

Morningstar[®] Document ResearchSM

FORM 10-Q

CatchMark Timber Trust, Inc. - CTT

Filed: August 01, 2019 (period: June 30, 2019)

Quarterly report with a continuing view of a company's financial position

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 001-36239

CATCHMARK TIMBER TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

20-3536671
(I.R.S. Employer Identification Number)

5 Concourse Parkway, Suite 2650, Atlanta, GA
(Address of principal executive offices)

30328
(Zip Code)

(855) 858-9794
(Registrant's telephone number, including area code)

N/A
(Former name, former address, and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered</u>
Class A Common Stock, \$0.01 Par Value Per Share	CTT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares outstanding of the registrant's common stock, as of July 31, 2019: 49,006,426 shares

FORM 10-Q

CATCHMARK TIMBER TRUST, INC.

TABLE OF CONTENTS

	<u>Page No.</u>
PART I. FINANCIAL INFORMATION	
Item 1. Condensed Consolidated Financial Statements	4
Consolidated Balance Sheets as of June 30, 2019 (unaudited) and December 31, 2018	5
Consolidated Statements of Operations for the Three Months and Six Months Ended June 30, 2019 (unaudited) and 2018 (unaudited)	6
Consolidated Statements of Comprehensive Income (Loss) for the Three Months and Six Months Ended June 30, 2019 (unaudited) and 2018 (unaudited)	7
Consolidated Statements of Stockholders' Equity for the Three Months and Six Months Ended June 30, 2019 (unaudited) and 2018 (unaudited)	8
Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2019 (unaudited) and 2018 (unaudited)	9
Condensed Notes to Consolidated Financial Statements (unaudited)	10
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 3. Quantitative and Qualitative Disclosures About Market Risk	39
Item 4. Controls and Procedures	40
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	40
Item 1A. Risk Factors	40
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	40
Item 6. Exhibits	41

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q of CatchMark Timber Trust, Inc. and subsidiaries (“CatchMark”, “we,” “our,” or “us”) may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition, we, or our executive officers on our behalf, may from time to time make forward-looking statements in other reports and documents we file with the SEC or in connection with written or oral statements made to the press, potential investors, or others. We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Securities Act and the Exchange Act.

Forward-looking statements can generally be identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” or other similar words. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. Forward-looking statements are not guarantees of performance and are based on certain assumptions, discuss future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. Forward-looking statements in this report include, but are not limited to our ability to deliver superior, consistent, and predictable per-share cash flow growth through disciplined acquisitions, active management, sustainable harvests, and well-timed real estate sales; our intent to grow over time through selective acquisitions and investments in high-demand fiber markets and to efficiently integrate new acquisitions and investments into our operations; our focus on generating cash flows from sustainable harvests and improved harvest mix on high-quality industrial timberlands, as well as opportunistic land sales and asset management fees; the biological growth of our forests; creating additional value through joint ventures; sales of large timberland properties to generate capital to fund capital allocation priorities; expected uses of cash generated from operations, debt financings and debt and equity offerings; expected sources and adequacy of capital resources and liquidity; distribution policy; change in depletion rates, merchantable timber book value and standing timber inventory volume; anticipated harvest volume and mix of harvest volume; possible interest rate risk mitigation actions; anticipated distributions by the Dawsonville Bluffs Joint Venture (as defined herein); anticipated non-cash GAAP losses from the unconsolidated Triple T Joint Venture (as defined herein); and other factors that may lead to fluctuations in future net income (loss). Forward-looking statements in this report also relate to the Triple T Joint Venture and include, but are not limited to, statements about the expected benefits of the joint venture, including anticipated harvest volume, financial and operating results and future returns to stockholders; and our plans, objectives, expectations, projections and intentions.

Forward-looking statements are based on a number of assumptions involving judgments and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from our historical experience and our present expectations. Such risks and uncertainties related to us and the Triple T Joint Venture include those discussed in Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2018 and our subsequent reports filed with the SEC. Accordingly, readers are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date that this report is filed with the SEC. We do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

GLOSSARY

The following abbreviations or acronyms may be used in this document and shall have the adjacent meanings set forth below:

AFM	American Forestry Management, Inc.
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CoBank	CoBank, ACB
Code	Internal Revenue Code of 1986, as amended
EBITDA	Earnings before Interest, Taxes, Depletion, and Amortization
FASB	Financial Accounting Standards Board
FCCR	Fixed Charge Coverage Ratio
FRC	Forest Resource Consultants, Inc.
GAAP	U.S. Generally Accepted Accounting Principles
HBU	Higher and Better Use
HLBV	Hypothetical Liquidation at Book Value
IP	International Paper Company
LIBOR	London Interbank Offered Rate
LTIP	Long-Term Incentive Plan
LTV	Loan-to-Value
MBF	Thousand Board Feet
MPERS	Missouri Department of Transportation & Patrol Retirement System
NYSE	New York Stock Exchange
Rabobank	Cooperatieve Centrale Raiffeisen-Boerenleenbank, B.A.
REIT	Real Estate Investment Trust
RSU	Restricted Stock Unit
SEC	Securities and Exchange Commission
TRS	Taxable REIT Subsidiary
U.S.	United States
VIE	Variable Interest Entity
WestRock	WestRock Company

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The information furnished in the accompanying consolidated balance sheets and related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows reflects all adjustments, consisting solely of normal and recurring adjustments, that are, in management's opinion, necessary for a fair and consistent presentation of the aforementioned financial statements.

The accompanying consolidated financial statements should be read in conjunction with the condensed notes to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2018. Our results of operations for the three months and six months ended June 30, 2019 are not necessarily indicative of the operating results expected for the full year.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except for per-share amounts)

	(Unaudited) June 30, 2019	December 31, 2018
Assets:		
Cash and cash equivalents	\$ 10,817	\$ 5,614
Accounts receivable	6,491	7,355
Prepaid expenses and other assets	4,831	7,369
Operating lease right-of-use asset, less accumulated amortization of \$139 as of June 30, 2019 (Note 2)	3,261	—
Deferred financing costs	288	327
Timber assets (Note 3):		
Timber and timberlands, net	665,616	687,851
Intangible lease assets, less accumulated amortization of \$947 and \$945 as of June 30, 2019 and December 31, 2018, respectively	10	12
Investments in unconsolidated joint ventures (Note 4)	39,309	96,244
Total assets	<u>\$ 730,623</u>	<u>\$ 804,772</u>
Liabilities:		
Accounts payable and accrued expenses	\$ 4,992	\$ 4,936
Operating lease liability (Note 2)	3,361	—
Other liabilities	14,646	5,940
Notes payable and lines of credit, net of deferred financing costs (Note 5)	472,631	472,240
Total liabilities	495,630	483,116
Commitments and Contingencies (Note 7)		
	—	—
Stockholders' Equity:		
Class A Common stock, \$0.01 par value; 900,000 shares authorized; 48,965 and 49,127 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	490	492
Additional paid-in capital	728,792	730,416
Accumulated deficit and distributions	(483,376)	(409,260)
Accumulated other comprehensive income (loss)	(10,913)	8
Total stockholders' equity	<u>234,993</u>	<u>321,656</u>
Total liabilities and stockholders' equity	<u>\$ 730,623</u>	<u>\$ 804,772</u>

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per-share amounts)

	(Unaudited) Three Months Ended June 30,		(Unaudited) Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues:				
Timber sales	\$ 16,273	\$ 17,745	\$ 32,824	\$ 36,398
Timberland sales	8,224	6,834	10,314	11,086
Asset management fees	2,841	25	5,683	61
Other revenues	1,322	1,645	2,412	2,808
	<u>28,660</u>	<u>26,249</u>	<u>51,233</u>	<u>50,353</u>
Expenses:				
Contract logging and hauling costs	7,153	7,959	14,509	16,541
Depletion	6,030	6,598	11,298	13,660
Cost of timberland sales	6,921	5,233	8,481	8,380
Forestry management expenses	1,592	1,422	3,326	3,252
General and administrative expenses	3,203	3,173	6,566	6,118
Land rent expense	133	176	275	337
Other operating expenses	1,629	1,445	3,273	2,841
	<u>26,661</u>	<u>26,006</u>	<u>47,728</u>	<u>51,129</u>
Other income (expense):				
Interest income	32	96	62	160
Interest expense	(4,709)	(2,553)	(9,331)	(6,804)
Gain on large dispositions	764	—	764	—
	<u>(3,913)</u>	<u>(2,457)</u>	<u>(8,505)</u>	<u>(6,644)</u>
Loss before unconsolidated joint ventures	(1,914)	(2,214)	(5,000)	(7,420)
Income (loss) from unconsolidated joint ventures (Note 4)	(28,651)	709	(55,960)	2,530
Net loss	\$ (30,565)	\$ (1,505)	\$ (60,960)	\$ (4,890)
Weighted-average common shares outstanding - basic and diluted	49,076	49,104	49,069	46,755
Net loss per share - basic and diluted	\$ (0.62)	\$ (0.03)	\$ (1.24)	\$ (0.10)

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	(Unaudited) Three Months Ended June 30,		(Unaudited) Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss	\$ (30,565)	\$ (1,505)	\$ (60,960)	\$ (4,890)
Other comprehensive income (loss):				
Market value adjustment to interest rate swaps	(6,980)	1,520	(10,921)	3,451
Comprehensive income (loss)	<u>\$ (37,545)</u>	<u>\$ 15</u>	<u>\$ (71,881)</u>	<u>\$ (1,439)</u>

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands, except for per-share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit and Distributions	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2018	49,127	\$ 492	\$ 730,416	\$ (409,260)	\$ 8	\$ 321,656
Common stock issued pursuant to:						
LTIP, net of forfeitures and amounts withheld for income taxes	92	1	292	—	—	293
Dividends to common stockholders (\$0.135 per share)	—	—	—	(6,578)	—	(6,578)
Repurchase of common stock	(136)	(1)	(1,003)	—	—	(1,004)
Net loss	—	—	—	(30,395)	—	(30,395)
Other comprehensive loss	—	—	—	—	(3,941)	(3,941)
Balance, March 31, 2019	49,083	\$ 492	\$ 729,705	\$ (446,233)	\$ (3,933)	\$ 280,031
Common stock issued pursuant to:						
LTIP, net of forfeitures and amounts withheld for income taxes	17	—	490	—	—	490
Dividends to common stockholders (\$0.135 per share)	—	—	—	(6,578)	—	(6,578)
Repurchase of common stock	(135)	(2)	(1,403)	—	—	(1,405)
Net loss	—	—	—	(30,565)	—	(30,565)
Other comprehensive loss	—	—	—	—	(6,980)	(6,980)
Balance, June 30, 2019	48,965	\$ 490	\$ 728,792	\$ (483,376)	\$ (10,913)	\$ 234,993

	Common Stock		Additional Paid-In Capital	Accumulated Deficit and Distributions	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2017	43,425	\$ 434	\$ 661,222	\$ (261,652)	\$ 2,376	\$ 402,380
Common stock issued pursuant to:						
Equity Offering	5,750	58	72,392	—	—	72,450
LTIP, net of forfeitures and amounts withheld for income taxes	(46)	(1)	(85)	—	—	(86)
Stock issuance cost	—	—	(3,490)	—	—	(3,490)
Dividends to common stockholders (\$0.135 per share)	—	—	—	(5,815)	—	(5,815)
Net loss	—	—	—	(3,385)	—	(3,385)
Other comprehensive income	—	—	—	—	1,931	1,931
Balance, March 31, 2018	49,129	\$ 491	\$ 730,039	\$ (270,852)	\$ 4,307	\$ 463,985
Common stock issued pursuant to:						
LTIP, net of forfeitures and amounts withheld for income taxes	(6)	—	422	—	—	422
Stock issuance cost	—	—	(100)	—	—	(100)
Dividends to common stockholders (\$0.135 per share)	—	—	—	(6,597)	—	(6,597)
Net loss	—	—	—	(1,505)	—	(1,505)
Other comprehensive income	—	—	—	—	1,520	1,520
Balance, June 30, 2018	49,123	\$ 491	\$ 730,361	\$ (278,954)	\$ 5,827	\$ 457,725

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	(Unaudited) Six Months Ended June 30,	
	2019	2018
Cash Flows from Operating Activities:		
Net loss	\$ (60,960)	\$ (4,890)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depletion	11,298	13,660
Basis of timberland sold, lease terminations and other	8,475	7,788
Stock-based compensation expense	1,149	1,561
Noncash interest expense	564	1,933
Other amortization	123	106
Loss (income) from unconsolidated joint ventures	55,960	(2,530)
Operating distributions from unconsolidated joint ventures	128	3,668
Gain on large dispositions	(764)	—
Changes in assets and liabilities:		
Accounts receivable	35	412
Prepaid expenses and other assets	641	(3,453)
Accounts payable and accrued expenses	91	396
Other liabilities	465	1,672
Net cash provided by operating activities	<u>17,205</u>	<u>20,323</u>
Cash Flows from Investing Activities:		
Timberland acquisitions and earnest money paid	—	(33,597)
Capital expenditures (excluding timberland acquisitions)	(2,197)	(2,117)
Distributions from unconsolidated joint ventures	847	3,562
Net proceeds from large dispositions	5,311	—
Net cash provided by (used in) investing activities	<u>3,961</u>	<u>(32,152)</u>
Cash Flows from Financing Activities:		
Repayment of notes payable	—	(69,000)
Proceeds from note payable	—	30,000
Financing costs paid	(33)	(103)
Issuance of common stock	—	72,450
Other offering costs paid	—	(3,590)
Dividends paid to common stockholders	(13,156)	(12,412)
Repurchase of common shares under the share repurchase program	(2,409)	—
Repurchase of common shares for minimum tax withholdings	(365)	(1,225)
Net cash provided by (used in) financing activities	<u>(15,963)</u>	<u>16,120</u>
Net change in cash and cash equivalents	5,203	4,291
Cash and cash equivalents, beginning of period	5,614	7,805
Cash and cash equivalents, end of period	\$ 10,817	\$ 12,096

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 (unaudited)

1. Organization

CatchMark Timber Trust Inc. ("CatchMark Timber Trust") (NYSE: CTT) owns and operates timberlands located in the United States and has elected to be taxed as a REIT for federal income tax purposes. CatchMark Timber Trust acquires, owns, operates, manages, and disposes of timberland directly, through wholly-owned subsidiaries, or through joint ventures. CatchMark Timber Trust was incorporated in Maryland in 2005 and commenced operations in 2007. CatchMark Timber Trust conducts substantially all of its business through CatchMark Timber Operating Partnership, L.P. ("CatchMark Timber OP"), a Delaware limited partnership. CatchMark Timber Trust is the general partner of CatchMark Timber OP, possesses full legal control and authority over its operations, and owns 99.99% of its common partnership units. CatchMark LP Holder, LLC ("CatchMark LP Holder"), a Delaware limited liability company and wholly-owned subsidiary of CatchMark Timber Trust, is the sole limited partner of CatchMark Timber OP and owns the remaining 0.01% of its common partnership units. In addition, CatchMark Timber TRS, Inc. ("CatchMark TRS"), a Delaware corporation formed as a wholly-owned subsidiary of CatchMark Timber OP in 2006, is our taxable REIT subsidiary. Unless otherwise noted, references herein to CatchMark shall include CatchMark Timber Trust and all of its subsidiaries, including CatchMark Timber OP, and the subsidiaries of CatchMark Timber OP, including CatchMark TRS.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of CatchMark have been prepared in accordance with the rules and regulations of the SEC, including the instructions to Form 10-Q and Article 10 of Regulation S-X and do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the financial statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the results for such periods. Results for these interim periods are not necessarily indicative of results for a full year.

CatchMark's consolidated financial statements include the accounts of CatchMark and any VIE in which CatchMark is deemed the primary beneficiary. With respect to entities that are not VIEs, CatchMark's consolidated financial statements also include the accounts of any entity in which CatchMark owns a controlling financial interest and any limited partnership in which CatchMark owns a controlling general partnership interest. In determining whether a controlling interest exists, CatchMark considers, among other factors, the ownership of voting interests, protective rights, and participatory rights of the investors. All intercompany balances and transactions have been eliminated in consolidation. For further information, refer to the audited financial statements and footnotes included in CatchMark's Annual Report on Form 10-K for the year ended December 31, 2018.

Investments in Joint Ventures

For joint ventures that it does not control but exercises significant influence, CatchMark uses the equity method of accounting. CatchMark's judgment about its level of influence or control of an entity involves consideration of various factors including the form of its ownership interest; its representation in the entity's governance; its ability to participate in policy-making decisions; and the rights of other investors to participate in the decision-making process, to replace CatchMark as manager, and/or to liquidate the venture. Under the equity method, the investment in a joint venture is recorded at cost and adjusted for equity in earnings and cash contributions and distributions. Income or loss and cash distributions from an unconsolidated joint venture are allocated according to the provisions of the respective joint venture agreement, which may be different from its stated ownership percentages. Any difference between the carrying amount of these investments on CatchMark's balance sheets and the underlying equity in net assets on the joint venture's balance sheets is adjusted as the related underlying assets are depreciated, amortized, or sold. Distributions received from unconsolidated joint ventures are classified in the accompanying consolidated statements of cash flows using the

[Table of Contents](#)

cumulative earnings approach under which distributions received in an amount equal to cumulative equity in earnings are classified as cash inflows from operating activities and distributions received in excess of cumulative equity in earnings represent returns of investment and therefore are classified as cash inflows from investing activities.

For information on CatchMark's unconsolidated joint ventures, which are accounted for using the equity method of accounting, see *Note 4 — Unconsolidated Joint Ventures*.

Segment Information

CatchMark primarily engages in the acquisition, ownership, operation, management, and disposition of timberland properties located in the United States, either directly through wholly-owned subsidiaries or through equity method investments in affiliated joint ventures. CatchMark defines operating segments in accordance with ASC Topic 280, *Segment Reporting*, to reflect the manner in which its chief operating decision maker, the Chief Executive Officer, evaluates performance and allocates resources in managing the business. CatchMark has aggregated its operating segments into three reportable segments: Harvest, Real Estate and Investment Management. See *Note 9 — Segment Information* for additional information.

New Lease Accounting Standard

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASC 842"). ASC 842 establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on its balance sheet for all leases, subject to certain scope exceptions. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

CatchMark adopted ASC 842 effective January 1, 2019 using the modified retrospective approach with the cumulative effect of the application recognized at the effective date. CatchMark elected the package of practical expedients, including the option to account for each separate lease component of a contract and its associated non-lease component as a single lease component, thus causing all fixed payments to be capitalized; and the practical expedient, which among other things, allows CatchMark to carry forward historical lease classification. Variable lease payment amounts that cannot be determined at the commencement of the lease such as increases in lease payments based on changes in index rates or usage, are not included in the operating lease ROU asset or liability. These are expensed as incurred and recorded as variable lease expense. Management identified and evaluated all of its in-place leases, subleases, and contracts with a lease component, and determined that its office lease is the only lease within the scope of ASC 842. CatchMark elected the practical expedient to not apply the recognition requirements of ASC 842 to its short-term leases. CatchMark determined its long-term timber lease to be a lease of biological assets, a scope exception to ASC 842. Long-term timber lease expense is reported as land rent expense on CatchMark's consolidated statements of operations. See *Note 7 — Commitments and Contingencies, Obligations under Operating Leases* for additional information on the long-term timber lease. Additionally, CatchMark determined that its hunting and recreational leases do not qualify as leases under ASC 842. See *Note 2 — Summary of Significant Accounting Policies* and *Note 11 — Recreational Leases* to CatchMark's audited financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2018 for additional information on its hunting and recreational leases.

CatchMark's office lease commenced in January 2019 and expires in November 2028 and qualifies as an operating lease under ASC 842. As of January 1, 2019, CatchMark recorded an operating lease ROU asset and an operating lease liability of approximately \$3.4 million on its balance sheet, which represents the net present value of lease payments over the lease term discounted using CatchMark's incremental borrowing rate at commencement date. CatchMark's office lease contains renewal options; however, the options were not included in the calculation of the operating lease ROU and operating lease liability as it is not reasonably certain that CatchMark will exercise the renewal options. CatchMark recorded approximately \$13,000 and \$100,000 of amortization expense related to the operating lease ROU asset and the operating lease liability, respectively, for the three months and six months ended June 30, 2019, which was included in general and administrative expenses on its consolidated statement of operations and in other amortization on its consolidated statement of cash flows. For the three months and six months ended June 30, 2019, CatchMark paid \$95,000 and \$117,000, respectively, in cash for its office lease. The adoption of ASC 842 did not

[Table of Contents](#)

result in a cumulative-effect adjustment to CatchMark's retained earnings, as its office lease commenced in January 2019.

CatchMark had the following future annual payments for its operating lease as of June 30, 2019 and December 31, 2018:

<i>(in thousands)</i>	As of	
	June 30, 2019	December 31, 2018
Required payments		
2019	\$ 195	\$ 312
2020	397	397
2021	412	412
2022	424	424
2023	435	435
2024	447	447
Thereafter	1,873	1,873
	\$ 4,183	\$ 4,300
Less: imputed interest	(822)	
Operating lease liability	\$ 3,361	
Remaining lease term (Years)	9.4	
Discount rate	4.58%	

Reclassification

Certain prior period amounts have been reclassified to conform with the current period's financial statement presentation. Within revenues on the accompanying statements of operations, asset management fees in the amount of \$25,000 and \$61,000, for the three months and six months ended June 30, 2018, have been reclassified from other revenues to asset management fees.

Recent Accounting Pronouncements

In August 2017, the FASB issued ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities (Topic 815)*, which amends the hedge accounting recognition and presentation requirements in ASC 815, "Derivatives and Hedging." In October 2018, the FASB issued ASU 2018-16, *Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes*. ASU 2017-12 expands an entity's ability to hedge nonfinancial and financial risk components and reduces the complexity in fair value hedges of interest rate risk. It eliminates the requirement to separately measure and report hedge ineffectiveness and requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item when the hedged item affects earnings. The amendments in ASU 2018-16 permit use of the OIS rate based on SOFR as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815. CatchMark adopted ASU 2017-12 on January 1, 2018 and ASU 2018-16 on January 1, 2019. These adoptions did not have a material effect on CatchMark's consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, *Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*, which expands the scope of ASC 718 to include share-based payments granted to non-employees in exchange for goods or services used or consumed in an entity's own operations. This guidance aligns the measurement and classification for share-based payments to non-employees with the guidance for share-based payments to employees, with certain exceptions. ASU 2018-07 is effective for public entities for fiscal years beginning after December 15, 2018, and interim periods therein. CatchMark adopted ASU 2018-07 on January 1, 2019 and the adoption did not have a material effect on its consolidated financial statements.

[Table of Contents](#)

On July 16, 2018, the FASB issued ASU 2018-09, *Codification Improvements*. The amendments in this update represent changes to clarify the ASC, correct unintended application of guidance, or make minor improvements to the ASC that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. Some of the amendments make the ASC easier to understand and easier to apply by eliminating inconsistencies, providing needed clarifications, and improving the presentation of guidance in the ASC. ASU 2018-09 is effective for public entities for fiscal years beginning after December 15, 2018, and interim periods therein. CatchMark adopted ASU 2018-09 on January 1, 2019 and the adoption did not have a material effect on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which added new disclosure requirements, eliminated and modified existing disclosure requirements on fair value measurement to improve the effectiveness of ASC 820. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. CatchMark is currently assessing the impact ASU 2018-13 will have on its consolidated financial statements.

In October 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which reduces the cost and complexity of financial reporting associated with consolidation of VIEs. This guidance supersedes the private company alternative for common control leasing arrangements issued in 2014 and expands it to all qualifying common control arrangements. ASU 2018-17 is effective for public entities for fiscal years beginning after December 15, 2019, and interim periods therein. CatchMark is currently assessing the impact ASU 2018-17 will have on its consolidated financial statements.

3. Timber Assets

As of June 30, 2019 and December 31, 2018, timber and timberlands consisted of the following, respectively:

<i>(in thousands)</i>	As of June 30, 2019		
	Gross	Accumulated Depletion or Amortization	Net
Timber	\$ 317,079	\$ 11,298	\$ 305,781
Timberlands	359,527	—	359,527
Mainline roads	1,001	693	308
Timber and timberlands	<u>\$ 677,607</u>	<u>\$ 11,991</u>	<u>\$ 665,616</u>

<i>(in thousands)</i>	As of December 31, 2018		
	Gross	Accumulated Depletion or Amortization	Net
Timber	\$ 345,972	\$ 25,912	\$ 320,060
Timberlands	367,488	—	367,488
Mainline roads	954	651	303
Timber and timberlands	<u>\$ 714,414</u>	<u>\$ 26,563</u>	<u>\$ 687,851</u>

Timberland Sales

During the three months ended June 30, 2019 and 2018, CatchMark sold approximately 4,000 and 3,100 acres of timberland for \$8.2 million and \$6.8 million, respectively. CatchMark's cost basis in the timberland sold was \$6.5 million and \$4.8 million, respectively.

[Table of Contents](#)

During the six months ended June 30, 2019 and 2018, CatchMark sold approximately 4,900 and 5,300 acres of timberland for \$10.3 million and \$11.1 million, respectively. CatchMark's cost basis in the timberland sold was \$8.0 million and \$7.7 million, respectively.

Large Dispositions

On June 28, 2019, CatchMark completed the sale of approximately 3,600 acres of its wholly-owned timberlands located in Georgia for approximately \$5.5 million. CatchMark's total cost basis was approximately \$4.5 million. Net proceeds of \$5.3 million was used to pay down CatchMark's outstanding debt balance on the Multi-Draw Term Facility on July 1, 2019.

Timberland sales and large dispositions acreage by state is listed below:

Acres Sold In:	Six Months Ended June 30,	
	2019	2018
Alabama	600	800
Georgia	4,600	1,700
Louisiana	—	200
North Carolina	500	100
South Carolina	2,800	2,400
Texas	—	100
Total	8,500	5,300

Current Timberland Portfolio

As of June 30, 2019, CatchMark directly owned interests in approximately 450,700 acres of timberlands in the U.S. South and Pacific Northwest, approximately 424,400 acres of which were fee-simple interests and approximately 26,300 acres were leasehold interests. Land acreage by state is listed below:

Acres by state as of June 30, 2019 ⁽¹⁾	Fee	Lease	Total
South			
Alabama	72,300	1,800	74,100
Florida	2,000	—	2,000
Georgia	256,700	24,500	281,200
North Carolina	100	—	100
South Carolina	74,900	—	74,900
Tennessee	300	—	300
	406,300	26,300	432,600
Pacific Northwest			
Oregon	18,100	—	18,100
Total	424,400	26,300	450,700

⁽¹⁾ Represents CatchMark wholly-owned acreage only; excludes ownership interest in acreage held by joint ventures.

4. Unconsolidated Joint Ventures

As of June 30, 2019, CatchMark owned interests in two joint ventures with unrelated parties: the Triple T Joint Venture and the Dawsonville Bluffs Joint Venture (each as defined and described below).

As of June 30, 2019

	Dawsonville Bluffs Joint Venture	Triple T Joint Venture
Ownership percentage	50.0%	21.6% ⁽¹⁾
Acreage owned by the joint venture	4,400	1,095,300
Merchantable timber inventory (million tons)	0.3 ⁽²⁾	41.2 ⁽²⁾
Location	Georgia	Texas

⁽¹⁾ Represents our share of total partner capital contributions.

⁽²⁾ Merchantable timber inventory does not include current year growth.

CatchMark accounts for these investments using the equity method of accounting.

Triple T Joint Venture

During 2018, CatchMark formed a joint venture, TexMark Timber Treasury, LP, a Delaware limited partnership (the "Triple T Joint Venture"), with a consortium of institutional investors (the "Preferred Investors") to acquire 1.1 million acres of high-quality East Texas industrial timberlands (the "Triple T Timberlands"), for approximately \$1.39 billion (the "Acquisition Price"), exclusive of transaction costs. The Triple T Joint Venture completed the acquisition of the Triple T Timberlands in July 2018. CatchMark invested \$200.0 million in the Triple T Joint Venture, equal to 21.6% of the total equity contributions, in exchange for a common limited partnership interest. CatchMark, through a separate wholly-owned and consolidated subsidiary, is the sole general partner of the Triple T Joint Venture.

CatchMark uses the equity method to account for its investment in the Triple T Joint Venture since it does not possess the power to direct the activities that most significantly impact the economic performance of the Triple T Joint Venture, and accordingly, CatchMark does not possess the first characteristic of a primary beneficiary described in GAAP. CatchMark appointed three common board members of the Triple T Joint Venture, including its Chief Executive Officer, Chief Financial Officer, and Senior Vice President of Forest Resources, which provides CatchMark with significant influence over the Triple T Joint Venture. Accordingly, pursuant to the applicable accounting literature, it is appropriate for CatchMark to apply the equity method of accounting to its investment in the Triple T Joint Venture.

The Triple T Joint Venture agreement provides for liquidation rights and distribution priorities that are significantly different from CatchMark's stated ownership percentage based on total equity contributions. The Preferred Investors are entitled to a minimum 10.25% cumulative return on their equity contributions, plus a complete return of their equity contributions before any distributions may be made on CatchMark's common limited partnership interest. As such, CatchMark uses the hypothetical-liquidation-at-book-value method ("HLBV") to determine its equity in the earnings of the Triple T Joint Venture. The HLBV method is commonly applied to equity investments in real estate, where cash distribution percentages vary at different points in time and are not directly linked to an investor's ownership percentage. For investments accounted for under the HLBV method, applying the percentage ownership interest to GAAP net income in order to determine earnings or losses would not accurately represent the income allocation and cash flow distributions that will ultimately be received by the investors.

CatchMark applies HLBV using a balance sheet approach. A calculation is prepared at each balance sheet date to determine the amount that CatchMark would receive if the Triple T Joint Venture were to liquidate all of its assets (at book value in accordance with GAAP) on that date and distribute the proceeds to the partners based on the contractually-defined liquidation priorities. The difference between the calculated liquidation distribution amounts at the beginning and the end of the reporting period, after adjusting for capital contributions and distributions, is CatchMark's income or loss from the Triple T Joint Venture for the period.

Condensed balance sheet information for the Triple T Joint Venture is as follows:

[Table of Contents](#)

<i>(in thousands)</i>	As of	
	June 30, 2019	December 31, 2018
Triple T Joint Venture:		
Total assets	\$ 1,596,530	\$ 1,607,413
Total liabilities	\$ 760,941	\$ 754,610
Total equity	\$ 835,589	\$ 852,803
CatchMark:		
Carrying value of investment	\$ 34,362	\$ 90,450

Condensed income statement information for the Triple T Joint Venture is as follows:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Triple T Joint Venture:				
Total revenues	\$ 43,978	\$ —	\$ 79,941	\$ —
Operating income	\$ 5,426	\$ —	\$ 7,948	\$ —
Net loss	\$ (1,586)	\$ —	\$ (5,867)	\$ —
CatchMark:				
Equity share of net loss	\$ (28,600)	\$ —	\$ (56,088)	\$ —

Condensed statement of cash flow information for the Triple T Joint Venture is as follows:

<i>(in thousands)</i>	Six Months Ended June 30,	
	2019	2018
Triple T Joint Venture:		
Net cash provided by operating activities	\$ 8,544	\$ —
Net cash used in investing activities	\$ (2,041)	\$ —
Net cash provided by financing activities	\$ 91	\$ —
Net change in cash and cash equivalents	\$ 6,594	\$ —
Cash and cash equivalents, beginning of period	\$ 39,300	\$ —
Cash and cash equivalents, end of period	\$ 45,894	\$ —

CatchMark's equity share of the Triple T Joint Venture's net loss determined using the HLBV method as of June 30, 2019 is calculated as follows:

<i>(in thousands)</i>	
Triple T Joint Venture:	
Total equity as of June 30, 2019	\$ 835,589
Preferred Investors:	
Equity in Triple T Joint Venture as of January 1, 2019	\$ 762,353
Minimum preferred return as of June 30, 2019	\$ 38,749
Class A preferred equity as of June 30, 2019	
HLBV distribution as of June 30, 2019	\$ 125
	\$ 801,227
CatchMark:	
Equity in Triple T Joint Venture as of June 30, 2019	\$ 34,362
Equity in Triple T Joint Venture, as of January 1, 2019	\$ 90,450
Equity share of Triple T Joint Venture's net loss	\$ (56,088)

[Table of Contents](#)

Dawsonville Bluffs Joint Venture

During 2017, CatchMark formed the Dawsonville Bluffs Joint Venture with MPERS, each owns a 50% membership interest. CatchMark shares substantive participation rights with MPERS, including management selection and termination, and the approval of material operating and capital decisions and, as such, uses the equity method of accounting to record its investment. Income or loss and cash distributions are allocated according to the provisions of the joint venture agreement, which are consistent with the ownership percentages for the Dawsonville Bluffs Joint Venture.

Condensed balance sheet information for the Dawsonville Bluffs Joint Venture is as follows:

<i>(in thousands)</i>	As of	
	June 30, 2019	December 31, 2018
Dawsonville Bluffs Joint Venture:		
Total assets	\$ 10,515	\$ 12,164
Total liabilities	\$ 620	\$ 575
Total equity	\$ 9,895	\$ 11,589
CatchMark:		
Carrying value of investment	\$ 4,947	\$ 5,795

Condensed income statement information for the Dawsonville Bluffs Joint Venture is as follows:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Dawsonville Bluffs Joint Venture:				
Total revenues	\$ 7	\$ 2,821	\$ 1,420	\$ 13,614
Net income (loss)	\$ (102)	\$ 1,417	\$ 255	\$ 5,059
CatchMark:				
Equity share of net income (loss)	\$ (51)	\$ 709	\$ 128	\$ 2,530

Condensed statement of cash flow information for the Dawsonville Joint Venture is as follows:

<i>(in thousands)</i>	Six Months Ended June 30,	
	2019	2018
Dawsonville Joint Venture:		
Net cash provided by operating activities	\$ 1,252	\$ 12,657
Net cash provided by investing activities	\$ —	\$ —
Net cash used in financing activities	\$ (1,949)	\$ (14,460)
Net change in cash and cash equivalents	\$ (697)	\$ (1,803)
Cash and cash equivalents, beginning of period	\$ 1,731	\$ 5,375
Cash and cash equivalents, end of period	\$ 1,034	\$ 3,572

For the six months ended June 30, 2019 and 2018, CatchMark received cash distributions of \$1.0 million and \$7.2 million, respectively, from the Dawsonville Bluffs Joint Venture. See *Note 10 — Subsequent Events* for information on a disposition closed subsequent to June 30, 2019.

Asset Management Fees

[Table of Contents](#)

CatchMark provides asset management services to the Triple T Joint Venture and the Dawsonville Bluffs Joint Venture. Under these arrangements, CatchMark oversees the day-to-day operations of these joint ventures and their properties, including accounting, reporting and other administrative services, subject to certain major decisions that require partner approval. For management of the Triple T Joint Venture, CatchMark receives a fee equal to 1% per annum, subject to reduction and deferment in certain circumstances, of the Acquisition Price multiplied by 78.4%, which represents the percentage of the total equity contributions made to the Triple T Joint Venture by the Preferred Investors. For management of the Dawsonville Bluffs Joint Venture, CatchMark receives a percentage fee based on invested capital, as defined by the joint venture agreement.

During the three months and six months ended June 30, 2019 and 2018, CatchMark earned the following fees from these unconsolidated joint ventures:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
(in thousands)				
Triple T Joint Venture ⁽¹⁾	\$ 2,822	\$ —	\$ 5,643	\$ —
Dawsonville Bluffs Joint Venture	19	25	40	61
	<u>\$ 2,841</u>	<u>\$ 25</u>	<u>\$ 5,683</u>	<u>\$ 61</u>

⁽¹⁾ Includes approximately \$0.1 million and \$0.2 million of reimbursements of compensation costs for the three months and six months ended June 30, 2019, respectively.

5. Notes Payable and Lines of Credit

As of June 30, 2019 and December 31, 2018, CatchMark had the following debt balances outstanding:

Credit Facility	Maturity Date	Interest Rate	Current Interest Rate ⁽¹⁾	Outstanding Balance as of	
				June 30, 2019	December 31, 2018
Term Loan A-1	12/23/2024	LIBOR + 1.75%	4.15%	\$ 100,000	\$ 100,000
Term Loan A-2	12/1/2026	LIBOR + 1.90%	4.30%	100,000	100,000
Term Loan A-3	12/1/2027	LIBOR + 2.00%	4.40%	68,619	68,619
Term Loan A-4	8/22/2025	LIBOR + 1.70%	4.12%	140,000	140,000
Multi-Draw Term Facility	12/1/2024	LIBOR + 2.20%	4.61%	70,000	70,000
Total principal balance				\$ 478,619	\$ 478,619
Less: net unamortized deferred financing costs				(5,988)	(6,379)
Total				<u>\$ 472,631</u>	<u>\$ 472,240</u>

⁽¹⁾ For the Multi-Draw Term Facility, the interest rate represents weighted-average interest rate as of June 30, 2019. The weighted-average interest rate excludes the impact of the interest rate swaps (see Note 6 — *Interest Rate Swaps*), amortization of deferred financing costs, unused commitment fees, and estimated patronage refunds.

Amended Credit Agreement

CatchMark is party to a credit agreement dated as of December 1, 2017, as amended on August 22, 2018 and June 28, 2019 (the “Amended Credit Agreement”), with a syndicate of lenders, including CoBank. The Amended Credit Agreement provides for borrowing under credit facilities consisting of the following:

- a \$35.0 million five-year revolving credit facility (the “Revolving Credit Facility”);
- a \$200.0 million seven-year multi-draw term credit facility (the “Multi-Draw Term Facility”);
- a \$100.0 million ten-year term loan (the “Term Loan A-1”);
- a \$100.0 million nine-year term loan (the “Term Loan A-2”);
- a \$68.6 million ten-year term loan (the “Term Loan A-3”); and

[Table of Contents](#)

- a \$140.0 million seven-year term loan (the "Term Loan A-4").

As of June 30, 2019, \$165.0 million remained available under CatchMark's credit facilities, consisting of \$130.0 million under the Multi-Draw Term Facility and \$35.0 million under the Revolving Credit Facility.

Borrowings under the Revolving Credit Facility may be used for general working capital, to support letters of credit, to fund cash earnest money deposits, to fund acquisitions in an amount not to exceed \$5.0 million, and for other general corporate purposes. The Revolving Credit Facility bears interest at an adjustable rate equal to a base rate plus between 0.50% and 1.20% or a LIBOR rate plus between 1.50% and 2.20%, in each case depending on CatchMark's LTV Ratio, and will terminate and all amounts outstanding under the facility will be due and payable on December 1, 2022.

The Multi-Draw Term Facility may be used to finance timberland acquisitions and associated expenses, to fund investment in joint ventures, and to reimburse payments of drafts under letters of credit. The Multi-Draw Term Facility, which is interest only until its maturity date, bears interest at an adjustable rate equal to a base rate plus between 0.50% and 1.20% or a LIBOR rate plus between 1.50% and 2.20%, in each case depending on CatchMark's LTV Ratio, and will terminate and all amounts outstanding under the facility will be due and payable on December 1, 2024.

CatchMark pays the lenders an unused commitment fee on the unused portions of the Revolving Credit Facility and the Multi-Draw Term Facility at an adjustable rate ranging from 0.15% to 0.35%, depending on the LTV Ratio.

CatchMark's obligations under the credit agreement are collateralized by a first priority lien on the timberlands owned by CatchMark's subsidiaries and substantially all of CatchMark's subsidiaries' other assets in which a security interest may lawfully be granted, including, without limitation, accounts, equipment, inventory, intellectual property, bank accounts and investment property. In addition, the obligations under the credit agreement are jointly and severally guaranteed by CatchMark and all of its subsidiaries pursuant to the terms of the credit agreement. CatchMark has also agreed to guarantee certain losses caused by certain willful acts of CatchMark or its subsidiaries.

Patronage Refunds

CatchMark is eligible to receive annual patronage refunds from its lenders (the "Patronage Banks") under a profit-sharing program made available to borrowers of the Farm Credit System. CatchMark has received a patronage refund on its eligible patronage loans annually since 2015. The eligibility remains the same under the Amended Credit Agreement. Therefore, CatchMark accrues patronage refunds it expects to receive based on actual patronage refunds received as a percentage of its weighted-average eligible debt balance. For the three months ended June 30, 2019 and 2018, CatchMark accrued approximately \$1.0 million and \$0.7 million, respectively, as patronage refunds receivable on its consolidated balance sheets and as an offset against interest expense on the consolidated statements of operations. For the six months ended June 30, 2019 and 2018, CatchMark accrued approximately \$1.9 million and \$1.2 million, respectively, as patronage refunds receivable on its consolidated balance sheets and as an offset against interest expense on the consolidated statements of operations.

In March 2019 and 2018, CatchMark received patronage refunds of \$3.3 million and \$2.7 million, respectively, on its patronage eligible borrowings. Of the total patronage refunds received in both years, 75% was received in cash and 25% was received in equity of the Patronage Banks.

As of June 30, 2019 and December 31, 2018, the following balances related to the patronage refunds program were included on CatchMark's consolidated balance sheets:

<i>(in thousands)</i>	As of	
	June 30, 2019	December 31, 2018
Patronage refunds classified as:		
Accounts receivable	\$ 1,925	\$ 3,323
Prepaid expenses and other assets ⁽¹⁾	2,329	1,499
Total	\$ 4,254	\$ 4,822

[Table of Contents](#)

⁽¹⁾ Represents cumulative patronage refunds received as equity of the Patronage Banks.

Debt Covenants

The Amended Credit Agreement contains, among others, the following financial covenants:

- limit the LTV ratio to (i) 50% at any time prior to the last day of fiscal quarter corresponding to December 1, 2021, and (ii) 45% at any time thereafter;
- require maintenance of a FCCR of not less than 1.05:1.00;
- require maintenance of a minimum liquidity balance of no less than \$25.0 million at any time; and
- limit the aggregated capital expenditures to 1% of the value of the timberlands during any fiscal year.

The Amended Credit Agreement permits CatchMark to declare, set aside funds for, or pay dividends, distributions, or other payments to stockholders so long as it is not in default under the credit agreement and its minimum liquidity balance, after giving effect to the payment, is at least \$25 million. However, if CatchMark has suffered a bankruptcy event or a change of control, the credit agreement prohibits CatchMark from declaring, setting aside, or paying any dividend, distribution, or other payment other than as required to maintain its REIT qualification. The Amended Credit Agreement also subjects CatchMark to mandatory prepayment from proceeds generated from dispositions of timberlands or lease terminations, which may have the effect of limiting its ability to make distributions to stockholders under certain circumstances.

CatchMark was in compliance with the financial covenants of its credit agreement as of June 30, 2019.

Interest Paid and Fair Value of Outstanding Debt

During the three months ended June 30, 2019 and 2018, CatchMark made interest payments of \$5.3 million and \$2.7 million, respectively, on its borrowings. Included in the interest payments for the three months ended June 30, 2019 was unused commitment fees of \$0.1 million. No unused commitment fees were paid during the second quarter of 2018.

During the six months ended June 30, 2019 and 2018, CatchMark made interest payment of \$10.5 million and \$5.6 million, respectively, on its borrowings. Included in the interest payments for the six months ended June 30, 2019 and 2018 were unused commitment fees of \$0.1 million and \$0.1 million, respectively.

As of June 30, 2019 and December 31, 2018, the weighted-average interest rate on CatchMark's borrowings, after consideration of its interest rate swaps (see *Note 6 — Interest Rate Swaps*), was 4.30% and 4.31%, respectively. After further consideration of expected patronage refunds, CatchMark's weighted-average interest rate as of June 30, 2019 and December 31, 2018 was 3.50% and 3.51%, respectively.

6. Interest Rate Swaps

CatchMark uses interest rate swaps to mitigate its exposure to changing interest rates on its variable rate debt instruments. As of June 30, 2019, CatchMark had ten outstanding interest rate swaps with terms below:

[Table of Contents](#)

(in thousands)

Interest Rate Swap	Effective Date	Maturity Date	Pay Rate	Receive Rate	Notional Amount
2017 Swap - 3YR	3/28/2017	3/28/2020	1.800%	one-month LIBOR	\$ 30,000
2018 Swap - 2YR	9/6/2018	9/6/2020	2.796%	one-month LIBOR	\$ 50,000
2018 Swap - 3YR	9/6/2018	9/6/2021	2.869%	one-month LIBOR	\$ 50,000
2017 Swap - 4YR	3/28/2017	11/28/2021	2.045%	one-month LIBOR	\$ 20,000
2018 Swap - 4YR	2/28/2018	11/28/2022	2.703%	one-month LIBOR	\$ 30,000
2017 Swap - 7YR	3/23/2017	3/23/2024	2.330%	one-month LIBOR	\$ 20,000
2014 Swap - 10YR	12/23/2014	12/23/2024	2.395%	one-month LIBOR	\$ 35,000
2016 Swap - 8YR	8/23/2016	12/23/2024	1.280%	one-month LIBOR	\$ 45,000
2018 Swap - 8YR	2/28/2018	11/28/2026	2.884%	one-month LIBOR	\$ 20,000
2018 Swap - 9YR	8/28/2018	8/28/2027	3.014%	one-month LIBOR	\$ 50,000
					<u>\$ 350,000</u>

As of June 30, 2019, CatchMark's interest rate swaps effectively fixed the interest rate on \$350.0 million of its \$478.6 million variable rate debt at 4.26%, inclusive of the applicable spread. All ten interest rate swaps qualify for hedge accounting treatment.

Fair Value and Cash Paid for Interest Under Interest Rate Swaps

The following table presents information about CatchMark's interest rate swaps measured at fair value as of June 30, 2019 and December 31, 2018:

(in thousands)

Instrument Type	Balance Sheet Classification	Estimated Fair Value as of	
		June 30, 2019	December 31, 2018
<i>Derivatives designated as hedging instruments:</i>			
Interest rate swaps	Prepaid expenses and other assets	\$ 894	\$ 3,643
Interest rate swaps	Other liabilities	\$ (11,807)	\$ (3,635)

As of June 30, 2019, CatchMark estimated that approximately \$2.2 million will be reclassified from accumulated other comprehensive loss to interest expense over the next 12 months.

Pursuant to the terms of its interest rate swaps, CatchMark received \$20,600 and \$62,800 during the three months and six months ended June 30, 2019, respectively. For the three months and six months ended June 30, 2018, CatchMark paid \$0.1 million and \$0.3 million, respectively. All amounts were included in interest expense in the consolidated statements of operations.

7. Commitments and Contingencies

Mahrt Timber Agreements

In connection with its acquisition of timberlands from WestRock, CatchMark entered into a master stumpage agreement and a fiber supply agreement (collectively, the "Mahrt Timber Agreements") with a wholly-owned subsidiary of WestRock. The master stumpage agreement provides that CatchMark will sell specified amounts of timber and make available certain portions of our timberlands to CatchMark TRS for harvesting. The fiber supply agreement provides that WestRock will purchase a specified tonnage of timber from CatchMark TRS at specified prices per ton, depending upon the type of timber product. The prices for the timber purchased pursuant to the fiber supply agreement are negotiated every two years but are subject to quarterly market pricing adjustments based on an index published by TimberMart-South, a quarterly trade publication that reports raw forest product prices in 11 southern states. The initial term of the Mahrt Timber Agreements is October 9, 2007 through December 31, 2032, subject to extension and early

termination provisions. The Mahrt Timber Agreements ensure a long-term source of supply of wood fiber products for WestRock in order to meet its paperboard and lumber production requirements at specified mills and provide CatchMark with a reliable customer for the wood products from its timberlands.

WestRock can terminate the Mahrt Timber Agreements prior to the expiration of the initial term if CatchMark replaces FRC as the forest manager without the prior written consent of WestRock, except pursuant to an internalization of the company's forestry management functions. CatchMark can terminate the Mahrt Timber Agreements if WestRock (i) ceases to operate the Mahrt mill for a period that exceeds 12 consecutive months, (ii) fails to purchase a specified tonnage of timber for two consecutive years, subject to certain limited exceptions or (iii) fails to make payments when due (and fails to cure within 30 days). In addition, either party can terminate the Mahrt Timber Agreements if the other party commits a material breach (and fails to cure within 60 days) or becomes insolvent. Further, the Mahrt Timber Agreements provide for adjustments to both parties' obligations in the event of a force majeure, which is defined to include, among other things, lightning, fires, storms, floods, infestation and other acts of God or nature.

Timberland Operating Agreements

Pursuant to the terms of the timberland operating agreement between CatchMark and FRC (the "FRC Timberland Operating Agreement"), FRC manages and operates certain of CatchMark's timberlands and related timber operations, including ensuring delivery of timber to WestRock in compliance with the Mahrt Timber Agreements. In consideration for rendering the services described in the timberland operating agreement, CatchMark pays FRC (i) a monthly management fee based on the actual acreage that FRC manages, which is payable monthly in advance, and (ii) an incentive fee based on timber harvest revenues generated by the timberlands, which is payable quarterly in arrears. The FRC Timberland Operating Agreement, as amended, is effective through March 31, 2020, and is automatically extended for one-year periods unless written notice is provided by CatchMark or FRC to the other party at least 120 days prior to the current expiration. The FRC Timberland Operating Agreement may be terminated by either party with mutual consent or by CatchMark with or without cause upon providing 120 days' prior written notice.

Pursuant to the terms of the timberland operating agreement between CatchMark and AFM (the "AFM Timberland Operating Agreement"), AFM manages and operates certain of CatchMark's timberlands and related timber operations, including ensuring delivery of timber to customers. In consideration for rendering the services described in the AFM Timberland Operating Agreement, CatchMark pays AFM (i) a monthly management fee based on the actual acreage AFM manages, which is payable monthly in advance, and (ii) an incentive fee based on revenues generated by the timber operations. The incentive fee is payable quarterly in arrears. The AFM Timberland Operating Agreement is effective through November 30, 2019 for the U.S. South region and December 31, 2019 for the Pacific Northwest region, and is automatically extended for one-year periods unless written notice is provided by CatchMark or AFM to the other party at least 120 days prior to the current expiration. The AFM Timberland Operating Agreement may be terminated by either party with mutual consent or by CatchMark with or without cause upon providing 120 days' prior written notice.

Obligations under Operating Leases

CatchMark held leasehold interest in approximately 26,300 acres of timberlands under a long-term lease that expires in May 2022 (the "LTC Lease"). The LTC Lease provides CatchMark access rights to harvest timber as specified in the lease agreement, therefore, a lease of biological assets, which is excluded from the scope of ASC 842.

As of June 30, 2019, CatchMark had the following future lease payments under its LTC Lease:

<i>(in thousands)</i>	Required Payments
2019	\$ 37
2020	504
2021	504
2022	449
	\$ 1,494

See *Note 2 — Summary of Significant Accounting Policies* for information on CatchMark's office lease, which is within the scope of ASC 842.

Litigation

From time to time, CatchMark may be a party to legal proceedings, claims, and administrative proceedings that arise in the ordinary course of its business. Management makes assumptions and estimates concerning the likelihood and amount of any reasonably possible loss relating to these matters using the latest information available. CatchMark records a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, CatchMark accrues the best estimate within the range. If no amount within the range is a better estimate than any other amount, CatchMark accrues the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, CatchMark discloses the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, CatchMark discloses the nature and estimate of the possible loss of the litigation. CatchMark does not disclose information with respect to litigation where an unfavorable outcome is considered to be remote.

CatchMark is not currently involved in any legal proceedings of which the outcome is reasonably likely to have a material adverse effect on the results of operations or financial condition of CatchMark. CatchMark is not aware of any legal proceedings contemplated by governmental authorities.

8. Stock-based Compensation

Stock-based Compensation - Independent Directors

On June 28, 2019, pursuant to the Amended and Restated Independent Directors' Compensation Plan (a sub-plan of CatchMark's LTIP), CatchMark issued the annual equity-based grants to its independent directors. Each independent director received a grant with a fair value of \$70,000, which will vest on the date of CatchMark's 2020 annual meeting of stockholders. At their elections, three independent directors each received 6,699 shares of CatchMark's restricted stock and the remaining three independent directors each received 6,699 units of a class of limited partnership interests (the "LTIP Units") in CatchMark Timber OP. The LTIP Units are structured to qualify as "profits interests" for federal income tax purposes that, subject to certain conditions, including vesting, are convertible by the holder into CatchMark Timber OP's common units. Aggregate grant date fair value of \$0.4 million will be amortized over the one-year vesting period within general and administrative expenses. See *Note 8 — Noncontrolling Interest* in our Annual Report on Form 10-K for the year ended December 31, 2018 for further information on LTIP Units.

Stock-based Compensation - Employees

During the three months ended June 30, 2019, CatchMark did not issue any shares of service-based restricted stock to its employees. During the six months ended June 30, 2019, CatchMark issued 131,500 shares of service-based restricted stock to certain non-executive employees, vesting over a four-year period. The fair value of serviced-based restricted stock grants was determined by the closing price of CatchMark's common stock on the grant date.

A rollforward of CatchMark's unvested, service-based restricted stock awards to employees for the six months ended June 30, 2019 is as follows:

	Number of Underlying Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2018	300,395	\$ 10.60
Granted	131,500	\$ 9.34
Vested	(83,817)	\$ 11.37
Forfeited	(5,062)	\$ 10.85
Unvested at June 30, 2019	343,016	\$ 9.93

Stock-based Compensation Expense

A summary of CatchMark's stock-based compensation expense for the three months and six months ended June 30, 2019 and 2018 is presented below:

(in thousands)

<i>Stock-based Compensation Expense classified as:</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
General and administrative expenses	\$ 463	\$ 758	\$ 1,034	\$ 1,274
Forestry management expenses	27	38	115	287
Total	\$ 490	\$ 796	\$ 1,149	\$ 1,561

As of June 30, 2019, approximately \$3.7 million of unrecognized compensation expense related to unvested restricted stock and LTIP Units remained and will be recognized over a weighted-average period of 2.3 years.

9. Segment Information

As of June 30, 2019, CatchMark had the following reportable segments: Harvest, Real Estate and Investment Management. Harvest includes wholly-owned timber assets and associated timber sales, other revenues and related expenses. Real Estate includes timberland sales, cost of timberland sales and large dispositions. Investment Management includes investment in and income (loss) from unconsolidated joint ventures and asset management fee revenues earned for the management of these joint ventures. General and administrative expenses, along with other expense and income items, are not allocated among segments. Asset information and capital expenditures by segment are not reported because CatchMark does not use these measures to assess performance. CatchMark's investments in unconsolidated joint ventures is reported separately on the accompanying consolidated balance sheets. During the periods presented, there have been no material intersegment transactions.

Adjusted EBITDA is the primary performance measure reviewed by management to assess operating performance. EBITDA is a non-GAAP financial measure of operating performance. EBITDA is defined by the SEC as earnings before interest, taxes, depreciation and amortization; however, CatchMark has excluded certain other expenses that CatchMark believes are not indicative of the ongoing operating results of its timberland portfolio and investment management business, and CatchMark refers to this measure as Adjusted EBITDA. As such, CatchMark's Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table presents operating revenues by reportable segment:

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Harvest	\$ 17,595	\$ 19,390	\$ 35,236	\$ 39,206
Real Estate	8,224	6,834	10,314	11,086
Investment Management	2,841	25	5,683	61
Total	\$ 28,660	\$ 26,249	\$ 51,233	\$ 50,353

[Table of Contents](#)

The following table presents Adjusted EBITDA by reportable segment:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Harvest	\$ 7,285	\$ 8,564	\$ 14,545	\$ 16,704
Real Estate	7,828	6,435	9,785	10,396
Investment Management	2,790	1,324	6,205	6,437
Non-allocated / Corporate EBITDA	(2,816)	(2,308)	(5,286)	(4,627)
Total	\$ 15,087	\$ 14,015	\$ 25,249	\$ 28,910

A reconciliation of Adjusted EBITDA to GAAP net loss is presented below:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Adjusted EBITDA	\$ 15,087	\$ 14,015	\$ 25,249	\$ 28,910
Subtract:				
Depletion	6,030	6,598	11,298	13,660
Basis of timberland sold, lease terminations and other ⁽¹⁾	6,668	4,932	8,475	7,788
Amortization ⁽²⁾	229	314	687	2,039
Depletion, amortization, and basis of timberland and mitigation credits sold included in loss from unconsolidated joint venture ⁽³⁾	—	590	395	3,846
HLBV loss from unconsolidated joint venture ⁽⁴⁾	28,600	—	56,088	—
Stock-based compensation expense	490	796	1,149	1,561
Interest expense ⁽²⁾	4,395	2,290	8,767	4,871
Gain on large dispositions ⁽⁵⁾	(764)	—	(764)	—
Other ⁽⁶⁾	4	—	114	35
Net loss	\$ (30,565)	\$ (1,505)	\$ (60,960)	\$ (4,890)

- (1) Includes non-cash basis of timber and timberland assets written-off related to timberland sold, terminations of timberland leases and casualty losses.
- (2) For the purpose of the above reconciliation, amortization includes amortization of deferred financing costs, amortization of intangible lease assets, and amortization of mainline road costs, which are included in either interest expense, land rent expense, or other operating expenses in the consolidated statements of operations.
- (3) Reflects our share of depletion, amortization, and basis of timberland and mitigation credits sold of the unconsolidated Dawsonville Bluffs Joint Venture.
- (4) Reflects HLBV (income) losses from the Triple T Joint Venture, which is determined based on a hypothetical liquidation of the underlying joint venture at book value as of the reporting date.
- (5) Large dispositions are sales of large blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions are typically larger transactions in acreage and gross sales price than recurring HBU sales and are not part of core operations, are infrequent in nature and would cause material variances in comparative results if not reported separately. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value.
- (6) Includes certain cash expenses paid, or reimbursement received, that management believes do not directly reflect the core business operations of our timberland portfolio on an on-going basis, including costs required to be expensed by GAAP related to acquisitions, transactions, joint ventures or new business initiatives.

10. Subsequent Events

Large Dispositions

[Table of Contents](#)

On July 26, 2019, CatchMark completed the disposition of approximately 10,800 acres of its wholly-owned timberlands located in Georgia and Alabama for approximately \$19.9 million. CatchMark used \$14.8 million of the net proceeds to pay down outstanding debt on the Multi-Draw Term Facility on August 1, 2019 and the remaining \$5.0 million is expected to be used to fund general corporate purposes, including share repurchases.

Dawsonville Bluffs Joint Venture Timberland Disposition

On July 15, 2019, the Dawsonville Bluffs Joint Venture completed the disposition of substantially all of its remaining 4,400 acres of timberlands for approximately \$8.7 million. CatchMark received an approximately \$4.4 million cash distribution from the Dawsonville Bluffs Joint Venture on August 1, 2019, a portion of which represents an incentive-based promote for exceeding investment hurdles.

Debt Repayments

In addition to the \$14.8 million debt repayment discussed above, on July 1, 2019, CatchMark repaid \$5.3 million of its outstanding debt balance on the Multi-Draw Term Facility with net proceeds received from the large disposition closed on June 28, 2019.

Dividend Declaration

On August 1, 2019, CatchMark declared a cash dividend of \$0.135 per share for its common stockholders of record on, August 30, 2019, payable on September 13, 2019.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our accompanying consolidated financial statements and notes thereto. See also "Cautionary Note Regarding Forward-Looking Statements" preceding Part I of this report, as well as our consolidated financial statements and the notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2018.

Overview

We primarily engage in the acquisition, ownership, management, and disposition of timberland properties located in the United States. We seek to generate recurring income and cash flow from the harvest and sale of timber, as well as from non-timber related revenue sources, such as asset management fees and rent from hunting and recreational leases. When and where we believe appropriate, we also seek to generate income and cash flow from timberland sales. In addition to current income, we expect to realize long-term returns from the biological growth of our standing timber inventory.

We strive to deliver superior, consistent, predictable per-share cash flow growth from disciplined acquisitions, active management, sustainable harvest, and well-timed real estate sales. We intend to grow over time through selective acquisitions and investments in high-demand fiber markets and to efficiently integrate new acquisitions and investments into our operations. Operationally, we focus on generating cash flows from sustainable harvests and improved harvest mix on high-quality timberlands, as well as opportunistic land sales and asset management fees to provide recurring dividends to our stockholders. We continue to practice intensive forest management and silvicultural techniques that improve the biological growth of our forests.

We also seek to create additional value by entering into joint ventures with long-term, institutional equity partners to opportunistically acquire, own, and manage timberland properties that fit our core investment strategy. In April 2017, we entered into our first joint venture, the Dawsonville Bluffs Joint Venture. In July 2018, we entered into the Triple T Joint Venture with a consortium of institutional investors. Our joint venture platform drives growth through a fee-based management business that leverages our scale and timberland management efficiencies.

Large Dispositions

Over the last year, we have undertaken a capital recycling program whereby we sell large blocks of timberland properties to generate proceeds to fund capital allocation priorities, including, but not limited to redeployment into more desirable timberland investments, paying down outstanding debt, or repurchasing shares of our common stock. Such large dispositions are not part of core operations, are infrequent in nature and may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value.

On June 28, 2019, we completed the disposition of 3,600 acres of our wholly-owned timberlands in Georgia for approximately \$5.5 million. We used the net proceeds of \$5.3 million to pay down our outstanding debt.

On July 26, 2019, we completed the disposition of approximately 10,800 acres of our wholly-owned timberlands located in Georgia and Alabama for approximately \$19.9 million. We used \$14.8 million of the net proceeds to pay down our outstanding debt and plan to use the remaining to support working capital needs, including share repurchases.

Dawsonville Bluffs Joint Venture

On July 15, 2019, the Dawsonville Bluffs Joint Venture completed the disposition of substantially all of its remaining 4,400 acres of timberlands for approximately \$8.7 million. We received an approximately \$4.4 million cash distribution from the Dawsonville Bluffs Joint Venture during the third quarter of 2019, a portion of which is expected to represent an incentive-based promote for exceeding investment hurdles.

Timberland Portfolio

As of June 30, 2019, we wholly owned interests in approximately 450,700 acres of high-quality industrial timberland in the U.S. South and Pacific Northwest, consisting of approximately 424,400 acres of fee timberlands and approximately 26,300 acres of leased timberlands. Our wholly-owned timberlands are located within attractive fiber baskets encompassing a diverse group of pulp, paper and wood products manufacturing facilities. Our Southern timberlands consisted of approximately 72% pine plantations by acreage and 50% sawtimber by volume. Our Pacific Northwest timberlands consisted of 90% productive acres and 82% sawtimber by volume. Our leased timberlands include approximately 26,300 acres under one long-term lease expiring in 2022, which we refer to as the long-term contract or the LTC lease. Wholly-owned timberland acreage by state is listed below:

Acres by state as of June 30, 2019 ⁽¹⁾	Fee	Lease	Total
South			
Alabama	72,300	1,800	74,100
Florida	2,000	—	2,000
Georgia	256,700	24,500	281,200
North Carolina	100	—	100
South Carolina	74,900	—	74,900
Tennessee	300	—	300
	406,300	26,300	432,600
Pacific Northwest			
Oregon	18,100	—	18,100
Total	424,400	26,300	450,700

⁽¹⁾ Represents wholly-owned acreage only; excludes ownership interest in acreage acquired by joint ventures.

As of June 30, 2019, our wholly-owned timber inventory consisted of an estimated 18.5 million tons of merchantable inventory with the following components:

(in millions)

Merchantable timber inventory: ⁽¹⁾	Tons		
	Fee	Lease	Total
Pulpwood	8.5	0.5	9.0
Sawtimber ⁽²⁾	9.1	0.4	9.5
Total	17.6	0.9	18.5

⁽¹⁾ Merchantable timber inventory does not include current year growth. Pacific Northwest merchantable timber inventory is converted from MBF to tons using a factor of eight.

⁽²⁾ Includes chip-n-saw and sawtimber.

In addition to our wholly-owned timberlands, we had the following investments in joint ventures as of June 30, 2019 (see *Note 4 — Unconsolidated Joint Ventures* to our accompanying consolidated financial statements for further details):

	As of June 30, 2019	
	Dawsonville Bluffs Joint Venture	Triple T Joint Venture
Ownership percentage	50.0%	21.6% ⁽¹⁾
Acreage owned by the joint venture	4,400	1,095,300
Merchantable timber inventory (million tons)	0.3 ⁽²⁾	41.2 ⁽²⁾
Location	Georgia	Texas

⁽¹⁾ Represents our share of total partner capital contributions.

⁽²⁾ Merchantable timber inventory does not include current year growth.

Segment Information

We have three reportable segments: Harvest, Real Estate and Investment Management. Our Harvest segment includes wholly-owned timber assets and associated timber sales, other revenues and related expenses. Our Real Estate segment includes timberland sales, cost of timberland sales and large dispositions. Our Investment Management segment includes investments in and income (loss) from unconsolidated joint ventures and asset management fee revenues earned for the management of these joint ventures. General and administrative expenses, along with other expense and income items, are not allocated among segments. For additional information, see *Note 9 — Segment Information* to our accompanying consolidated financial statements.

Timber Agreements

A significant portion of our timber sales is derived from the Mahrt Timber Agreements under which we sell specified amounts of timber to WestRock subject to market pricing adjustments. For full year 2019, WestRock is required to purchase a minimum of 374,800 tons of timber under the Mahrt Timber Agreements. For the six months ended June 30, 2019, WestRock purchased approximately 207,000 tons under the Mahrt Timber Agreements, which contributed approximately 14% of our net timber sales revenue. WestRock has historically purchased tonnage that exceeded the minimum requirement under the Mahrt Timber Agreements. See *Note 7 — Commitments and Contingencies* to our accompanying consolidated financial statements for additional information regarding the material terms of the Mahrt Timber Agreements.

We assumed a pulpwood supply agreement with IP (the "Carolinas Supply Agreement") in connection with a timberland acquisition in 2016. For full year 2019, IP is required to purchase a minimum of 99,000 tons of pulpwood under the Carolinas Supply Agreement. During the six months ended June 30, 2019, we sold approximately 57,300 tons under the Carolinas Supply Agreement, which contributed approximately 5% of our net timber sales revenue.

Liquidity and Capital Resources

Overview

Cash flows generated from our operations are primarily used to fund recurring expenditures and distributions to our stockholders. The amount of distributions to common stockholders is determined by our board of directors and is dependent upon a number of factors, including funds deemed available for distribution based principally on our current and future projected operating cash flows, less capital requirements necessary to maintain our existing timberland portfolio. In determining the amount of distributions to common stockholders, we also consider our financial condition, our expectations of future sources of liquidity, current and future economic conditions, market demand for timber and timberlands, and tax considerations, including the annual distribution requirements necessary to maintain our status as a REIT under the Code.

In determining how to allocate cash resources in the future, we will initially consider the source of the cash. We anticipate using a portion of cash generated from operations, after payments of periodic operating expenses and interest expense, to fund certain capital expenditures required for our timberlands. Any remaining cash generated from operations may be used to partially fund timberland acquisitions and pay distributions to stockholders. Therefore, to the extent that cash flows from operations are lower, timberland acquisitions and stockholder distributions are anticipated to be lower as well. Capital expenditures, including new timberland acquisitions, are generally funded with cash flow from operations or existing debt availability; however, proceeds from future debt financings, and equity and debt offerings may be used to fund capital expenditures, acquire new timberland properties, invest in joint ventures, and pay down existing and future borrowings. From time to time, we also sell certain large timberland properties in order to generate capital to fund capital allocation priorities, including but not limited to redeployment into more desirable timberland investments, pay down of outstanding debt or repurchase of shares of our common stock. Such large dispositions are typically larger in size and more infrequent than sales under our normal land sales program.

Shelf Registration Statement and Equity Offerings

[Table of Contents](#)

On June 2, 2017, we filed a shelf registration statement on Form S-3 with the SEC, which was declared effective by the SEC on June 16, 2017 (the "Shelf Registration Statement"). The Shelf Registration Statement provides us with future flexibility to offer, from time to time and in one or more offerings, up to \$600 million in an undefined combination of debt securities, common stock, preferred stock, depositary shares, or warrants. The terms of any such future offerings would be established at the time of an offering.

Amended Credit Agreement

We are party to a credit agreement dated as of December 1, 2017, as amended on August 22, 2018 and June 28, 2019 (the "Amended Credit Agreement") with a syndicate of lenders, including CoBank. The Amended Credit Agreement provides for borrowings consisting of the following:

- a \$35.0 million five-year revolving credit facility (the "Revolving Credit Facility");
- a \$200.0 million seven-year multi-draw term credit facility (the "Multi-Draw Term Facility");
- a \$100.0 million ten-year term loan (the "Term Loan A-1");
- a \$100.0 million nine-year term loan (the "Term Loan A-2");
- a \$68.6 million ten-year term loan (the "Term Loan A-3"); and
- a \$140.0 million seven-year term loan (the "Term Loan A-4").

Borrowings under the Revolving Credit Facility may be used for general working capital, to support letters of credit, to fund cash earnest money deposits, to fund acquisitions in an amount not to exceed \$5.0 million, and for other general corporate purposes. The Revolving Credit Facility bears interest at an adjustable rate equal to a base rate plus between 0.50% and 1.20% or a LIBOR rate plus between 1.50% and 2.20%, in each case depending on our LTV Ratio, and will terminate with all amounts outstanding under the facility due and payable on December 1, 2022.

The Multi-Draw Term Facility may be used to finance timberland acquisitions and associated expenses, to fund investment in joint ventures, and to reimburse payments of drafts under letters of credit. The Multi-Draw Term Facility, which is interest only until its maturity date, bears interest at an adjustable rate equal to a base rate plus between 0.50% and 1.20% or a LIBOR rate plus between 1.50% and 2.20%, in each case depending on our LTV Ratio, and will terminate and all amounts outstanding under the facility will be due and payable on December 1, 2024.

The table below presents the details of each credit facility under the Amended Credit Agreement as of June 30, 2019:

(dollars in thousands)

Facility Name	Maturity Date	Interest Rate ⁽¹⁾	Unused Commitment Fee	Total Availability	Outstanding Balance	Remaining Availability
Revolving Credit Facility	12/1/2022	LIBOR + 2.20%	0.35%	\$ 35,000	\$ —	\$ 35,000
Multi-Draw Term Facility	12/1/2024	LIBOR + 2.20%	0.35%	200,000	70,000	130,000
Term Loan A-1	12/23/2024	LIBOR + 1.75%	N/A	100,000	100,000	—
Term Loan A-2	12/1/2026	LIBOR + 1.90%	N/A	100,000	100,000	—
Term Loan A-3	12/1/2027	LIBOR + 2.00%	N/A	68,619	68,619	—
Term Loan A-4	8/22/2025	LIBOR + 1.70%	N/A	140,000	140,000	\$ —
Total				\$ 643,619	\$ 478,619	\$ 165,000

⁽¹⁾ The applicable LIBOR margin on the Revolving Credit Facility and the Multi-Draw Term Facility ranges from a base rate plus between 0.50% to 1.20% or a LIBOR rate plus 1.50% to 2.20%, depending on the LTV ratio. The unused commitment fee rates also depend on the LTV ratio.

Patronage Refunds

[Table of Contents](#)

We are eligible to receive annual patronage refunds from our lenders under the Amended Credit Agreement. The annual patronage refund depends on the weighted-average debt balance with each participating lender, as calculated by CoBank, for the respective fiscal year under the eligible patronage loans, as well as the financial performance of the Patronage Banks. In March 2019, we received a patronage refund of \$3.3 million on our borrowings under the eligible patronage loans that were outstanding during 2018. Of the total amount received, 75% was received in cash and 25% was received in equity in Patronage Banks. The equity component of the patronage refund is redeemable for cash only at the discretion of the Patronage Banks' board of directors. For the six months ended June 30, 2019, we have accrued \$1.9 million of patronage refunds receivable for 2019, approximately 75% of which is expected to be received in cash in March 2020.

Interest Rate Swaps

As of June 30, 2019, we had ten outstanding interest rate swaps. Our interest rate swaps effectively fixed the interest rate on \$350.0 million of our \$478.6 million variable rate debt at 4.26%. See *Note 6 — Interest Rate Swaps* to our accompanying financial statements for further details on our interest rate swaps.

Debt Covenants

The Amended Credit Agreement contains, among others, the following financial covenants which:

- limit the LTV ratio to (i) 50% at any time prior to the last day of fiscal quarter corresponding to December 1, 2021, and (ii) 45% at any time thereafter;
- require maintenance of a FCCR of not less than 1.05:1.00;
- require maintenance of a minimum liquidity balance of no less than \$25.0 million at any time; and
- limit the aggregate capital expenditures to 1% of the value of the timberlands during any fiscal year.

We were in compliance with the financial covenants of the Amended Credit Agreement as of June 30, 2019.

Share Repurchase Program

On August 7, 2015, our board of directors approved a share repurchase program for up to \$30.0 million of our common stock at management's discretion (the "SRP"). The program has no set duration and the board may discontinue or suspend the program at any time. During the six months ended June 30, 2019, we repurchased 271,588 shares of our common stock at an average price of \$8.84 per share for a total of approximately \$2.4 million under the SRP, including transaction costs. All common stock purchases under the SRP were made in open-market transactions and were funded with cash on-hand. As of June 30, 2019, we had 49.0 million shares of common stock outstanding and may repurchase up to an additional \$16.3 million under the SRP. We can borrow up to \$30.0 million under the Multi-Draw Term Facility to repurchase our common stock. Management believes that opportunistic repurchases of our common stock are a prudent use of capital resources.

Short-Term Liquidity and Capital Resources

Net cash provided by operating activities for the six months ended June 30, 2019 was \$17.2 million, a \$3.1 million decrease from the six months ended June 30, 2018. Cash provided by operating activities consisted primarily of receipts from customers for timber, timberland sales and asset management fees, reduced by payments for operating costs, general and administrative expenses, and interest expense. Net cash provided by operating activities decreased in 2019 primarily due to a \$4.6 million increase in cash paid for interest on outstanding debt, which was mainly a result of higher debt balance, net of cash received on the interest rate swaps, a \$3.5 million decrease in operating distributions from the Dawsonville Bluffs Joint Venture, a \$1.5 million decrease in net timber sales, a \$0.6 million decrease in net timberland sales, and a \$0.7 million increase in general and administrative expenses, offset by a \$5.6 million increase in asset management fees earned from the Triple T Joint Venture and a \$2.2 million increase in working capital.

[Table of Contents](#)

Net cash provided by investing activities for the six months ended June 30, 2019 was \$4.0 million as compared to \$32.2 million used during the six months ended June 30, 2018. We did not make any direct acquisitions in the first half of 2019 as compared to making an earnest money deposit of \$30.0 million for the Triple T Timberlands and option payments of \$3.6 million for the Bandon Property in the second quarter of 2018. We received \$5.3 million in gross proceeds from large dispositions during the first half of 2019, offsetting a \$2.7 million decrease in distributions from the Dawsonville Bluffs Joint Venture.

Net cash used in financing activities for the six months ended June 30, 2019 was \$16.0 million as compared to \$16.1 million provided by financing activities for the six months ended June 30, 2018. We paid cash distributions of \$13.2 million to our stockholders during the six months ended June 30, 2019, funded from net cash provided by operating activities. We repurchased \$2.4 million in shares of our common stock under the SRP using cash on-hand. Net cash provided by financing activities for the six months ended June 30, 2018 included \$69.0 million of net proceeds from our equity offering conducted in March 2018 and proceeds from borrowings used to fund the Triple T Timberlands earnest money deposit.

We believe that we have access to adequate liquidity and capital resources, including cash flow generated from operations, cash on-hand and borrowing capacity, necessary to meet our current and future obligations that become due over the next 12 months. As of June 30, 2019, we had a cash balance of \$10.8 million and had access to \$165.0 million of additional borrowing capacity under the 2018 Amended Credit Agreement.

Long-Term Liquidity and Capital Resources

Over the long-term, we expect our primary sources of capital to include net cash flows from operations, including proceeds from timber sales, timberland sales, large dispositions, asset management fees, distributions from unconsolidated joint ventures, proceeds from secured or unsecured financings from banks and other lenders, and public offerings of equity or debt securities. Our principal demands for capital include operating expenses, interest expense on outstanding indebtedness, repayment of debt, timberland acquisitions, certain other capital expenditures, and stockholder distributions.

Contractual Obligations and Commitments

Our contractual obligations as of June 30, 2019 has not changed materially since December 31, 2018.

Distributions

Our board of directors declares cash distributions quarterly. The amount of future distributions that we may pay to our common stockholders will be determined by our board of directors. During the six months ended June 30, 2019, our board of directors declared the following distributions:

Declaration Date	Record Date	Payment Date	Distribution Per Share
February 14, 2019	February 28, 2019	March 15, 2019	\$0.135
May 2, 2019	May 31, 2019	June 14, 2019	\$0.135

For the six months ended June 30, 2019, we paid total distributions to stockholders of \$13.2 million, which was funded from net cash provided by operating activities.

On August 1, 2019, our board of directors declared a cash distribution of \$0.135 per share of common stock for stockholders of record on August 30, 2019, payable on September 13, 2019.

Results of Operations

Overview

[Table of Contents](#)

Our results of operations are materially impacted by the fluctuating nature of timber prices, changes in the levels and mix of our harvest volumes and associated depletion expense, changes to associated depletion rates, the level of timberland sales, management fees earned, large dispositions, varying interest expense based on the amount and cost of outstanding borrowings, and performance of our unconsolidated joint ventures.

Timber sales volumes, net timber sales prices, timberland sales, and changes in the levels and composition for the three months and six months ended June 30, 2019 and 2018 are shown in the following tables:

	Three Months Ended June 30,		Change %
	2019	2018	
<i>Timber sales volume (tons)</i> ⁽¹⁾			
Pulpwood	302,788	341,870	(11)%
Sawtimber ⁽²⁾	177,325	218,755	(19)%
	480,113	560,625	(14)%
<i>Harvest Mix</i> ⁽¹⁾			
Pulpwood	63%	61%	
Sawtimber ⁽²⁾	37%	39%	
Delivered % as of total volume	74%	80%	
Stumpage % as of total volume	26%	20%	
<i>Net timber sales price (per ton)</i> ⁽¹⁾⁽³⁾			
Pulpwood	\$ 14	\$ 13	2 %
Sawtimber ⁽²⁾	\$ 24	\$ 24	3 %
<i>Timberland sales</i>			
Gross sales (000's)	\$ 8,224	\$ 6,834	20 %
Sales volume (acres)	4,000	3,100	28 %
% of fee acres	0.9%	0.7%	
Sales price (per acre)	\$ 2,072	\$ 2,199	(6)%
<i>Large Dispositions</i> ⁽⁴⁾			
Gross sales (000's)	\$ 5,475	\$ —	
Sales volumes (acres)	3,600	—	
Sales price (per acre)	\$ 1,500	\$ —	

⁽¹⁾ Excludes approximately 14,500 tons harvested from the Bandon Property in the Pacific Northwest, which generated timber sales revenue of \$1.2 million. The Bandon Property was acquired at the end of August 2018. Total volume harvested from the Bandon Property for the three months ended June 30, 2019 accounted for less than 3% of our total harvest volume.

⁽²⁾ Includes chip-n-saw and sawtimber.

⁽³⁾ Prices per ton are rounded to the nearest dollar and shown on a stumpage basis (i.e., net of contract logging and hauling costs) and, as such, the sum of these prices multiplied by the tons sold does not equal timber sales in the accompanying consolidated statements of operations for the three months ended June 30, 2019 and 2018.

⁽⁴⁾ Large dispositions are sales of large blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions are typically larger transactions in acreage and gross sales price than recurring HBU sales and are not part of core operations, are infrequent in nature and would cause material variances in comparative results if not reported separately. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value.

[Table of Contents](#)

	Six Months Ended June 30,		Change %
	2019	2018	
<i>Timber sales volume (tons) ⁽¹⁾</i>			
Pulpwood	597,313	695,566	(14)%
Sawtimber ⁽²⁾	364,858	439,843	(17)%
	962,171	1,135,409	(15)%
<i>Harvest Mix ⁽¹⁾</i>			
Pulpwood	62%	61%	
Sawtimber ⁽²⁾	38%	39%	
Delivered % as of total volume	77%	82%	
Stumpage % as of total volume	23%	18%	
<i>Net timber sales price (per ton) ⁽¹⁾⁽³⁾</i>			
Pulpwood	\$ 14	\$ 14	3 %
Sawtimber ⁽²⁾	\$ 24	\$ 23	4 %
<i>Timberland sales</i>			
Gross sales (000's)	\$ 10,314	\$ 11,086	(7)%
Sales volume (acres)	4,900	5,300	(7)%
% of fee acres	1.1%	1.1%	
Sales price (per acre)	\$ 2,103	\$ 2,099	— %
<i>Large dispositions ⁽⁴⁾</i>			
Gross sales (000's)	\$ 5,475	\$ —	
Sales volumes (acres)	3,600	—	
Sales price (per acre)	\$ 1,500	\$ —	

⁽¹⁾ Excludes approximately 19,300 tons harvested from the Bandon Property in the Pacific Northwest, which generated timber sales revenue of \$1.7 million. The Bandon Property was acquired at the end of August 2018. Total volume harvested from the Bandon Property for the six months ended June 30, 2019 accounted for less than 2% of our total harvest volume.

⁽²⁾ Includes chip-n-saw and sawtimber.

⁽³⁾ Prices per ton are rounded to the nearest dollar and shown on a stumpage basis (i.e., net of contract logging and hauling costs) and, as such, the sum of these prices multiplied by the tons sold does not equal timber sales in the accompanying consolidated statements of operations for the six months ended June 30, 2019 and 2018.

⁽⁴⁾ Large dispositions are sales of large blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions are typically larger transactions in acreage and gross sales price than recurring HBU sales and are not part of core operations, are infrequent in nature and would cause material variances in comparative results if not reported separately. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value.

Our second quarter gross timber sales revenue was 8% lower than the same quarter of 2018 mainly due to a decrease in timber sales revenue in the South, offset by a moderately higher average prices in the U.S. South and contribution from the Bandon Property in the Pacific Northwest.

Our harvest volume in the U.S. South was 14% lower as compared to the second quarter of 2018. As a seasonal tendency in the second quarter, the Southern timber market was constrained by mill outages and wet weather. The decrease in harvest volume was expected and factored into our 2019 harvest plan. We remain on track to meet our full-year harvest

volume target. Our net sawtimber stumpage and net pulpwood stumpage prices were 3% and 2% higher, respectively, than the second quarter of 2018, trending with the overall TimberMart-South market. Our realized stumpage prices continue to hold a significant premium over South-wide averages as tracked by TimberMart-South as a result of operating in strong micro-markets where we selectively assembled our prime timberlands portfolio.

During the quarter, we harvested 14,500 tons from the Bandon Property in our Pacific Northwest region, which was acquired at the end of August 2018, generating approximately \$1.2 million in gross timber sales revenue. Over 90% of this volume was sawtimber. Over the remainder of the year, we anticipate increased harvest volume from Pacific Northwest, which will help drive up our sawtimber harvest mix.

We earned \$2.8 million in asset management fees during the second quarter of 2019, primarily from the Triple T Joint Venture. Asset management fees have and are expected to continue to drive year-over-year revenue growth in 2019.

Comparison of the three months ended June 30, 2019 versus the three months ended June 30, 2018

Revenues. Revenues for the three months ended June 30, 2019 were \$28.7 million, \$2.4 million higher than the three months ended June 30, 2018 as a result of a \$2.8 million increase in asset management fees primarily earned from the Triple T Joint Venture and a \$1.4 million increase in timberland sales revenue as we sold more acres, offset by a \$1.5 million decrease in timber sales revenue. Gross timber sales revenue decreased by \$1.5 million, or 8%, due to a 12% decrease in harvest volume mitigated by a 4% increase in average per-ton gross timber sales revenue. Harvest volume in the U.S. South decreased by 14% as a result of wet weather and mill outages, as anticipated in our 2019 harvest plan. We harvested 14,500 tons from the Bandon Property in the Pacific Northwest, which contributed \$1.2 million to the second quarter gross timber sales revenue.

Timber sales revenue by product for the three months ended June 30, 2019 and 2018 is shown in the following table:

<i>(in thousands)</i>	Three Months Ended June 30, 2018	Changes attributable to:		Three Months Ended June 30, 2019
		Price/Mix	Volume ⁽³⁾	
<i>Timber sales ⁽¹⁾</i>				
Pulpwood	\$ 9,540	\$ 250	\$ (1,551)	\$ 8,239
Sawtimber ⁽²⁾	8,205	206	(377)	8,034
	<u>\$ 17,745</u>	<u>\$ 456</u>	<u>\$ (1,928)</u>	<u>\$ 16,273</u>

⁽¹⁾ Timber sales are presented on a gross basis. Gross timber sales revenue from delivered sales includes logging and hauling costs that customers pay for deliveries.

⁽²⁾ Includes chip-n-saw and sawtimber.

⁽³⁾ Changes in timber sales revenue related to properties acquired or disposed within the last 12 months are attributed to volume changes.

Operating Expenses. Contract logging and hauling costs decreased to \$7.2 million for the three months ended June 30, 2019 from \$8.0 million for the three months ended June 30, 2018, a decrease of 10%, primarily as a result of a 18% decrease in delivered sales volume offset by higher logging rates. Logging rates were higher in the current quarter due to wet weather and salvage operations in certain regions in the U.S. South and harvesting in the Pacific Northwest region, where logging rates are generally much higher than in the U.S. South.

Depletion expense decreased 9% to \$6.0 million for the three months ended June 30, 2019 from \$6.6 million for the three months ended June 30, 2018 due to a 12% decrease in harvest volume, offset by higher blended depletion rates mainly as a result of harvest from the Pacific Northwest, which were depleted at much higher rates.

Cost of timberland sales increased to \$6.9 million for the three months ended June 30, 2019 from \$5.2 million for the three months ended June 30, 2018 as we sold more acres in 2019.

[Table of Contents](#)

Forestry management expenses increased to \$1.6 million for the three months ended June 30, 2019 from \$1.4 million for the three months ended June 30, 2018 primarily as a result of a \$0.2 million increase in allocated personnel costs as we serve as the asset manager of the Triple T Joint Venture.

General and administrative expenses were comparable to the prior year quarter.

Other operating expenses increased to \$1.6 million for the three months ended June 30, 2019 from \$1.4 million for the three months ended June 30, 2018 primarily as a result of more logging road and boundary maintenance work.

Interest expense. Interest expense increased \$2.2 million to \$4.7 million for the three months ended June 30, 2019 due to higher weighted-average debt outstanding and higher weighted average interest rate as a result of higher LIBOR. Our debt balance is higher in 2019 as compared to 2018 mainly due to borrowing \$200.0 million to fund our investment in the Triple T Joint Venture.

Loss from unconsolidated joint ventures. During the three months ended June 30, 2019, we recognized a \$28.6 million loss from the investment in the Triple T Joint Venture under the HLBV method of accounting. The HLBV method is commonly applied to equity investments in real estate where cash distributions vary at different points in time and are not directly linked to an investor's ownership percentage. See Note 4 — *Unconsolidated Joint Ventures* to our accompanying consolidated financial statements for additional information.

Net loss. Our net loss increased to \$30.6 million for the three months ended June 30, 2019 from \$1.5 million for the three months ended June 30, 2018 primarily due to a \$28.6 million loss from the Triple T Joint Venture, a \$0.7 million decrease in earnings from the Dawsonville Bluffs Joint Venture, and a \$2.2 million increase in interest expense, offset by a \$1.8 million increase in operating income and a \$0.8 million gain recognized from large dispositions. Our net loss per share for the three months ended June 30, 2019 and 2018 was \$0.62 and \$0.03, respectively.

Comparison of the six months ended June 30, 2019 versus the six months ended June 30, 2018

Revenues. Revenues for the six months ended June 30, 2019 were \$51.2 million, \$0.9 million higher than the six months ended June 30, 2018 as a result of a \$5.6 million increase in asset management fees primarily earned from the Triple T Joint Venture, offset by a \$3.6 million decrease in timber sales, a \$0.8 million decrease in timberland sales revenue, as we sold fewer acres, and a \$0.4 million decrease in other revenue. Gross timber sales revenue decreased by \$3.6 million, or 10%, due to a 14% decrease in harvest volume mitigated by a 4% increase in blended per-ton gross timber sales revenue. Harvest volume in the U.S. South decreased by 15% as a result of wet weather and mill outages, as anticipated in our 2019 harvest plan. We harvested 19,300 tons from the Bandon Property in the Pacific Northwest, which contributed \$1.7 million to gross timber sales revenue.

Timber sales revenue by product for the six months ended June 30, 2019 and 2018 is shown in the following table:

<i>(in thousands)</i>	Six Months Ended June 30, 2018	Changes attributable to:		Six Months Ended June 30, 2019
		Price/Mix	Volume ⁽³⁾	
<i>Timber sales ⁽¹⁾</i>				
Pulpwood	\$ 19,204	\$ 591	\$ (2,823)	\$ 16,972
Sawtimber ⁽²⁾	17,194	450	(1,792)	15,852
	<u>\$ 36,398</u>	<u>\$ 1,041</u>	<u>\$ (4,615)</u>	<u>\$ 32,824</u>

(1) Timber sales are presented on a gross basis. Gross timber sales revenue from delivered sales includes logging and hauling costs that customers pay for deliveries.

(2) Includes chip-n-saw and sawtimber.

(3) Changes in timber sales revenue related to properties acquired or disposed within the last 12 months are attributed to volume changes.

[Table of Contents](#)

Operating Expenses. Contract logging and hauling costs decreased to \$14.5 million for the six months ended June 30, 2019 from \$16.5 million for the six months ended June 30, 2018, a decrease of 12%, primarily as a result of a 18% decrease in delivered sales volume offset by higher logging rates. Logging rates were higher in the current quarter due to wet weather and salvage operations in certain regions in the U.S. South and harvesting in the Pacific Northwest region, where logging rates are generally much higher than in the U.S. South.

Depletion expense decreased 17% to \$11.3 million for the six months ended June 30, 2019 from \$13.7 million for the six months ended June 30, 2018 due to a 14% decrease in harvest volume, offset by higher blended depletion rates mainly as a result of harvest from the Pacific Northwest, which were depleted at much higher rates.

General and administrative expenses increased to \$6.6 million for the six months ended June 30, 2019 from \$6.1 million for the six months ended June 30, 2018 primarily due to a \$0.3 million increase in personnel costs due to increased headcount for managing a growing business.

Other operating expenses increased to \$3.3 million for the six months ended June 30, 2019 from \$2.8 million for the six months ended June 30, 2018 primarily due to cost basis removed related to an expired timber lease and higher expenditures on logging road and boundary maintenance.

Interest expense. Interest expense increased \$2.5 million to \$9.3 million for the six months ended June 30, 2019 due to higher weighted-average debt outstanding and higher weighted average interest rate as a result of higher LIBOR. Our debt balance in 2019 is higher due to borrowing \$200.0 million to fund our investment in the Triple T Joint Venture.

Loss from unconsolidated joint ventures. For the six months ended June 30, 2019, we recognized a \$56.1 million loss from the investment in the Triple T Joint Venture under the HLBV method of accounting. The HLBV method is commonly applied to equity investments in real estate where cash distributions vary at different points in time and are not directly linked to an investor's ownership percentage. See Note 4 — *Unconsolidated Joint Ventures* to our accompanying consolidated financial statements for additional information.

Net loss. Our net loss increased to \$61.0 million for the six months ended June 30, 2019 from \$4.9 million for the six months ended June 30, 2018 primarily due to the \$56.1 million loss from the Triple T Joint Venture. Our net loss per share for the six months ended June 30, 2019 and 2018 was \$1.24 and \$0.10, respectively.

Adjusted EBITDA

The discussion below is intended to enhance the reader's understanding of our operating performance and ability to satisfy lender requirements. EBITDA is a non-GAAP financial measure of operating performance. EBITDA is defined by the SEC as earnings before interest, taxes, depreciation and amortization; however, we have excluded certain other expenses which we believe are not indicative of the ongoing operating results of our timberland portfolio, and we refer to this measure as Adjusted EBITDA (see the reconciliation table below). As such, our Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. Due to the significant amount of timber assets subject to depletion, significant income (losses) from unconsolidated joint ventures based on HLBV, and the significant amount of financing subject to interest and amortization expense, management considers Adjusted EBITDA to be an important measure of our financial performance. By providing this non-GAAP financial measure, together with the reconciliation below, we believe we are enhancing investors' understanding of our business and our ongoing results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. Items excluded from Adjusted EBITDA are significant components in understanding and assessing financial performance. Adjusted EBITDA is a supplemental measure of operating performance that does not represent and should not be considered in isolation or as an alternative to, or substitute for net income, cash flow from operations, or other financial statement data presented in accordance with GAAP in our consolidated financial statements as indicators of our operating performance. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of the limitations are:

- Adjusted EBITDA does not reflect our capital expenditures, or our future requirements for capital expenditures;

- Adjusted EBITDA does not reflect changes in, or our interest expense or the cash requirements necessary to service interest or principal payments on, our debt;
- Although depletion is a non-cash charge, we will incur expenses to replace the timber being depleted in the future, and Adjusted EBITDA does not reflect all cash requirements for such expenses; and
- Although HLBV income and losses are primarily hypothetical and non-cash in nature, Adjusted EBITDA does not reflect cash income or losses from unconsolidated joint ventures for which we use the HLBV method of accounting to determine our equity in earnings.

Due to these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. Our credit agreement contains a minimum debt service coverage ratio based, in part, on Adjusted EBITDA since this measure is representative of adjusted income available for interest payments. We further believe that our presentation of this non-GAAP financial measurement provides information that is useful to analysts and investors because they are important indicators of the strength of our operations and the performance of our business.

For the three months ended June 30, 2019, Adjusted EBITDA was \$15.1 million, a \$1.1 million increase from the three months ended June 30, 2018, primarily due to a \$2.8 million increase in asset management fee revenue and a \$1.4 million increase in net timberland sales, offset by a \$1.4 million decrease in Adjusted EBITDA generated by the Dawsonville Bluffs Joint Venture, a \$0.7 million decrease in net timber sales, a \$0.3 million decrease in other revenue, a \$0.3 million increase in general and administrative expenses, and a \$0.3 million increase in forest management and other operating expenses.

For the six months ended June 30, 2019, Adjusted EBITDA was \$25.2 million, a \$3.7 million decrease from the six months ended June 30, 2018, primarily due to a \$5.9 million decrease in Adjusted EBITDA generated by the Dawsonville Bluffs Joint Venture, a \$1.5 million decrease in net timber sales, a \$0.6 million decrease in net timberland sales, a \$0.4 million decrease in other revenue, a \$0.7 million increase in general and administrative expenses, a \$0.2 million increase in forest management expenses, offset by a \$5.6 million increase in asset management fee revenue.

Our reconciliation of net loss to Adjusted EBITDA for the three months and six months ended June 30, 2019 and 2018 follows:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss	\$ (30,565)	\$ (1,505)	\$ (60,960)	\$ (4,890)
Add:				
Depletion	6,030	6,598	11,298	13,660
Basis of timberland sold, lease terminations and other ⁽¹⁾	6,668	4,932	8,475	7,788
Amortization ⁽²⁾	229	314	687	2,039
Depletion, amortization, basis of timberland, mitigation credits sold included in loss from unconsolidated joint venture ⁽³⁾	—	590	395	3,846
HLBV loss from unconsolidated joint venture ⁽⁴⁾	28,600	—	56,088	—
Stock-based compensation expense	490	796	1,149	1,561
Interest expense ⁽²⁾	4,395	2,290	8,767	4,871
Gain on large dispositions ⁽⁵⁾	(764)	—	(764)	—
Other ⁽⁶⁾	4	—	114	35
Adjusted EBITDA	\$ 15,087	\$ 14,015	\$ 25,249	\$ 28,910

- (1) Includes non-cash basis of timber and timberland assets written-off related to timberland sold, terminations of timberland leases and casualty losses.
- (2) For the purpose of the above reconciliation, amortization includes amortization of deferred financing costs, amortization of intangible lease assets, and amortization of mainline road costs, which are included in either interest expense, land rent expense, or other operating expenses in the accompanying consolidated statements of operations.
- (3) Reflects our share of depletion, amortization, and basis of timberland and mitigation credits sold of the unconsolidated Dawsonville Bluffs Joint Venture.
- (4) Reflects HLBV losses from the Triple T Joint Venture, which is determined based on a hypothetical liquidation of the underlying joint venture at book value as of the reporting date.
- (5) Large dispositions are sales of large blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions are typically larger transactions in acreage and gross sales price than recurring HBU sales and are not part of core operations, are infrequent in nature and would cause material variances in comparative results if not reported separately. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value.
- (6) Includes certain cash expenses paid, or reimbursement received, that management believes do not directly reflect the core business operations of our timberland portfolio on an on-going basis, including costs required to be expensed by GAAP related to acquisitions, transactions, joint ventures or new business initiatives.

Application of Critical Accounting Policies

There have been no material changes to our critical accounting policies from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

As a result of our debt facilities, we are exposed to interest rate changes. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we have entered into ten interest rate swaps, and may enter into other interest rate swaps, caps, or other arrangements in order to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes; however, certain of our derivatives may not qualify for hedge accounting treatment. All of our debt was entered into for other than trading purposes. We manage our ratio of fixed-to-floating-rate debt with the objective of achieving a mix that we believe is appropriate in light of anticipated changes in interest rates. We closely monitor interest rates and will continue to consider the sources and terms of our borrowing facilities to determine whether we have appropriately guarded ourselves against the risk of increasing interest rates in future periods.

As of June 30, 2019, the outstanding balance under the 2018 Amended Credit Agreement was \$478.6 million, of which \$100.0 million was outstanding under the Term Loan A-1, \$100.0 million was outstanding under the Term Loan A-2, \$68.6 million was outstanding under the Term Loan A-3, \$140.0 million was outstanding under the Term Loan A-4, and \$70.0 million was outstanding under the Multi-Draw Term Facility. The Term Loan A-1 matures on December 23, 2024 and bears interest at an adjustable rate based on one-month LIBOR Rate plus a margin of 1.75%, the Term Loan A-2 matures on December 1, 2026 and bears interest at an adjustable rate based on one-month LIBOR Rate plus a margin of 1.90%, the Term Loan A-3 matures on December 1, 2027 and bears interest at an adjustable rate based on one-month LIBOR Rate plus a margin of 2.0%, the Term Loan A-4 matures on August 22, 2025 and bears interest at an adjustable rate based on one-month LIBOR Rate plus a margin of 1.70%, and the Multi-Draw Term Facility matures on December 1, 2024 and bears interest at an adjustable rate equal to a base rate plus between 0.50% and 1.20% or a LIBOR rate plus between 1.50% and 2.20%, in each case depending on our LTV Ratio.

As of June 30, 2019, we had ten outstanding interest rate swaps with a total notional value of \$350.0 million. See *Note 6 — Interest Rate Swaps* of our accompanying financial statements for further details on our interest rate swaps. After consideration of the interest rate swaps, \$128.6 million of our total debt outstanding is subject to variable interest rates while the remaining \$350.0 million is subject to effectively fixed interest rates. A change in the market interest rate impacts the net financial instrument position of our effectively fixed-rate debt portfolio; however, it has no impact on interest incurred or cash flows.

[Table of Contents](#)

Details of our variable-rate and effectively fixed-rate debt outstanding as of June 30, 2019, along with the corresponding average interest rates, are listed below:

(dollars in thousands)	Expected Maturity Date						Total
	2019	2020	2021	2022	2023	Thereafter	
Maturing debt:							
Variable-rate debt	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 128,619	\$ 128,619
Effectively fixed-rate debt	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 350,000	\$ 350,000
Average interest rate:							
Variable-rate debt	—%	—%	—%	—%	—%	4.43%	4.43%
Effectively fixed-rate debt	—%	—%	—%	—%	—%	4.26%	4.26%

As of June 30, 2019, the weighted-average interest rate of our outstanding debt, after consideration of the interest rate swaps, was 4.30%. A 1.0% change in interest rates would result in a change in interest expense of approximately \$1.3 million per year. The amount of variable-rate debt outstanding in the future will largely dependent upon the level of cash from operations and the rate at which we are able to deploy such proceeds toward repayment of outstanding debt, the acquisition of timberland properties, and investments in joint ventures.

ITEM 4. CONTROLS AND PROCEDURES

Management's Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods in SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are party to legal proceedings, which arise in the ordinary course of our business. We are not currently involved in any legal proceedings of which the outcome is reasonably likely to have a material adverse effect on our results of operations or financial condition, nor are we aware of any such legal proceedings contemplated by governmental authorities.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information regarding our purchases of our common stock during the quarter ended June 30, 2019:

Period	Total Number of Shares Repurchased ⁽²⁾	Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Average Price Paid per Share ⁽¹⁾	Maximum Number (Or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
April 1 - April 30	—	\$ —	—	\$ —	\$ 17.7 million
May 1 - May 31	—	\$ —	—	\$ —	\$ 17.7 million
June 1 - June 30	135,410	\$ 10.34	135,410	\$ 10.34	\$ 16.3 million
Total	135,410		135,410		

⁽¹⁾ See *Item 2— Management Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources* for details of our SRP .

⁽²⁾ Represents shares purchased for tax withholding purposes and shares purchased as part of our SRP.

ITEM 6. EXHIBITS

The exhibits required to be filed with this report are set forth below and incorporated by reference herein.

Exhibit Number	Description
3.1	Sixth Articles of Amendment and Restatement of CatchMark Timber Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed on August 9, 2013)
3.2	First Articles of Amendment to the Sixth Articles of Amendment and Restatement of CatchMark Timber Trust, Inc. (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-11 (File No. 333-191322) filed on September 23, 2013)
3.3	Articles of Amendment of CatchMark Timber Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on October 25, 2013 (the "October 25 Form 8-K"))
3.4	Articles of Amendment of CatchMark Timber Trust, Inc. (incorporated by reference to Exhibit 3.2 to the October 25 Form 8-K)
3.5	Articles Supplementary (incorporated by reference to Exhibit 3.3 to the October 25 Form 8-K)
3.6	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.6 to Registration Statement on Form S-8 (File No. 333-191916) filed on October 25, 2013)
10.1*	First Amendment to Second Amended and Restated Agreement of Limited Partnership of CatchMark Timber Operating Partnership, L.P. dated as of June 28, 2019
10.2*	CatchMark Timber Trust, Inc. Amended and Restated Independent Director Compensation Plan (effective as of April 11, 2019), a sub-plan of the CatchMark Timber Trust, Inc. 2017 Incentive Plan (the "Independent Director Compensation Plan")
10.3*	Form of Time-Based Restricted Stock Award Certificate for Independent Directors under the Independent Director Compensation Plan
10.4*	Form of Long-Term Incentive Plan Unit Award Certificate for Independent Directors under the Independent Director Compensation Plan
10.5*	Consent and Second Agreement Regarding Amendments, dated as of June 28, 2019, by and among CatchMark Timber Operating Partnership, L.P., CoBank ACB and certain financial institutions named therein
31.1*	Certification of the Principal Executive Officer of the Company, pursuant to Securities Exchange Act Rule 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Principal Financial Officer of the Company, pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of the Principal Executive Officer and Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CATCHMARK TIMBER TRUST, INC.
(Registrant)

Date: August 1, 2019

By: /s/ Brian M. Davis

Brian M. Davis
President and Chief Financial Officer
(Principal Financial Officer)

**FIRST AMENDMENT TO THE
SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P.**

This First Amendment (this “Amendment”) to the Second Amended and Restated Agreement of Limited Partnership of CatchMark Timber Operating Partnership, L.P., a Delaware limited partnership (the “Partnership”) dated as of October 31, 2018 (the “LP Agreement”), shall be effective as of June 28, 2019 (the “Amendment Date”). All capitalized terms used and not defined in this Amendment shall have the meanings ascribed to such terms in the LP Agreement.

RECITALS

Pursuant to the LP Agreement, the General Partner may amend the LP Agreement, subject to complying with Article XI of the LP Agreement. The General Partner has complied with Article XI of the LP Agreement and this Amendment shall become effective as of the Amendment Date.

NOW, THEREFORE, the LP Agreement is hereby amended as follows:

1. **Amendments.**

A. Section 2.06 of the LP Agreement is hereby deleted in its entirety and replaced with the following:

“2.06 Partnership Interests.

(a) Each Partnership Interest in the Partnership is uncertificated and shall not constitute a “security” within the meaning of, and governed by, (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware (the “UCC”), or (ii) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

(b) [Reserved].

(c) The Partnership shall maintain books for the purpose of registering the transfer of Partnership Interests.

(d) [Reserved].

(e) This Section 2.06 may not be amended or otherwise modified so long as a Partner’s (or any other equity holder of the Partnership’s) interests in the Company are subject to a pledge, hypothecation or other assignment as collateral to any Lender to the Partnership (or any affiliate of the Partnership) or any agent acting on such lender’s behalf without the prior written consent of any such lender or agent (or the transferee of any such lender or agent). Each recipient of a pledge, hypothecation or other assignment as collateral of all or any portion of a Partner’s Pledged General Partnership Collateral or Pledged Limited Partnership Collateral shall be a third party beneficiary of the provisions of this Section 2.06.”

B. Exhibit B attached to the LP Agreement is hereby deleted and shall be designated as [Reserved].

C. Section 4.02(c)(v) of the LP Agreement is hereby deleted in its entirety and replaced with the following:

(v) Legend. The books and records of the Partnership as maintained by the General Partner or by its agent shall bear an appropriate notation or legend indicating that additional terms, conditions and restrictions on transfer, including without limitation those set forth in a Vesting Agreement, apply to LTIP Units.

D. Exhibit A attached to the LP Agreement is hereby amended and restated and attached hereto as Exhibit A.

2. General Provisions.

A. On and after the Amendment Date, each reference in the LP Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the LP Agreement shall mean, and be a reference to, the LP Agreement as amended by this Amendment; provided, that references in the Agreement to “as of the date hereof” or “as of the date of this Agreement” or words of like import shall continue to refer to October 31, 2018.

B. This Amendment shall become effective as of the Amendment Date.

C. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

D. The LP Agreement, as amended by this Amendment, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

E. In the event that any provision of this Amendment or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Amendment will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Amendment with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

Remainder of page left intentionally blank; signature page follows

IN WITNESS WHEREOF, the parties hereto have hereunder affixed their signatures to this First Amendment to the Second Amended and Restated Agreement of Limited Partnership, as of the 28th day of June, 2019.

GENERAL PARTNER:

CATCHMARK TIMBER TRUST, INC.

By: /s/ Brian M. Davis

Name: Brian M. Davis

Title: President and Chief Financial Officer

EXHIBIT A
PARTNERSHIP UNITS

June 28, 2019

<u>Partner</u>	<u>Capital Contribution</u>	<u>Common Units</u>	<u>LTIP Units</u>	<u>Percentage Interest</u>	<u>Percentage Interest for Section 5.02(e) ¹</u>
GENERAL PARTNER					
CatchMark Timber Trust, Inc. 5 Concourse Parkway Suite 2325 Atlanta, Georgia 30328					
	\$ 748,541,086	48,964,603	—	99.9996%	99.5131%
LIMITED PARTNER					
CatchMark LP Holder, LLC 5 Concourse Parkway Suite 2325 Atlanta, GA 30328					
	\$ 2,000	200	—	0.0004%	0.0004%
Jerrold Barag	\$ —	—	136,099	—%	0.2766%
Brian M. Davis	\$ —	—	83,186	—%	0.1691%
Paul S. Fisher	\$ —	—	6,699	—%	0.0136%
Mary E. McBride	\$ —	—	6,699	—%	0.0136%
Henry G. Zigtema	\$ —	—	6,699	—%	0.0136%
TOTAL	<u>\$ 748,543,086</u>	<u>48,964,803</u>	<u>239,382</u>	<u>100%</u>	<u>100%</u>

See Section 5.02(e) for the calculation of Percentage Interests for purposes of distributions.

CATCHMARK TIMBER TRUST, INC.
AMENDED AND RESTATED INDEPENDENT DIRECTOR COMPENSATION PLAN

ARTICLE 1
PURPOSE

1.1. BACKGROUND. The Plan is considered to be and shall be operated as a subplan of the Equity Incentive Plan.

1.2. PURPOSE. The purpose of the Plan is to attract, retain and compensate highly-qualified individuals who are not employees of the Company or any of its Affiliates for service as members of the Board by providing them with competitive compensation and a direct or indirect ownership interest in the Stock of the Company. The Company intends that the Plan will benefit the Company and its stockholders by allowing Independent Directors to have a personal financial stake in the Company through a direct or indirect ownership interest in the Stock and will closely associate the interests of Independent Directors with that of the Company's stockholders.

1.3. ELIGIBILITY. Independent Directors of the Company who are Eligible Participants, as defined below, shall automatically be participants in the Plan.

ARTICLE 2
DEFINITIONS

2.1. DEFINITIONS. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Equity Incentive Plan. Unless the context clearly indicates otherwise, the following terms shall have the following meanings:

“Annual Meeting” means the Company’s annual general meeting of its stockholders to elect members of the Board and transact such other business as may be determined by the Company.

(a)

“Annual Stock Retainer” means with respect to each Independent Director for each Plan Year, the dollar value to be delivered in the form of annual Equity Awards under the Plan, as established from time to time by the Board and set forth in Schedule I hereto.

(b)

“Base Cash Retainer” means the annual cash retainer (excluding any Supplemental Cash Retainer and expenses) payable by the Company to an Independent Director pursuant to Section 5.1 hereof for service as a director of the Company, as established from time to time by the Board and set forth in Schedule I hereto.

(c)

“Board” means the Board of Directors of the Company.

(d)

“Charter” means the articles of incorporation of the Company, as such articles of incorporation may be amended from time to time

(e)

“Company” means CatchMark Timber Trust, Inc., a Maryland corporation, or any successor corporation.

(f)

“Effective Date” of the Plan means October 1, 2015.

(g)

“Eligible Participant” means any person who is an Independent Director on the Effective Date or becomes an Independent Director while this Plan is in effect.

(h)

LEGAL02/35945871v6

- “Equity Award” means stock options, stock awards, restricted stock, restricted stock units, stock appreciation rights, LTIP Units or other awards based on or derived from the Stock which are authorized under the Equity Incentive Plan for award to Independent Directors.
- (i)

- “Equity Incentive Plan” means the CatchMark Timber Trust, Inc. 2017 Incentive Plan, and any subsequent equity compensation plan approved by the stockholders and designated by the Board as the Equity Incentive Plan for purposes of this Plan.
- (j)

- (k) “Independent Director” has the meaning given such term in the Charter.

- (l) “LTIP Units” have the meaning given such term in the LTI Program Plan.

- (m) “LTI Program Plan” means the CatchMark Timber Trust, Inc. LTI Program Plan.

- “Non-Executive Chair” means the Independent Director who has been designated by the Board as the Non-Executive Chair under the Company’s Bylaws.
- (n)

- “Plan” means this CatchMark Timber Trust, Inc. Amended and Restated Independent Director Compensation Plan, as amended from time to time.
- (o)

- “Plan Year(s)” means the calendar year, which, for purposes of the Plan, is the period for which annual retainers are earned.
- (p)

- (q) “Stock” means the Class A common stock, par value \$0.01 per share, of the Company.

- “Supplemental Cash Retainer” means the supplemental annual cash retainer (excluding Base Cash Retainer and expenses) payable by the Company to an Independent Director pursuant to Section 5.2 hereof for service as Non-Executive Chair or chair of a committee of the Board, as established from time to time by the Board and set forth in Schedule I hereto.
- (r)

ARTICLE 3 ADMINISTRATION

3.1. **ADMINISTRATION.** The Plan shall be administered by the Board. Subject to the provisions of the Plan, the Board shall be authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The Board’s interpretation of the Plan, and all actions taken and determinations made by the Board pursuant to the powers vested in it hereunder, shall be conclusive and binding upon all parties concerned including the Company, its stockholders and persons granted awards under the Plan. The Board may appoint a plan administrator to carry out the ministerial functions of the Plan, but the administrator shall have no other authority or powers of the Board.

3.2. **RELIANCE.** In administering the Plan, the Board may rely upon any information furnished by the Company, its public accountants and other experts. No individual will have personal liability by reason of anything done or omitted to be done by the Company or the Board in connection with the Plan. This limitation of liability shall not be exclusive of any other limitation of liability to which any such person may be entitled under the Company’s Charter or otherwise.

3.3. **INDEMNIFICATION.** Each person who is or has been a member of the Board or who otherwise participates in the administration or operation of this Plan shall be indemnified by the Company against, and held harmless from, any loss, cost, liability or expense that may be imposed upon or incurred by him or her in connection with or resulting from any claim, action, suit or proceeding in which such person may be involved by reason of any action taken or failure to act under the Plan and shall be fully reimbursed by the Company for any and all amounts paid by such person in satisfaction of judgment against him or her in any such action, suit or proceeding, provided he or she will give the Company an opportunity, by written notice to the Board, to defend the

LEGAL02/35945871v6

same at the Company's own expense before he or she undertakes to defend it on his or her own behalf. This right of indemnification shall not be exclusive of any other rights of indemnification to which any such person may be entitled under the Company's Charter, bylaws, contract or Maryland law.

ARTICLE 4 SHARES

4.1. SOURCE OF SHARES FOR THE PLAN. The shares of Stock and/or Equity Awards that may be issued pursuant to the Plan shall be issued under the Equity Incentive Plan, subject to all of the terms and conditions of the Equity Incentive Plan. The terms contained in the Equity Incentive Plan are incorporated into and made a part of this Plan with respect to Equity Awards granted pursuant hereto, and any such awards shall be governed by and construed in accordance with the Equity Incentive Plan. In the event of any actual or alleged conflict between the provisions of the Equity Incentive Plan and the provisions of this Plan, the provisions of the Equity Incentive Plan shall be controlling and determinative. This Plan does not constitute a separate source of shares for the grant of the Equity Awards described herein.

ARTICLE 5 CASH COMPENSATION

5.1. BASE CASH RETAINER. Each Eligible Participant shall be paid a Base Cash Retainer for service as a director during each Plan Year, payable in such form as shall be elected by the Eligible Participant in accordance with Section 7.1. The amount of the Base Cash Retainer shall be established from time to time by the Board. The amount of the Base Cash Retainer is set forth in Schedule I, as amended from time to time by the Board. The Base Cash Retainer shall be payable in approximately equal quarterly installments in advance. Each person who first becomes an Eligible Participant on a date other than the beginning of a Plan Year shall be paid a pro rata amount of the Base Cash Retainer for that Plan Year to reflect the actual number of days served in the Plan Year.

5.2. SUPPLEMENTAL CASH RETAINER. The Non-Executive Chair and the chairs of each committee of the Board may be paid a Supplemental Cash Retainer during a Plan Year, payable at the same times as installments of the Base Cash Retainer are paid and in such form as shall be elected by the Eligible Participant in accordance with Section 7.2. The amount of the Supplemental Cash Retainers shall be established from time to time by the Board, and shall be set forth in Schedule I, as amended from time to time by the Board. The Supplemental Cash Retainer shall be payable in approximately equal quarterly installments in advance. A pro rata Supplemental Cash Retainer will be paid to any Eligible Participant who is elected by the Board to a position eligible for a Supplemental Cash Retainer on a date other than the beginning of a Plan Year, to reflect the actual number of days served in such eligible capacity during the Plan Year.

5.3. EXPENSE REIMBURSEMENT. All Eligible Participants shall be reimbursed for reasonable travel expenses in connection with attendance at meetings of the Board and its committees, or other Company functions at which the Chief Executive Officer or the Non-Executive Chair requests the director to participate. Notwithstanding the foregoing, the Company's reimbursement obligations pursuant to this Section 5.3 shall be limited to expenses incurred while the Independent Director serves on the Board in the capacity as an Independent Director. Such payments will be made within thirty (30) days after delivery of the Independent Director's written requests for payment, accompanied by such evidence of expenses incurred as the Company may reasonably require, but in no event later than the December 31 following the year in which the expense was incurred. The amount reimbursable in any one tax year shall not affect the amount reimbursable in any other tax year. Independent Directors' right to reimbursement pursuant to this Section 5.3 shall not be subject to liquidation or exchange for another benefit.

ARTICLE 6 EQUITY COMPENSATION

6.1. INITIAL STOCK GRANT. Subject to share availability under the Equity Incentive Plan, each person who first becomes an Eligible Participant on a date other than the date of an Annual Meeting shall receive, on the date that he or she is appointed to the Board (the "Initial Stock Grant Date") an initial grant of shares of Restricted

LEGAL02/35945871v6

Stock (the “Initial Stock Grant”). The number of shares of Restricted Stock in the Initial Stock Grant shall be determined by (A) prorating the Annual Stock Retainer as in effect for that Plan Year based on the number of calendar days between the date that Eligible Participant is appointed to the Board and the next scheduled Annual Meeting (the “Prorated Stock Retainer”), (B) dividing the Prorated Stock Retainer by the Fair Market Value of the Stock on the Initial Stock Grant Date, and (C) rounding to the nearest whole number.

6.2. ANNUAL STOCK GRANT.

(a) Subject to share availability under the Equity Incentive Plan, on the first business day immediately following the date on which the Company holds its Annual Meeting (the “Annual Stock Grant Date”), each Eligible Participant in service on such date shall receive an annual stock grant (the “Annual Stock Grant”). The Eligible Participant shall elect to receive his or her Annual Stock Grant in the form of Restricted Stock or LTIP Units.

(i) If so elected, the number of shares of Restricted Stock in the Annual Stock Grant shall be determined by (A) dividing the Annual Stock Retainer as in effect for that Plan Year by the Fair Market Value of the Stock on the Annual Stock Grant Date, and (B) rounding to the nearest whole number.

(ii) If so elected, the number of LTIP Units in the Annual Stock Grant shall be determined by (A) dividing the Annual Stock Retainer as in effect for that Plan Year by the Fair Market Value of the Stock on the Annual Stock Grant Date, and (B) rounding to the nearest whole number.

(b) Each Eligible Participant shall elect the form of his or her Annual Stock Grant for a Plan Year by delivering a valid Election Form to the Secretary of the Company prior to the Annual Stock Grant Date. The Election Form signed by the Eligible Participant will be irrevocable for the next upcoming Annual Stock Grant. However, prior to an Annual Stock Grant Date, an Eligible Participant may change his or her election by executing and delivering a new Election Form. If an Eligible Participant fails to deliver a new Election Form prior to the Annual Stock Grant Date, his or her Election Form in effect for the previous Annual Stock Grant shall continue in effect for the next Annual Stock Grant.

6.3. VESTING. Unless and until provided otherwise by the Board, (i) the Initial Stock Grant granted pursuant to Section 6.1 hereof shall become vested and non-forfeitable as to one hundred percent (100%) of the award on the first anniversary of the Initial Stock Grant Date, subject to the Independent Director’s Continuous Service on such date; and (ii) the Annual Stock Grant granted pursuant to Section 6.2 hereof shall become vested and non-forfeitable as to one hundred percent (100%) of the award on the date of the Annual Meeting that occurs in the immediately following year, subject to the Independent Director’s Continuous Service on such date; provided that to the extent the Annual Stock Grant vests as of a date that is earlier than two weeks prior to the anniversary date of the immediately preceding year’s Annual Meeting, such award shall count against the five percent (5%) exception limit set forth in Section 14.6 of the Equity Incentive Plan. Notwithstanding the foregoing, the Initial Stock Grant and the Annual Stock Grant shall become fully vested on the earlier occurrence of the termination of the Independent Director’s service as a director of the Company due to his or her death or Disability. If the Independent Director’s service as a director of the Company terminates other than as described in the foregoing sentence, then the Independent Director shall forfeit all of his or her right, title and interest in and to any unvested portion of the Initial Stock Grant and/or the Annual Stock Grant as of the date of such termination from the Board and such award(s) shall be reconveyed to the Company without further consideration or any act or action by the Independent Director.

6.4. Other Plan Conditions. To the extent not specified herein, the Initial Stock Grants and Annual Stock Grants shall be subject to the terms and conditions of the Equity Incentive Plan.

6.5. ADJUSTMENTS. For the avoidance of doubt, the adjustment provisions of the Equity Incentive Plan (along with all of the other provisions of the Equity Incentive Plan) shall apply with respect to all Equity Awards granted pursuant to this Plan.

LEGAL02/35945871v6

6.6. AWARD CERTIFICATES. All Equity Awards granted pursuant to this Article 6 shall be evidenced by a written award certificate, which shall include such provisions, not inconsistent with the Plan or the Equity Incentive Plan, as may be specified by the Board.

ARTICLE 7 ALTERNATIVE FORM OF PAYMENT FOR RETAINERS

7.1. PAYMENT OF BASE CASH RETAINER. At the election of each Eligible Participant, the Base Cash Retainer for a given Plan Year shall be either (i) payable in cash, or (ii) subject to share availability under the Equity Incentive Plan, payable by a grant on the same day that the Base Cash Retainer, if payable in cash, would be paid (the “Base Cash Retainer Stock Grant Date”) of a number of shares of Stock determined by (A) dividing the Base Cash Retainer as in effect for that Plan Year, by the Fair Market Value of the Stock on the Base Cash Retainer Stock Grant Date, and (B) rounding to the nearest whole number. Any shares of Stock granted under the Plan as the Base Cash Retainer under clause (ii) above will be 100% vested and nonforfeitable as of the Base Cash Retainer Stock Grant Date, and the Eligible Participant receiving such shares (or his or her custodian, if any) will have immediate rights of ownership in the shares, including the right to vote the shares and the right to receive dividends or other distributions thereon.

7.2. PAYMENT OF SUPPLEMENTAL CASH RETAINER. At the election of each Eligible Participant, the Supplemental Cash Retainer for a given Plan Year shall be either (i) payable in cash, or (ii) subject to share availability under the Equity Incentive Plan, payable by a grant on the same day that the Supplemental Cash Retainer, if payable in cash, would be paid (the “Supplemental Cash Retainer Stock Grant Date”) of a number of shares of Stock determined by (A) dividing the Supplemental Cash Retainer as in effect for that Plan Year, by the Fair Market Value of the Stock on the Supplemental Cash Retainer Stock Grant Date, and (B) rounding to the nearest whole number. Any shares of Stock granted under the Plan as the Base Cash Retainer under clause (ii) above will be 100% vested and nonforfeitable as of the Supplemental Cash Retainer Stock Grant Date, and the Eligible Participant receiving such shares (or his or her custodian, if any) will have immediate rights of ownership in the shares, including the right to vote the shares and the right to receive dividends or other distributions thereon.

7.3. TIMING AND MANNER OF PAYMENT ELECTION. Each Eligible Participant shall elect the form of payment desired for his or her Base Cash Retainer and/or Supplemental Cash Retainer for a Plan Year by delivering a valid Election Form to the Secretary of the Company prior to the beginning of such Plan Year, which will be effective as of the first day of the Plan Year beginning after the Secretary receives the Eligible Participant’s Election Form. The Election Form signed by the Eligible Participant prior to the Plan Year will be irrevocable for the coming Plan Year. However, prior to the commencement of the following Plan Year, an Eligible Participant may change his or her election for future Plan Years by executing and delivering a new Election Form. If an Eligible Participant fails to deliver a new Election Form prior to the commencement of the new Plan Year, his or her Election Form in effect during the previous Plan Year shall continue in effect during the new Plan Year. If no Election Form is filed or effective, the Base Cash Retainer and/or Supplemental Cash Retainer will be paid in cash.

ARTICLE 8 AMENDMENT, MODIFICATION AND TERMINATION

8.1. AMENDMENT, MODIFICATION AND TERMINATION. The Board may terminate or suspend the Plan at any time, without stockholder approval. The Board may amend the Plan at any time and for any reason without stockholder approval; provided, however, that the Board may condition any amendment on the approval of stockholders of the Company if such approval is necessary or deemed advisable with respect to tax, securities or other applicable laws, policies or regulations. No termination, modification or amendment of the Plan may, without the consent of an Independent Director, adversely affect an Independent Director’s rights under an award granted prior thereto.

ARTICLE 9 GENERAL PROVISIONS

LEGAL02/35945871v6

9.1. DURATION OF THE PLAN. The Plan shall remain in effect until terminated by the Board or the earlier termination or expiration of the Equity Incentive Plan, including any successor plans.

9.2. EXPENSES OF THE PLAN. The expenses of administering the Plan shall be borne by the Company.

The foregoing is hereby acknowledged as being the CatchMark Timber Trust, Inc. Amended and Restated Independent Director Compensation Plan, adopted by the Board on October 24, 2013, and amended and restated by the Board on February 10, 2014, July 30, 2015 and April 11, 2019.

CATCHMARK TIMBER
TRUST, INC.

By: /s/ Brian M. Davis

President and Chief

Its: Financial Officer

LEGAL02/35945871v6

SCHEDULE I
DIRECTOR COMPENSATION SCHEDULE

The following shall remain in effect until changed by the Board:

Base Cash Retainer	
All Independent Directors (other than a member of the Audit Committee)	\$50,000
Members of the Audit Committee	\$56,000
Annual Stock Retainer (FMV)⁽¹⁾	
All Independent Directors	\$70,000
Supplemental Cash Retainers⁽²⁾	
Non-Executive Chair	\$50,000
Audit Committee Chair	\$12,500
Compensation Committee Chair	\$10,000
Nominating and Corporate Governance Committee Chair	\$10,000
Finance and Investment Committee Chair	\$10,000

Independent Directors will not receive any fees for attendance at meetings of the Board of Directors or committees thereof.

⁽¹⁾ Effective for the service year ending at the 2019 annual meeting.

⁽²⁾ Effective August 2, 2018.

LEGAL02/35945871v6

RESTRICTED STOCK AWARD CERTIFICATE

Non-transferable
GRANT TO

("Grantee")

by CatchMark Timber Trust, Inc. (the "Company") of
_____ shares of its Class A common stock, \$0.01 par value (the "Shares")

pursuant to and subject to the provisions of the CatchMark Timber Trust, Inc. 2017 Incentive Plan (the "Incentive Plan") and the CatchMark Timber Trust, Inc. Amended and Restated Independent Director Compensation Plan (the "Director Plan") and, together with the Incentive Plan, the "Plans") and to the terms and conditions set forth on the following pages of this Restricted Stock Award Certificate (this "Certificate"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plans.

One hundred percent (100%) of the Shares will vest (become non-forfeitable) on the date of the annual meeting of the Company's stockholders in 2020, subject to Grantee's Continuous Service on such date.

By accepting the Shares, Grantee shall be deemed to have agreed to the terms and conditions set forth in this Certificate and the Plans.

IN WITNESS WHEREOF, CatchMark Timber Trust, Inc., acting by and through its duly authorized officers, has caused this Certificate to be duly executed.

CATCHMARK TIMBER TRUST, Inc.

By:
Its:

Grant Date: _____

TERMS AND CONDITIONS

1. Restrictions. The Shares are subject to each of the following restrictions. “Restricted Shares” mean those Shares that are subject to the restrictions imposed hereunder which restrictions have not then expired or terminated. Restricted Shares may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered to or in favor of any party, or be subjected to any lien, obligation or liability of Grantee to any other party. If Grantee’s Continuous Service terminates for any reason other than as set forth in subsection (b) of Section 2 hereof, then Grantee shall forfeit all of Grantee’s right, title and interest in and to the Restricted Shares as of the date of termination, and such Restricted Shares shall revert to the Company immediately following the event of forfeiture. The restrictions imposed under this Section 1 shall apply to all Shares or other securities issued with respect to Restricted Shares hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the Shares.

2. Expiration and Termination of Restrictions. The restrictions imposed under Section 1 will expire on the earliest to occur of the following (the period prior to such expiration being referred to herein as the “Restricted Period”):

(a) as to one hundred percent (100%) of the Shares, on the date of the annual meeting of the Company’s stockholders in 2020, subject to Grantee’s Continuous Service on such date; or

(b) as to all of the Restricted Shares, upon termination of Grantee’s Continuous Service by reason of Grantee’s death or Disability.

3. Delivery of Shares. The Shares will be registered in the name of Grantee as of the Grant Date and may be held by the Company during the Restricted Period in certificated or uncertificated form. Any certificate for the Restricted Shares issued during the Restricted Period shall bear a legend in substantially the following form (in addition to any legend required under applicable state securities laws): “This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Award Certificate between the registered owner of the shares represented hereby and CatchMark Timber Trust, Inc. Release from such terms and conditions shall be made only in accordance with the provisions of such Certificate, copies of which are on file in the offices of CatchMark Timber Trust, Inc.” Stock certificates for the Shares, without the first above legend, shall be delivered to Grantee or Grantee’s designee upon request of Grantee after the expiration of the Restricted Period, but delivery may be postponed for such period as may be required for the Company with reasonable diligence to comply, if deemed advisable by the Company, with registration requirements under the 1933 Act, listing requirements under the rules of any Exchange, and requirements under any other law or regulation applicable to the issuance or transfer of the Shares.

4. Voting Rights. Grantee, as beneficial owner of the Shares, shall have full voting rights with respect to the Shares during and after the Restricted Period.

5. Dividend Rights. Grantee shall accrue cash and non-cash dividends, if any, paid with respect to the Restricted Shares, but the payment of such dividends shall be deferred and held (without interest) by the Company for the account of Grantee until the expiration of the Restricted Period. During the Restricted Period, such dividends shall be subject to the same vesting restrictions imposed under Section 2 as the Restricted Shares to which they relate. Accrued dividends deferred and held pursuant to the foregoing provision shall be paid by the Company to the Grantee promptly upon the expiration of the Restricted Period (and in any event within thirty (30) days of the date of such expiration).

6. No Right of Continued Service. Nothing in this Certificate shall interfere with or limit in any way the right of the Company to terminate Grantee’s Continuous Service at any time, nor confer upon Grantee any right to continue to provide services as a director of the Company or any Affiliate.

7. 83(b) Election. Upon issuance of the Shares hereunder, Grantee may make an election to be taxed upon such award under Section 83(b) of the Code (an “83(b) Election”). To effect such 83(b) Election, Grantee may file an appropriate election with Internal Revenue Service within 30 days after award of the Shares and otherwise in accordance with applicable Treasury Regulations.

8. Clawback. The Shares shall be subject to any compensation recoupment policy of the Company that is applicable by its terms to Grantee and to awards of this type.

9. Plans Control. The terms contained in the Plans are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plans. In the event of any actual or alleged conflict between the provisions of the Plans and the provisions of this Certificate, the provisions of the Plans shall be controlling and determinative. In the event of any actual or alleged conflict between the provisions of the Director Plan and the Incentive Plan, the provisions of the Incentive Plan shall be controlling and determinative.

10. Successors. This Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Certificate and the Plans.

11. Notice. Notices and communications under this Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to CatchMark Timber Trust, Inc., 5 Concourse Parkway, Suite 2650, Atlanta, GA 30328; Attn: Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

**FORM OF TIME-BASED
LTIP UNIT AWARD CERTIFICATE**

Non-transferable
GRANT TO

("Grantee")

by CatchMark Timber Operating Partnership, L.P. (the "Company") of _____ Unvested LTIP Units (the "LTIP Units") (as defined in the LP Agreement) pursuant to and subject to the provisions of the CatchMark Timber Trust, Inc. LTI Program Plan (the "LTIP") and the CatchMark Timber Trust, Inc. Amended and Restated Independent Director Compensation Plan (the "Director Plan"), each of which operates as a sub-plan of the CatchMark Timber Trust, Inc. 2017 Incentive Plan (the "Equity Incentive Plan") and to the terms and conditions set forth in this award certificate (this "Certificate").

By accepting the LTIP Units, Grantee shall be deemed to have agreed to the terms and conditions set forth in this Certificate, the LP Agreement, the LTIP, the Director Plan and the Equity Incentive Plan. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the LTIP, the Director Plan and the Equity Incentive Plan. In addition, certain terms are defined in Section 14 hereof.

IN WITNESS WHEREOF, CatchMark Timber Operating Partnership, L.P., acting by and through its duly authorized officers, has caused this Certificate to be duly executed.

CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P.

By: CatchMark Timber Trust, Inc., its General Partner

By: _____
Its: _____

Grant Date: _____

TERMS AND CONDITIONS

1. Nature of Award. Subject to the terms of the LP Agreement, the LTIP, the Director Plan, the Equity Incentive Plan and this Certificate, the profits interests granted hereby represent Unvested LTIP Units in the Company issued in the Grantee's name as of the Grant Date. By accepting this Certificate, Grantee hereby acknowledges and agrees that he or she is bound by the terms and conditions of the LTIP, the Director Plan, the Equity Incentive Plan and the LP Agreement (including certain rights and obligations with respect to the LTIP Units granted hereunder).

2. Conversion to Vested LTIP Units. Except as otherwise provided herein:

100% of the Unvested LTIP Units will become Vested LTIP Units (on a one-for-one basis) on the date of the General Partner's Annual Meeting that occurs in the year immediately following the year in which the Grant Date occurs,
 (a) subject to Grantee's Continuous Service on such date; and

100% of the Unvested LTIP Units will become Vested LTIP Units (on a one-for-one basis) on the date of termination
 (b) of Grantee's Continuous Service by reason of his or her death or Disability.

If Grantee's Continuous Service is terminated for any reason other than as set forth in Section 2(b), then all of the Unvested LTIP Units shall be forfeited and reconveyed to the Company on the date of such termination of Continuous Service without further consideration or any act or action by Grantee.

3. Distribution Equivalent Rights ("DERs"). The Company shall establish, with respect to each LTIP Unit, a separate bookkeeping account for such LTIP Unit (a "DER Account"), which shall be credited (without interest) with an amount equal to any cash distributions made by the Company with respect to a Common Unit during the period beginning on the Grant Date and ending on the date, if any, that the Unvested LTIP Unit becomes a Vested LTIP Unit. Upon the LTIP Unit becoming a Vested LTIP Unit, the DER Account with respect to such Vested LTIP Unit shall also become vested. Similarly, upon the forfeiture of an LTIP Unit, the DER Account with respect to such forfeited LTIP Unit shall also be forfeited. As soon as reasonably practical, but not later than thirty (30) days, following the date that an LTIP Unit becomes a Vested LTIP Unit, the Company shall cause to be paid to Grantee an amount of cash equal to the amount then credited to the DER Account maintained with respect to such Vested LTIP Unit.

4. Section 83(b) Election. As a condition to the issuance of the LTIP Units, Grantee shall make an election under Section 83(b) of the Code within 30 days after the Grant Date and shall promptly provide written evidence of any such election to the Company. The Grantee acknowledges and agrees that neither the Company nor any of its Affiliates shall bear any responsibility or liability for any adverse tax consequences to the Grantee relating to Section 83 of the Code or to the making of (or any failure to make) an election pursuant to Section 83(b) of the Code with respect to the LTIP Units. A form of 83(b) election is attached hereto as Exhibit A.

5. Restrictions on Transfer and Pledge. Except as provided in the LP Agreement, Grantee may not, directly or indirectly, Transfer any portion of the LTIP Units or the DER Account. Any purported Transfer in violation of this Certificate or the LP Agreement shall be null ab initio and of no force and effect, and the Company shall not recognize any such Transfer or accord to any purported transferee any rights with respect to the LTIP Units or DER Account or any rights as a holder of a Partnership Interest. Notwithstanding the LP Agreement, no right or interest of Grantee in any Unvested LTIP Units or DER Account may be Transferred to or in favor of any party other than the Company or an Affiliate of the Company, without the prior consent of the Committee.

6. No Right of Continued Service. Nothing in this Certificate shall interfere with or limit in any way the right of the General Partner, the Company or any other Affiliate of the Company to terminate Grantee's service at any time, nor confer upon Grantee any right to continue to provide services to, the General Partner, the Company or any other Affiliate of the Company.

7. Severability. If any one or more of the provisions contained in this Certificate are invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

8. Clawback. The LTIP Units shall be subject to any compensation recoupment policy of the General Partner that is applicable by its terms to Grantee and to awards of this type.

9. Plan Controls. The terms contained in the LTIP, the Director Plan and the Equity Incentive Plan are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the LTIP, the Director Plan and the Equity Incentive Plan. In the event of any actual or alleged conflict between the provisions of the LTIP, the Director Plan and the Equity Incentive Plan and the provisions of this Certificate, the provisions of the LTIP, the Director Plan and the Equity Incentive Plan shall be controlling and determinative.

10. Successors. This Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Certificate, the LTIP, the Director Plan and the Equity Incentive Plan.

11. Notice. Notices and communications under this Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to CatchMark Timber Operating Partnership, L.P., c/o CatchMark Timber Trust, Inc., 5 Concourse Parkway, Suite 2650, Atlanta, GA 30328: Attn: Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

12. Joinder Agreement. As a condition to the issuance of the LTIP Units, within 30 days after the Grant Date, the Grantee shall enter into and execute a joinder to the LP Agreement in the form attached hereto as Exhibit B.

13. Legal Limitations or Restrictions. As a condition to the issuance of the LTIP Units hereunder, Grantee acknowledges and agrees that the LTIP Units and related DER Account shall be subject to any contractual or legal limitations or restrictions imposed on the Company (including under any credit or similar agreement).

14. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the LTIP, the Director Plan and the Equity Incentive Plan. In addition, and notwithstanding any contrary definition in the LTIP, Director Plan or the Equity Incentive Plan, for purposes of this Agreement:

- (a) "Affiliate" shall have the meaning set forth in the LP Agreement.
- (b) "General Partner" or "GP" means CatchMark Timber Trust, Inc.
- (c) "Grant Date" means _____
- (d) "Transfer" shall have the meaning set forth in the LP Agreement.
- (e) "Vested LTIP Units" shall have the meaning set forth in the LP Agreement.

Section 83(b) Election

Dear Sir or Madam:

Please find enclosed an election and statement made pursuant to the provisions of Section 83(b) of the Internal Revenue Code and applicable Treasury Regulations. Please process this in your usual manner.

Sincerely,

cc: CatchMark Timber Operating Partnership, L.P.

EXHIBIT B

JOINDER AGREEMENT
TO LP AGREEMENT

THIS JOINDER AGREEMENT TO LP AGREEMENT (this "Joinder Agreement") is executed and delivered as of the ____ day of _____, _____ by the undersigned. All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Second Amended and Restated Agreement of Limited Partnership of CatchMark Timber Operating Partnership, L.P. (the "LP Agreement").

WHEREAS, the undersigned shall receive a grant of LTIP Units; and

WHEREAS, in connection with the grant of such LTIP Units, the undersigned must enter into the LP Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The undersigned hereby acknowledges and agrees with the Company that, effective as of the date of this Joinder Agreement, he/she shall become a LTIP Unit Limited Partner and acknowledges receipt of, and agrees to be bound the terms and conditions of, the LP Agreement, as if a signatory thereto.

IN WITNESS WHEREOF, the parties have executed this Joinder Agreement on the day and year first set forth above.

[Name]

Accepted:

CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P.

By: CatchMark Timber Trust, Inc., its General Partner

By: _____

Name:

Title:

EXECUTION VERSION**CONSENT AND SECOND AGREEMENT REGARDING AMENDMENTS**

This **CONSENT AND SECOND AGREEMENT REGARDING AMENDMENTS**, dated as of June 28, 2019 (this “**Agreement**”), among **CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P.**, a Delaware limited partnership (the “**Borrower**”), the other Loan Parties party hereto, **COBANK, ACB**, as administrative agent (in such capacity, the “**Administrative Agent**”) for the Lender Parties, and the Lenders and Voting Participants under the Credit Agreement defined below that have executed this Agreement. Unless otherwise defined herein or the context otherwise requires, terms used herein shall have the meaning provided in the Credit Agreement.

WITNESSETH:

WHEREAS, the Borrower, the other Loan Parties party thereto from time to time as Guarantors, the financial institutions party thereto from time to time as Lenders and the Administrative Agent are parties to that certain Fifth Amended and Restated Credit Agreement, dated as of December 1, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”);

WHEREAS, the Borrower has advised the Administrative Agent and the Lenders that (i) Timberlands II has entered into a Purchase and Sale Agreement (the “**SPP Purchase Agreement**”), dated as of June 4, 2019, by and among Timberlands II, SPP Land, LLC, a Georgia limited liability company, and Fidelity National Title Company, pursuant to which Timberlands II intends to sell to SPP Land, LLC approximately 10,807 acres of land in Georgia and Alabama for approximately \$20,048,318.00 (the “**SPP Sale**”); and (ii) Timberlands II and CatchMark HBU have entered into a Purchase and Sale Agreement (the “**BofA Purchase Agreement**”; the SPP Purchase Agreement and the BofA Purchase Agreement, collectively, the “**Purchase Agreements**”), dated as of May 14, 2019, by and among Timberlands II, CatchMark HBU, and Bank of America, N.A., as Agent, pursuant to which Timberlands II and CatchMark HBU intend to sell to Bank of America, N.A., as Agent, approximately 3,648.8 acres of land in Georgia and Alabama for approximately \$5,475,000 (the “**BofA Sale**”, the SPP Sale and the BofA Sale, collectively, the “**Proposed Sales**”);

WHEREAS, the Borrower has delivered written notification to the Administrative Agent identifying each of the Proposed Sales as Large Real Property Dispositions;

WHEREAS, pursuant to Section 7.2.9(b)(vi) of the Credit Agreement, the Loan Parties are permitted to sell Real Property, in the case of a Large Real Property Disposition, if, among other conditions, after giving Pro Forma Effect to such sale, the Loan to Value Ratio shall not exceed 45%;

WHEREAS, the Borrower has delivered calculations to the Administrative Agent demonstrating that after giving Pro Forma Effect to the BofA Sale only, the Loan to Value Ratio will be approximately 46.4%, and after giving Pro Forma Effect to each of the BofA Sale and the SPP Sale, the Loan to Value Ratio will be approximately 45.9%;

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders consent to the Proposed Sales;

WHEREAS, pursuant to Section 3.1.2(b)(vii) of the Credit Agreement (and subject to certain other exceptions not applicable to Net Real Property Disposition Proceeds from the Proposed Sales), immediately upon receipt of any Net Real Property Disposition Proceeds by any Loan Party or any Subsidiary of any Loan Party, the Borrower is obligated to repay the Loans and other Obligations in an amount equal to such Net Real Property Disposition Proceeds;

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders consent to the Borrower distributing no more than \$5,000,000 of Net Real Property Disposition Proceeds from the Proposed Sales to CatchMark Timber, and CatchMark Timber utilizing such funds to repurchase its Equity Interests (the “**Equity Repurchase**”);

WHEREAS, the Administrative Agent and the Lenders are willing, subject to the terms and conditions hereinafter set forth, to give such consent;

WHEREAS, the Borrower, the other Loan Parties party thereto from time to time as Grantors, and the Administrative Agent are party to that certain Fourth Amended and Restated Pledge Agreement dated as of December 1, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Pledge Agreement**”);

WHEREAS, the parties hereto have also agreed to certain amendments to the Credit Agreement and Pledge Agreement to allow for the issuance of uncertificated partnership interests by the Borrower and certain other changes, as set forth below.

NOW, THEREFORE, in consideration of the agreements herein contained, the parties hereto hereby agree as follows.

ARTICLE I

RECITALS

The recitals set forth above are hereby incorporated into this Agreement as if set forth at length herein.

ARTICLE II

CONSENTS

Effective as of the Effective Date (as defined below in Article VI of this Agreement), the Administrative Agent and the Lenders hereby consent to each of the Proposed Sales; provided that (i) the Proposed Sales are consummated on terms and conditions consistent with the Purchase Agreements, subject to such modifications as may be disclosed to the Administrative Agent prior to the Proposed Sales and acceptable to the Administrative Agent, (ii) all of the Net Real Property

Disposition Proceeds from each of the Proposed Sales, other than the amount representing the Equity Repurchase to the extent the conditions to the Equity Repurchase in the following paragraph are satisfied at the time of such Proposed Sales, are immediately used to repay the Loans and other Obligations and are applied to the Loans and other Obligations as provided in Section 3.1.3 of the Credit Agreement, and (iii) after giving Pro Forma Effect to the Proposed Sales, the Loan to Value Ratio does not exceed 47.0% and the Borrower is in compliance with the financial covenants set forth in Section 7.2.4 of the Credit Agreement.

Effective as of the Effective Date (as defined below in Article VI of this Agreement), the Administrative Agent and the Lenders hereby consent to the Equity Repurchase, provided that (i) both of the Proposed Sales are consummated prior to the Equity Repurchase and the mandatory prepayment described in clause (ii) of the preceding paragraph is consummated prior to the Equity Repurchase, and (ii) after giving Pro Forma Effect to the Proposed Sales and the Equity Repurchase, the Loan to Value Ratio does not exceed 47.0% and the Borrower is in compliance with the financial covenants set forth in Section 7.2.4 of the Credit Agreement.

ARTICLE III

AMENDMENTS

Effective as of the Effective Date (as defined below in Article VI of this Agreement), the parties hereto hereby agree to amend the Loan Documents, as follows:

SECTION 3.2 Amendments to Credit Agreement.

(a) All references to “Borrower LTI Plan” and “Borrower’s LTI Plan” in the Credit Agreement shall be replaced with a reference to “LTIP Plan”.

(b) Section 7.2.5(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

No Loan Party or any Subsidiary of any Loan Party will make any change in its capital structure or ownership, including, raising, taking any contribution of, or receiving any cash equity, and entering into any partnership, Joint Venture or similar relationship, except (i) as provided in the preceding clause (a), (ii) in connection with the issuance or repurchase of its equity by CatchMark Timber (which, in the case of repurchases, are permitted pursuant to Section 7.2.6), and (iii) in connection with the issuance or repurchase of its equity by the Borrower (which, in the case of issuances, shall be limited to issuances of “Common Units” to CatchMark Timber and issuances of “LTIP Units” and “Common Units” issued in connection with the conversion of “LTIP Units” in accordance with and as defined in the Borrower’s partnership agreement, and, in the case of repurchases, shall be limited to (x) redemptions by the Borrower of Common Units held by CatchMark Timber in connection with repurchases by CatchMark Timber of its Equity Interests that are permitted pursuant to Section 7.2.6, and (y) redemptions otherwise permitted by Section 7.2.6).

(c) Section 7.2.6(y) of the Credit Agreement is hereby amended and restated in its entirety as follows:

CatchMark Timber may make dividends, distributions and other payments to (1) its shareholders (including pursuant to a repurchase of any of its Equity Interests) and (2) the employees, officers or directors of any Loan Party in accordance with that certain CatchMark Timber Trust, Inc. 2017 Incentive Plan or any substantially similar successor plan (the “CatchMark Timber Incentive Plan”) and the Borrower may make dividends, distributions and other payments (including pursuant to a redemption of any of its Equity Interests) to the employees, officers or directors of any Loan Party holding “LTIP Units” and “Common Units” issued in connection with the conversion of “LTIP Units” in accordance with that certain CatchMark Timber Trust, Inc. LTI Program Plan, a subplan of the CatchMark Timber Incentive Plan) (the “LTIP Plan”); provided that, in each case, (A) no Default or Event of Default has occurred and is continuing or would reasonably be expected to result therefrom and (B) the Minimum Liquidity Balance is not less than \$25,000,000, after giving Pro Forma Effect to such dividends, distributions and other payments; and

(d) Section 7.2.6(z) of the Credit Agreement is hereby amended and restated in its entirety as follows:

any Loan Party may pay non-cash compensation to employees, officers or directors of any Loan Party issued in the form of Equity Interests of (1) CatchMark Timber in accordance with the CatchMark Timber Incentive Plan or any substantially similar successor plan or (2) the Borrower constituting “LTIP Units” (and “Common Units” issued in connection with the conversion of “LTIP Units”) in accordance with and as defined in the Borrower’s partnership agreement; provided that, in the case of such Equity Interests of the Borrower, (A) the aggregate amount of all outstanding LTIP Units (assuming full vesting and full conversion value to Common Units) and all outstanding Common Units issued in connection with the conversion of LTIP Units and not owned by a Loan Party, in each case, as of any date the Borrower issues LTIP Units (and calculated after giving effect to such issuance), shall not exceed 1% of the aggregate of all outstanding Common Units issued by the Borrower as of such date; (B) upon a LTIP Conversion/Redemption Trigger Event, all outstanding LTIP Units (whether vested or unvested) and all Common Units issued in connection with the conversion of LTIP Units and not owned by a Loan Party shall automatically and immediately, without further act by any Person, be converted and redeemed or redeemed (as applicable), the consideration of which redemptions shall solely be Equity Interests in CatchMark Timber; and (C) the aggregate amount of all outstanding LTIP Units (assuming full vesting and full conversion value to Common Units) and all outstanding Common Units issued in connection with the conversion of LTIP Units and not owned by a Loan Party shall not at any time exceed 1.5% of the aggregate of all outstanding Common Units issued by the Borrower.

(e) Exhibit “D” to the Disclosure Schedule to the Credit Agreement is hereby amended and restated in its entirety as set forth on Exhibit “D” hereto.

SECTION 3.3 Amendments to Pledge Agreement.

(a) The first sentence of Section 2.3 of the Pledge Agreement is hereby amended and restated in its entirety as follows:

Except as provided in Section 7.1.20 of the Credit Agreement, all Pledged Equity Interests issued by any Loan Party (other than the Borrower) or Shell Subsidiary shall be evidenced by a physical Certificate. All Pledged Equity Interests of the Borrower shall be uncertificated.

(b) Section 3.4(a) of the Pledge Agreement is hereby amended and restated in its entirety as follows:

All Pledged Equity Interests issued by any Loan Party (other than the Borrower) or Shell Subsidiary are certificated. All Pledged Equity Interests of the Borrower shall be uncertificated. The Pledged Equity Interests constitute all of the issued and outstanding Equity Interests held by such Grantor in the applicable Securities Issuer.

(c) Section 3.4(c) of the Pledge Agreement is hereby amended and restated in its entirety as follows:

Each Organizational Document of any Securities Issuer who is a Loan Party (other than the Borrower) or a Shell Subsidiary constituting a limited liability agreement, partnership agreement, limited liability partnership agreement or similar agreement provides that the Equity Interests of such Securities Issuer are “securities” governed by Article 8 of the U.C.C. and each such Organizational Document provides that the Equity Interests of such Securities Issuer are required to be in certificated form. Each Organizational Document of the Borrower constituting a partnership agreement or similar agreement provides that the Equity Interests issued by the Borrower are not “securities” governed by Article 8 of the U.C.C. and that the Equity Interests issued by the Borrower shall be uncertificated.

(d) Section 4.4(d) of the Pledge Agreement is hereby amended and restated in its entirety as follows:

Subject to Section 7.1.20 of the Credit Agreement, in the event that any Pledged Equity Interests of any Securities Issuer are not “securities” governed by Article 8 of the U.C.C. and are uncertificated, if requested by the Administrative Agent in its discretion, the Grantor shall deliver to the Administrative Agent from time to time a separate and additional written acknowledgement from the Securities Issuer of the security interest of the Administrative Agent in such Pledged Equity Interests in form and content acceptable to the Administrative Agent.

(e) A new Section 4.4(e) of the Pledge Agreement is hereby added to the Pledge Agreement, which shall read as follows:

In the case of each Grantor which is a Securities Issuer of Pledged Equity Interests, such Securities Issuer (i) hereby acknowledges the security interest of the Administrative Agent in such Pledged Equity Interests pursuant to Section 4.4(d) and (ii) agrees that if at any time such Securities Issuer shall receive instructions originated by the Administrative Agent

relating to Pledged Equity Interests constituting uncertificated securities issued by such Grantor, the Securities Issuer shall comply with such instructions without further consent of the applicable Grantor owning such Equity Interest or any other Person.

(f) Item C to Schedule I to the Pledge Agreement is hereby amended and restated in its entirety as set forth on Item C to Schedule I hereto.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders party hereto to agree to the consent in Article II and the amendments in Article III, each Loan Party hereby jointly and severally (a) represents and warrants that as of the date hereof and as of the Effective Date (i) the recitals set forth above are true and correct in all material respects, (ii) it has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform this Agreement in accordance with its terms, and this Agreement has been duly executed and delivered by it and is a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, (iii) each of the representations and warranties contained in the Credit Agreement, in the certificates from the Borrower to the Administrative Agent regarding the Proposed Sales and in the other Loan Documents, in each case, after giving effect to the consent and amendments described in this Agreement, is true and correct in all material respects as if made on the date hereof; provided, that such representations and warranties (A) that relate solely to an earlier date are true and correct as of such earlier date and (B) are true and correct in all respects if they are qualified by a materiality standard, (iv) no Default or Event of Default has occurred and is continuing or would be reasonably expected to result after giving effect to the consent and amendments described in this Agreement, (v) there are no Material Governmental Approvals required in connection with the execution, delivery or performance by any of the Loan Parties of this Agreement or the transactions contemplated hereby, and (vi) there are no required consents or approvals of any Person necessary to effect this Agreement or the transactions contemplated hereby other than those that have been obtained and are in full force and effect, and (b) agrees that the incorrectness in any material respect of any representation and warranty contained in the preceding clause (a) shall constitute an immediate Event of Default.

ARTICLE V

ACKNOWLEDGMENT OF LOAN PARTIES

Each of the Loan Parties consents to the terms and conditions of this Agreement and the transactions contemplated hereby and affirms and confirms that (a) all of its respective obligations under the Credit Agreement (including the Guaranty), the Security Documents and the other Loan Documents (in each case, as modified by this Agreement) are and shall continue to be, in full force and effect and shall accrue to the benefit of the Lender Parties to guarantee the Obligations (as modified by this Agreement), and (b) all of the Liens granted to the Administrative Agent under the Security Documents and the other Loan Documents are and shall continue to be, in full force and effect to secure the Obligations (as modified by this Agreement).

ARTICLE VI

CONDITIONS TO EFFECTIVENESS

This Agreement shall become effective on such date (herein called the “**Effective Date**”) when each of the following conditions shall have been met:

SECTION 6.2 Agreement. The Administrative Agent shall have received counterparts of this Agreement duly executed and delivered on behalf of each Loan Party, the Administrative Agent and the Lenders.

SECTION 6.3 Organizational Documents; Resolutions. The Administrative Agent shall have received from the Borrower a certificate, in form and substance satisfactory to the Administrative Agent, dated the Effective Date, of its General Partner, as to:

(a) each Organizational Document of the Borrower then in full force and effect; and

(b) the incumbency and signatures of each officer (including each Authorized Officer and Financial Officer) of the Borrower that is authorized to act with respect to this Agreement and each other Loan Document executed by it;

upon which certificate each Lender Party may conclusively rely until it shall have received a further certificate of the General Partner of the Borrower canceling or amending such prior certificate.

SECTION 6.4 No Default. No Default or Event of Default has occurred and is continuing.

SECTION 6.5 Representations and Warranties. The representations and warranties in Article IV of this Agreement are true and correct as of the Effective Date.

ARTICLE VII

MISCELLANEOUS

SECTION 7.2 Cross-References. References in this Agreement to any Article or Section are, unless otherwise specified, to such Article or Section of this Agreement.

SECTION 7.3 Loan Document Pursuant to Credit Agreement. This Agreement is a Loan Document executed pursuant to the Credit Agreement. Except as otherwise specified herein, all of the representations, warranties, terms, covenants and conditions contained in the Credit Agreement, the Security Documents and each other Loan Document shall remain unamended or otherwise unmodified and in full force and effect.

SECTION 7.4 Limitation of Agreement. The modifications set forth herein shall be limited precisely as provided for herein and, except as expressly set forth herein, shall not be deemed to be a waiver of, amendment of, consent to or modification of any other term or provision of the Credit Agreement or of any term or provision of any other Loan Document or of any transaction or further or future action on the part of the Borrower or any other Loan Party which would require the consent of the Administrative Agent or any of the Lenders under the Credit Agreement or any other Loan Document. This Agreement shall not constitute a novation of the Credit Agreement or any other Loan Document.

SECTION 7.5 Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 7.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 7.7 Further Assurances. In furtherance of the foregoing, each Loan Party shall execute and deliver or cause to be executed and delivered at any time and from time to time such further instruments and documents and do or cause to be done such further acts as may be reasonably necessary in the reasonable opinion of the Administrative Agent to carry out more effectively the provisions and purposes of this Agreement.

SECTION 7.8 GOVERNING LAW; WAIVER OF JURY TRIAL; ENTIRE AGREEMENT. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH PERSON A PARTY HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT ENTERED INTO IN CONNECTION HEREWITH. THIS AGREEMENT CONSTITUTES THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ANY PRIOR AGREEMENT, WRITTEN OR ORAL, WITH RESPECT HERETO.

[Signatures on following page.]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

BORROWER:

CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P.

By: **CATCHMARK TIMBER TRUST, INC.**,
as General Partner

By: /s/ Brian M.

Davis
Name: Brian M. Davis
Title: President and
Chief Financial Officer

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TRS HARVESTING OPERATIONS, LLC

By: **FOREST RESOURCE CONSULTANTS, INC.**,
as Manager

By:

/s/ David T. Foil

Name: David T. Foil

Title: President

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TIMBER TRUST, INC.

Brian M. Davis

Name: Brian M. Davis

Title: President and

Financial Officer

By: /s/

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

TIMBERLANDS II, LLC

By: **CATCHMARK TIMBER OPERATING
PARTNERSHIP, L.P.**, as Manager

as General Partner

By: **CATCHMARK TIMBER TRUST, INC.**,

By:

/s/ Brian M. Davis

Name: Brian M. Davis

Title: President and

Financial Officer

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TIMBER TRS, INC.

Brian M. Davis

Name: Brian M. Davis

Title: President and

Financial Officer

By: /s/

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK HBU, LLC

By: **CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P.**, as Manager

By: **CATCHMARK TIMBER TRUST, INC.**,

as General Partner

By:

/s/ Brian M. Davis

Name: Brian M. Davis

Title: President and

Financial Officer

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TEXAS TIMBERLANDS GP, LLC

By: **TIMBERLANDS II, LLC**, as Member

By:

**CATCHMARK TIMBER OPERATING
PARTNERSHIP, L.P.**, as Manager

By:

CATCHMARK TIMBER TRUST, INC.,
as General Partner

By:

/s/ Brian M. Davis

Name: Brian M. Davis

Title: President and

Chief

Financial Officer

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TEXAS TIMBERLANDS, L.P.

By: **CATCHMARK TEXAS TIMBERLANDS GP, LLC,** as General Partner

By: **TIMBERLANDS II, LLC,** as Member

By:

CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P., as Manager

By:

CATCHMARK TIMBER TRUST, INC., as General Partner

By:

/s/ Brian M. Davis
Title: President and

Name: Brian M. Davis

Financial Officer

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TRS INVESTMENTS, LLC

By: **CATCHMARK TIMBER TRS, INC.**, as sole Member

By: /s/ Brian M. Davis_____

Name: Brian M. Davis

Title: President and

Chief

Financial Officer

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TRS MANAGEMENT, LLC

By: **CATCHMARK TIMBER TRS, INC.**, as sole Member

By: /s/ Brian M. Davis

Name: Brian M. Davis

Title: President and

Financial Officer

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TRS HARVESTING OPERATIONS II, LLC

By: **AMERICAN FOREST MANAGEMENT, INC.**,
as Manager

By: /s/ Roy E. Belser

Name: Roy E. Belser
Title: Chairman and Interim CEO

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK SOUTHERN HOLDINGS II GP, LLC

By: **TIMBERLANDS II, LLC**, as sole Member

By: **CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P.**, as Manager

By: **CATCHMARK TIMBER TRUST, INC.**,
as General Partner

/s/ Brian M. Davis

Name: Brian M. Davis

Title: President and

Financial Officer

By:

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK SOUTHERN TIMBERLANDS II, L.P.

By: **CATCHMARK SOUTHERN HOLDINGS II GP, LLC**, as General Partner

By: **TIMBERLANDS II, LLC**, as sole Member

By:

CATCHMARK TIMBER OPERATING PARTNERSHIP, L.P., as Manager

By:

CATCHMARK TIMBER TRUST, INC., as General Partner

By:

/s/ Brian M. Davis

Name: Brian M. Davis
Title: President and
Chief Financial Officer

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK SOUTH CAROLINA TIMBERLANDS, LLC

By: **TIMBERLANDS II, LLC**, as sole Member

By:

**CATCHMARK TIMBER OPERATING
PARTNERSHIP, L.P.**, as Manager

By: **CATCHMARK TIMBER TRUST,
INC.**, as General Partner

By:

/s/ Brian M. Davis
Name: Brian M. Davis
Title: President and

Financial Officer

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK LP HOLDER, LLC

By: **CATCHMARK TIMBER TRUST, INC.**, as sole Member

By: /s/ Brian M. Davis

Name: Brian M. Davis

Title: President and

Financial Officer

Chief

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CREEK PINE HOLDINGS, LLC

By: /s/ Ursula Godoy-

Arbelaez

Name: Ursula Godoy-Arbelaez

Title: Treasurer

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CATCHMARK TRS CREEK MANAGEMENT, LLC

By: /s/ Ursula Godoy-

Arbelaez

Name: Ursula Godoy-Arbelaez

Title: Treasurer

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

TRIPLE T GP, LLC

By: /s/ Ursula Godoy-

Arbelaez

Name: Ursula Godoy-Arbelaez

Title: Treasurer

[Consent and Second Agreement Regarding Amendments]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE COLLATERAL. The undersigned specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the day and year first above written.

CTT EMPLOYEE, LLC

Arbelaez
Name: Ursula Godoy-Arbelaez
Title: Treasurer

By: /s/ Ursula Godoy-

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

ADMINISTRATIVE AGENT:

COBANK, ACB,
as Administrative Agent

By: /s/ Michael Tousignam
Name: Michael Tousignam
Title: Managing Director

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

LENDERS:

COBANK, FCB

as a Lender

By: /s/ Michael Tousignam

Name: Michael Tousignam

Title: Managing Director

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

**COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH (f/k/a
COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK, B.A.
“RABOBANK NEDERLAND”, NEW YORK BRANCH), as a Lender**

By: /s/ Sarah Fleet

Name: Sarah Fleet

Title: Executive Director

By: /s/ Claire Laury

Name: Claire Laury

Title: Executive Director

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

METROPOLITAN LIFE INSURANCE COMPANY,
a New York Corporation
By: MetLife Instruments Advisors, LLC
its investment manager

By: /s/ Kevin J. Harshberger
Name: Kevin J. Harshberger
Title: Director

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

**VOTING PARTICIPANTS (pursuant to
Section 11.11(d)):**

FARM CREDIT BANK OF TEXAS, as a Voting Participant

By: /s/ Eric Estey

Name: Eric Estey

Title: Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

FARM CREDIT SERVICES OF AMERICA, FLCA, as a Voting Participant

By: /s/ Ben Fogle
Name: Ben Fogle
Title: Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

FARM CREDIT WEST, FLCA, as a Voting Participant

By: /s/ Robert Stornetta

Name: Robert Stornetta

Title: Senior Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

**FCS COMMERCIAL FINANCE GROUP, for AgCountry Farm Credit Services,
FLCA, as a Voting Participant**

By: /s/ Michael Frodermann

Name: Michael Frodermann

Title: Senior Vice President - Credit

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

AGFIRST FARM CREDIT BANK, as a Voting Participant

By: /s/ J. Michael Mancini, Jr. _____

Name: J. Michael Mancini, Jr.

Title: Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

AMERICAN AGCREDIT, FLCA, as a Voting Participant

By: /s/ Janice T. Thede

Name: Janice T. Thede

Title: Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

FARM CREDIT EAST, ACA, as a Voting Participant

By: /s/ Eric W. Pohlman
Name: Eric W. Pohlman
Title: Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

NORTHWEST FARM CREDIT SERVICES, FLCA, as a Voting Participant

By: /s/ Jeremy VanderVegt _____
Name: Jeremy VanderVegt
Title: Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

COMPEER FINANCIAL, FLCA, as a Voting Participant

By: /s/ Graham Dee
Name: Graham Dee
Title: Director, Capital Markets

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

FARM CREDIT MID-AMERICA, FLCA, f/k/a Farm Credit Services of Mid-America, FLCA, as a Voting Participant

By: /s/ Joe Beiting _____

Name: Joe Beiting

Title: Senior Credit Officer

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

GREENSTONE FARM CREDIT SERVICES, FLCA, as a Voting Participant

By: /s/ Shane Prichard
Name: Shane Prichard
Title: VP of Capital Markets

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

FRESNO-MADERA FEDERAL LAND BANK ASSOCIATION, FLCA, as a
Voting Participant

By: /s/ Daniel Kiggins

Name: Daniel Kiggins

Title: Senior Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

FARM CREDIT OF FLORIDA, FLCA, as a Voting Participant

By: /s/ Jennifer Dueboay_____

Name: Jennifer Dueboay

Title: Capital Markets Administrator

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

AGCREDIT PCA, ACA and FLCA, as a Voting Participant

By: /s/ Jeff Rickenbacher
Name: Jeff Rickenbacher
Title: Chief Credit Officer

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

FARM CREDIT OF CENTRAL FLORIDA ACA, PCA and FLCA, as a Voting Participant

By: /s/ Johan Dam

Name: Johan Dam

Title: Capital Markets & Investments Officer

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

AGCHOICE FARM CREDIT, FLCA, as a Voting Participant

By: /s/ William Frailey
Name: William Frailey
Title: Assistant Vice President

[Consent and Second Agreement Regarding Amendments]

[Signatures continued from previous page]

**MIDATLANTIC FARM CREDIT, ACA as agent/ nomine for MidAtlantic Farm
Credit, FLCA, as a Voting Participant**

By: /s/ James F. Jones, Jr.

Name: James F. Jones, Jr.

Title: Vice-President

[Consent and Second Agreement Regarding Amendments]

[Consent and Second Agreement Regarding Amendments]

Exhibit “D” to Disclosure Schedules [Membership Interest Chart]

Item C. Pledged Partnership Interests to Schedule I

**PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jerry Barag, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CatchMark Timber Trust, Inc. for the quarter ended June 30, 2019:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:
August 1, 2019

By: /s/ Jerry Barag
Jerry Barag
Chief Executive Officer

**PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian M. Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CatchMark Timber Trust, Inc. for the quarter ended June 30, 2019;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:
August 1, 2019

By: /s/ Brian M. Davis
Brian M. Davis
President and Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. 1350)**

In connection with the Quarterly Report on Form 10-Q of CatchMark Timber Trust, Inc. (the “Registrant”) for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission (the “Report”), the undersigned, Jerry Barag, Chief Executive Officer of the Registrant, and Brian M. Davis, President and Chief Financial Officer of the Registrant, hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that, to the best of our knowledge and belief:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Jerry Barag

Jerry Barag
Chief Executive Officer
August 1, 2019

/s/ Brian M. Davis

Brian M. Davis
President and Chief Financial Officer
August 1, 2019