consultant, as necessary, shall determine the value of the damage based on current market values for the property or timber damaged. Grantee shall, at the election of the Grantor, promptly repair the damages or reimburse the Grantor for all costs associated with the damages within 30 days.

<u>Section 1.21.</u> Grantee shall comply with the timber harvesting security procedures set forth on Exhibit C attached hereto and by this reference made a part hereof.

Section 1.22 Grantee shall not disturb any boundary trees or corners or corner witness trees.

ARTICLE 2 WARRANTIES AND AGREEMENTS OF GRANTOR

Section 2.1. Grantor covenants to and with Grantee, its successors and assigns that it is seized of a fee simple title to the property, rights and privileges which are addressed herein; and that it has the right to grant and convey the right to harvest the Timber. Grantor shall hold Grantee harmless against any person whomsoever who may assert against the Grantee any claim of title to the Tract or the Timber.

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ARTICLE 3
WARRANTIES AND AGREEMENTS OF GRANTEE

Page 3 of 5

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Grantor BninGrantee

CONTINUE EXHIBIT "A" PAGE 6 of 10

Section 3.1. The Grantee hereby agrees to indemnify and hold the Grantor and any of its agents, servants, employees, officers, directors, partners, shareholders, attorneys, representatives, executors, administrators, heirs, successors, and assigns harmless from any and all claims, demands, actions, causes of actions, damages or suits of any kind or nature including court costs, litigation expenses and attorney fees, which Grantor may suffer or incur as a result of the execution or performance of this agreement or any other act or omission on the part of the Grantee or any of its agents, servants, employees, contractors, invitees, licensees, successors and assigns. The obligations of Grantee under this Section 3.1 shall survive the expiration or termination of this Agreement.

Section 3.2. Grantee shall, throughout the term of this Agreement, carry the following insurance: (1) Commercial general liability insurance and contractual liability insurance covering its harvesting activities, which policy shall have minimum limits of \$1,000,000 combined single limit and \$1,000,000 general aggregate, and shall name **Sizemore & Sizemore, Inc.**, and **Shelby Holdings, LLC** as additional insured; and (2) automotive insurance with minimum limits of \$100,000/\$300,000/\$100,000 or higher limits if required by state and/or federal laws, and (3) statutory workers' compensation insurance covering all of its employees.

Grantee shall provide Grantor with certificates of all of the above insurance policies prior to execution of this Agreement.

<u>Section 3.3.</u> Grantee is an independent contractor and as such shall be responsible for all financial obligations incurred by it in harvesting the Timber, including but not limited to labor, equipment, and insurance.

<u>Section 3.4.</u> Grantee is authorized to enter into this Agreement, and upon execution and delivery, this Agreement will constitute a valid, binding and enforceable obligation of Grantee.

ARTICLE 4 MISCELLANEOUS

Section 4.1. The term of this Agreement begins on May 1, 2016 and ends December 31st, 2016 at which time all designated Timber shall be removed from property.

Section 4.2. Grantor hereby designates the following as its consultant (called "Grantor's Consultant" for purposes of this Agreement): Sizemore & Sizemore, Inc., P. O. Box 780278, Tallassee, Alabama 36078-0278, and telephone (334) 283-3611.

<u>Section 4.3.</u> Grantee may not assign, subcontract or otherwise transfer all or any part of this Agreement without the prior written consent of the Grantor. Such consent may not be unreasonably withheld.

<u>Section 4.4.</u> This Agreement constitutes the entire agreement between Grantee and Grantor with respect to the property, rights, and privileges addressed herein. All agreements, rights and privileges addressed herein which are binding upon or applicable to either Grantee or Grantor shall also be binding upon and applicable to the heirs, successors, legal representatives and assigns of Grantee and Grantor.

<u>Section 4.5.</u> No amendment to this Agreement shall be binding upon Grantee or Grantor unless it is in writing and has been executed by both Grantee and Grantor.

Section 4.6. This agreement is intended as a contract under and shall be construed and enforceable in accordance with the laws of the State of Alabama.

<u>Section 4.7.</u> Grantee shall comply with all federal, state, and local laws and regulations relating to the terms of this Agreement. If Grantee observes any illegal activity on the Tract, it shall report such activity to Grantor immediately.

Section 4.8. No failure on the part of either Grantee or Grantor to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right.

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Grantor BMG Grantee

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CONTINUE EXHIBIT "A" PAGE 7 of 10

Section 4.9. This Agreement has been executed in multiple copies, each of which shall for all purposes constitute this Agreement, binding on Grantee and Grantor.

In witness thereof, this Timber Cutting Agreement has been executed before the undersigned witnesses on the date first above written.

(Witness)

Grantee: Baseline Forest Services, Inc.

Its: VICE PRESIDENT

Grantor: Shelby Holdings, LLC

Its: MANHOEL

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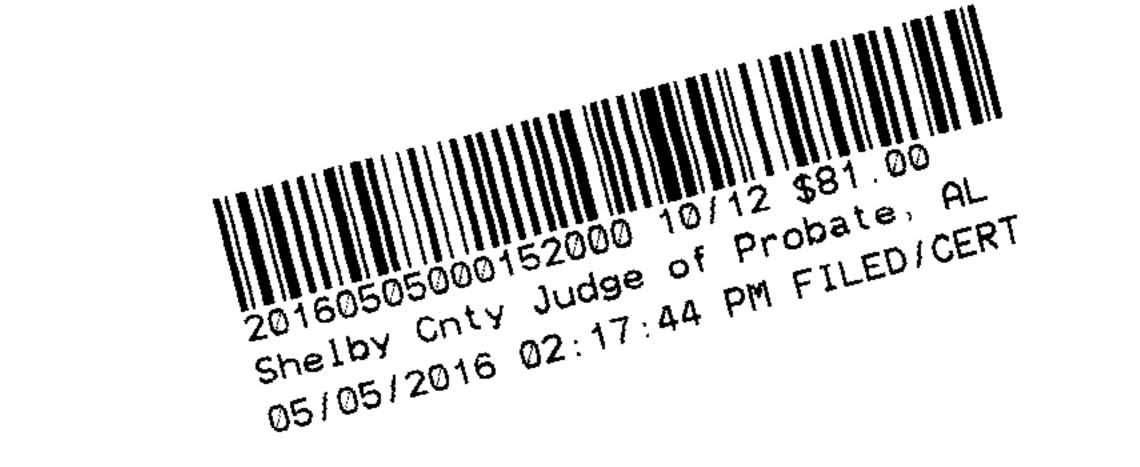
Grantor—/Bng/Grantee

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CONTINUE EXHIBIT "A" PAGE 8 of 10

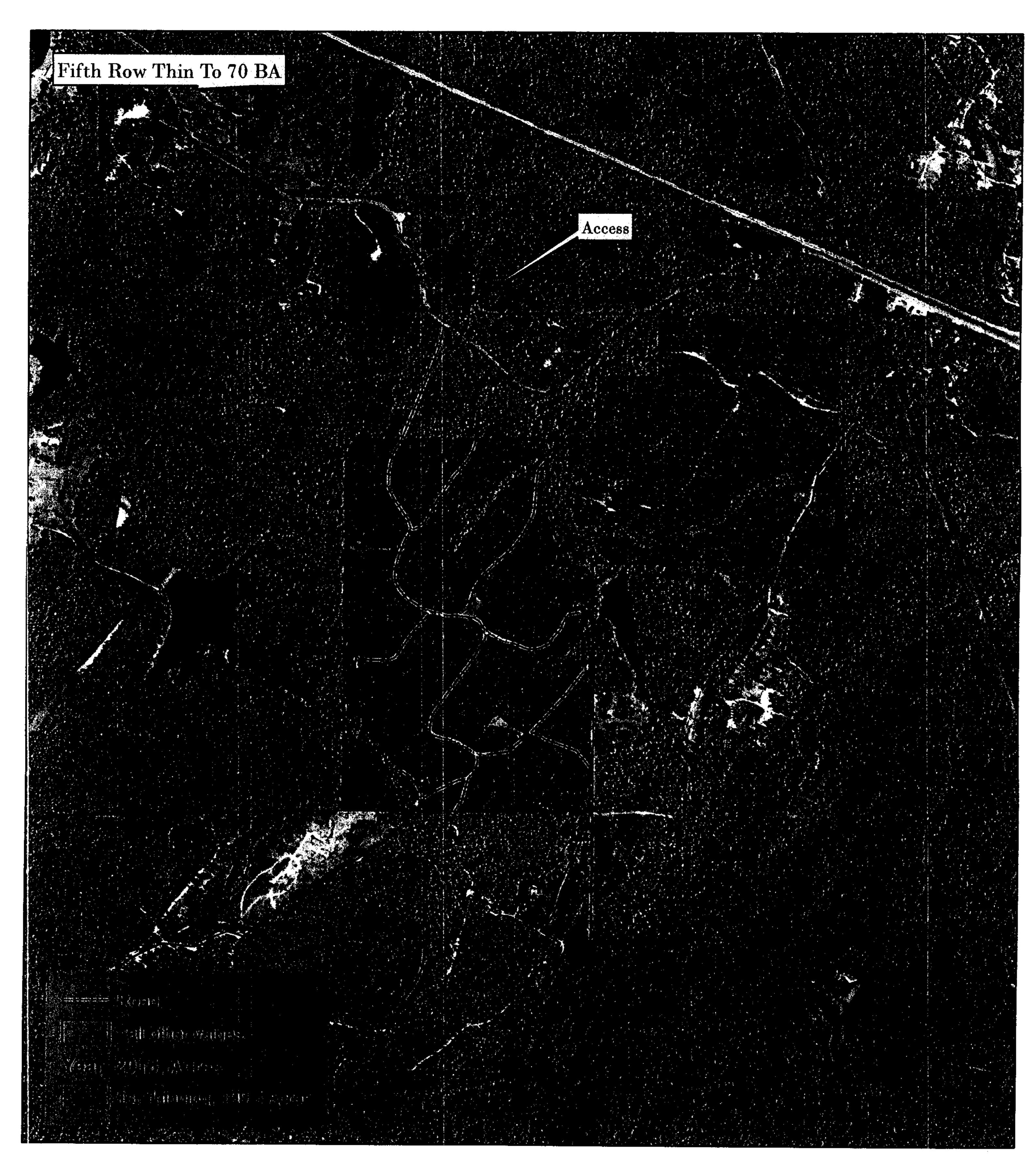
EXHIBIT A SHELBY COUNTY, AL SHELBY HOLDINGS, LLC LEGAL DESCRIPTION

Township 18 South, Range 2 East Section 32 – Parcel# 05 9 32 0 000 001.000

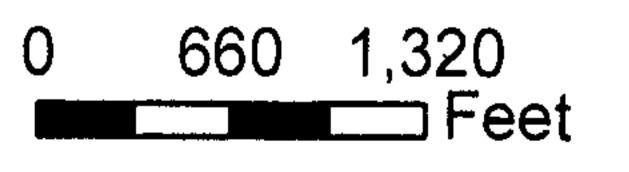


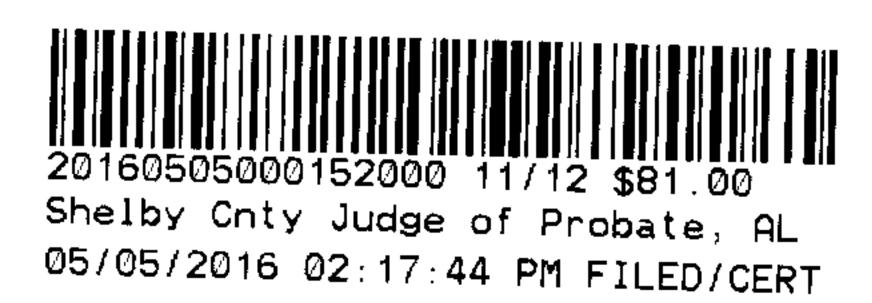
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Shelby County, AL











CONTINUE EXHIBIT "A" PAGE 10 of 10 EXHIBIT C Shelby Holdings, LLC Shelby County, AL

A load tally system will be used to monitor the loads of wood removed from the tract. Load tags (tickets) and load ledgers will be provided to the Grantee by Grantor's Consultant at sale closing and the system will be explained to the Grantee. (Attached as page 2 is a sample load ledger. Attached as page 3 is a sample load tag.)

Load ledgers are 3-part carbonless forms numbered numerically. A 3-ring binder will be provided to hold the ledger forms.

Ledgers are generally completed by the loader operator. Use a black or blue pen to fill out the load ledger. Try to avoid making changes to entries on the load ledgers. If changes to a load ledger entry must be made, draw a single line through the entry and write the new information to the side with an explanation in the comment column. DO NOT USE WHITE-OUT OR MARKERS TO BLOT OUT THE PRIOR INFORMATION.

Sizemore & Sizemore personnel will inspect, initial, and date the load ledger as a routine part of each harvest inspection. The current load number will be recorded on the inspection form.

The top white load ledger will be mailed weekly with the weekly settlement. The yellow copy will be the timber buyer's copy. The pink copy will be the left in the notebook.

Each load tag will be numbered and be in duplicate. Each load tag number is recorded on the load ledger in numerical order. The tag number corresponds to the load number.

The load tag will be given to the driver.

The load tag must be attached to the back of the scale ticket.

[Please make sure the scale ticket returned with payment has the correct information: owner should be shown as Shelby Holdings, LLC]

UNUSED LOAD TAGS AND LOAD LEDGERS MUST BE RETURNED AT THE CONCLUSION OF THE HARVESTING.

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