

WILLIAM H. LOCK & ASSOCIATES, INC.
Consulting Forester * Certified Arborist * Real Estate Broker
P. O. Box 49571 * Greensboro, NC 27419
(336) 632-9088
1-888-899-9088 * www.whlock.com

INVITATION TO BID BY SEALED BID ON STANDING TIMBER

SALE DATE: Thursday, July 29, 2010
(Bids taken at our office and not at the tract)

FULTON FARMS, LLC TRACT - PATRICK COUNTY, VA
(Gate Combo is 9088)

TIMBER VOLUMES – 80.3 +/- acres (clear-cut) and 94.1 +/- acres (thinning)

<u>Timber Species</u>	<u>Est. Vol.</u>	<u>BdFt/Tree</u>
Virginia Pine	312,000	97
Shortleaf Pine	9,100	142
Loblolly Pine	700	88
White Pine	9,000	87
Yellow Poplar	144,600	182
Red Oak	37,100	132
White Oak	23,900	141
Hickory	2,800	88
Maple	8,400	95
Miscellaneous	3,200	67
Totals	550,800	114

Pine Pulpwood was estimated at 333 Cords and Hardwood Pulpwood was estimated at 145 Cords. No topwood or crownwood is included in these numbers and no "thinning" volumes are included in the above numbers.

This information is supplied for your information only. I do not guarantee any volumes or acreage. Volumes were calculated using International Log Rule, FC 78. Pine Sawtimber was estimated to an 8" top and Hardwood Sawtimber was estimated to a 10" top. Volume estimates are based on a 3 x 3 chain 1/10th acre plot cruise (100 points).

LOCATION:

This tract is located in the east central section of Patrick County just east of Stuart, VA. The parcel is south of Highway 58 and Nettle Ridge Road (Rte. 700). See attached location maps.

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Fulton Farms, LLC - Timber Sale

Sale Date: Thursday-July 29, 2010 at 11:00 am at our office

BIDS:

The Fulton Farms, LLC Tract is being sold on a lump sum and per-unit, sealed bid basis. **The bid should include a lump sum value for the "clear-cut" portion of the timber and a "per-unit" value for the thinning areas. The "per-unit" bid should include a value for Pine pulpwood, Hardwood pulpwood, Pine sawtimber, and Hardwood sawtimber.** Bids will be accepted by **regular mail** if received by 5:00 pm on Wednesday, July 28, 2010 **OR** bids will be accepted by **email (whlock@whlock.com), telephone (336-632-9088), fax (336-632-9088), or in person** at my office until 11:00 am on Thursday, July 29, 2010. At 11:00 am on Thursday, July 29, 2010 all bids received will be recorded. The successful bidder will be notified within 24 hours of the bid openings. A 10% deposit may be requested to be delivered to William H. Lock & Associates, Inc. within 72 hours of the bid opening. The balance of the sales price is to be delivered at the sale closing which should occur on or before August 27, 2010. The seller reserves the right to refuse or accept any and all bids. Seller will consider all bids. The seller will be responsible for the timber deed preparation and forestry consultant fees. The buyer will be responsible for all other closing costs. A \$1,000 performance deposit will be payable at closing and held in a non-interest bearing trust account until satisfactory completion of logging. The performance deposit does not limit the buyer's liability.

PLACE OF SALE:

The timber sale will be held at the office of William H. Lock & Associates, Inc. in Greensboro, NC. The office address is 7325 D-2 W. Friendly Avenue, Greensboro, NC 27410. Telephone and Fax: 336-632-9088; [Email-whlock@whlock.com](mailto:whlock@whlock.com)

CONDITIONS OF SALE:

1. The Buyer shall have 24 months from the date of the timber deed to cut and remove all specified timber.

A- Clear-cut Sale – The "sale areas" are shown as single cross-hatched areas on the Timber Sale Map. The sale boundaries and "out" areas have been marked with red paint. No red painted trees marking the sale boundaries and no trees outside the red painted trees within the "out" areas are to be harvested. It may be necessary to cross through some of the "out" areas and existing creeks to access other "sale areas". This will be permitted but will need to be approved by WHL & Associates, Inc. during the preharvest inspection with the identified buyer. No additional monies will be required for the trees within these approved crossings. If creeks are crossed, Virginia Best Management Practices will need to be followed.

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Fulton Farms, LLC - Timber Sale

Sale Date: Thursday-July 29, 2010 at 11:00 am at our office

B- Thinning Sale – This thinning will be an “operator select” harvest with a target basal area of 70-90 sq.ft. of basal area. The “thinning sale areas” are shown as double cross-hatched areas on the Timber Sale Map. On the Nettle Ridge Tract, the White Pine thinning areas are marked with orange paint. No orange painted trees marking the thinning sale boundaries and no trees outside the orange painted trees within the “out” areas are to be harvested. On the North Tracts, the main area of thinning is shown as the double cross-hatched area. The area to the south of the cross-hatched area (Lob/Hw) is also included within the possible “thin” area if harvesting equipment and volumes permit.

The Buyer shall harvest defective, diseased, crooked, and suppressed pines leaving the larger, more vigorous “crop” trees. The objective is to harvest the proper number of trees to leave an optimum stocking level of 70-90 square feet of basal area of growing Loblolly Pine timber. In areas where rows can be clearly identified, a fifth row thinning should be conducted with selected inferior trees being removed from between the rows. In areas where the rows cannot be identified, corridors should be placed approximately 50 feet apart with thinning between corridors to achieve the target basal area.

In areas where a large component of Virginia Pine has become established, the Virginia pine component should be removed first. This will allow the Loblolly Pine component to then be thinned down to the target basal area. In the event an area is primarily Virginia Pine, a total harvest will be conducted with prior approval of William H. Lock & Associates, Inc. Seller, or seller’s agent - William H. Lock & Associates, Inc., shall have the express right to halt all harvesting operations in the event the thinning operation is not achieving the desired basal area targets, if remaining stems are excessively damaged, or if any provisions of this contract are not being followed.

2. The Buyer may access the tract from US 58 or Nettle Ridge Road (Rte. 700). Any roadways used must be kept open and passable at all times for regular automobile traffic. Existing gravel surfaces must be usable and maintained with no rutting. No parking of trucks and/or other equipment will be allowed around the existing structures or yard areas. All other access routes will need to be installed and/or maintained according to all Virginia Best Management Practices. All existing roadways must be left in similar condition, reasonable wear and tear accepted, at the completion of the harvesting operation. Call W.H. Lock if questions concerning access routes.

3. The Buyer is responsible for maintaining a clean site. No equipment parts, trash, tires or other debris shall be left on the property as a result of the harvesting operation. It shall be the Buyer's responsibility to clean up any hazardous material or chemical waste spills including but not limited to Diesel Fuel, Hydraulic Fluid, Machine Oil, and/or Gasoline upon the subject property if they resulted from the harvesting operation. Responsibility will include any required remediation including but not limited to the removal of

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Fulton Farms, LLC - Timber Sale

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contaminated soils. Harvesting operations must not interfere with any farming operations. Decking, loading or hauling will not be permitted in any existing open fields or pastures immediately adjacent to the timber unless approved by William H. Lock & Associates, Inc. If approved, open areas must be free of logging debris, smoothed when completed, and re-seeded if necessary.

4. The Buyer is responsible for following all Federal, State, and local regulations regarding timber harvesting activities. Buyer is responsible for harvest notification required under Virginia law and for obtaining any other necessary permits or licenses required for timber harvesting. All logging operations must conform to Virginia Best Management Practices. In the event that a non-compliance situation is identified on the tract as a result of the harvesting operation, William H. Lock & Associates, Inc. will have the express right to suspend the harvesting operation until the situation is brought into compliance. No trees or other logging debris shall be left in or across the property boundary, sale cutting lines or access roads.

5. No flagged or painted trees denoting the property and/or sale boundary shall be cut and no trees outside the boundary lines shall be cut. If trees marking the property lines or sale boundary are cut, Virginia timber trespass laws may apply. No trees shall be cut to fall on a neighboring landowner's property or where potential damage may occur. If existing property corners are damaged or removed as a result of the harvesting operation, Buyer agrees to replace the markers at the correct surveyed location at their own expense.

6. Buyer agrees to notify William H. Lock & Associates, Inc., P. O. Box 49571, Greensboro, NC 27419 at least 3 days in advance of the beginning of the harvesting operation and at least 3 days in advance of the completion of the harvesting operation. Telephone numbers are Office: (336) 632-9088. The buyer and/or logger must complete a pre-harvest inspection with WHL & Associates prior to beginning any logging activity.

7. Seller reserves the right to require the termination of all timber harvesting in the event that weather conditions cause the land to become so wet that continued logging will cause excessive site damage and rutting. Seller agrees to extend the cutting time automatically for the number of days of required termination if he exercises this item. If work is allowed to continue during the determination process, Buyer agrees to repair any excessively rutted areas.

8. The Buyer shall indemnify and hold harmless the Owner, his agent or assigns, from any and all liability and any and all loss, including attorney's fees and other reasonable expenses incurred, arising from the operations, activities, or omission of Buyer incident or related to this contract or upon the Sale Area, including such liability or loss caused by acts of omissions of Buyer's employees, contractors, sub-contractors, employees of

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Fulton Farms, LLC - Timber Sale

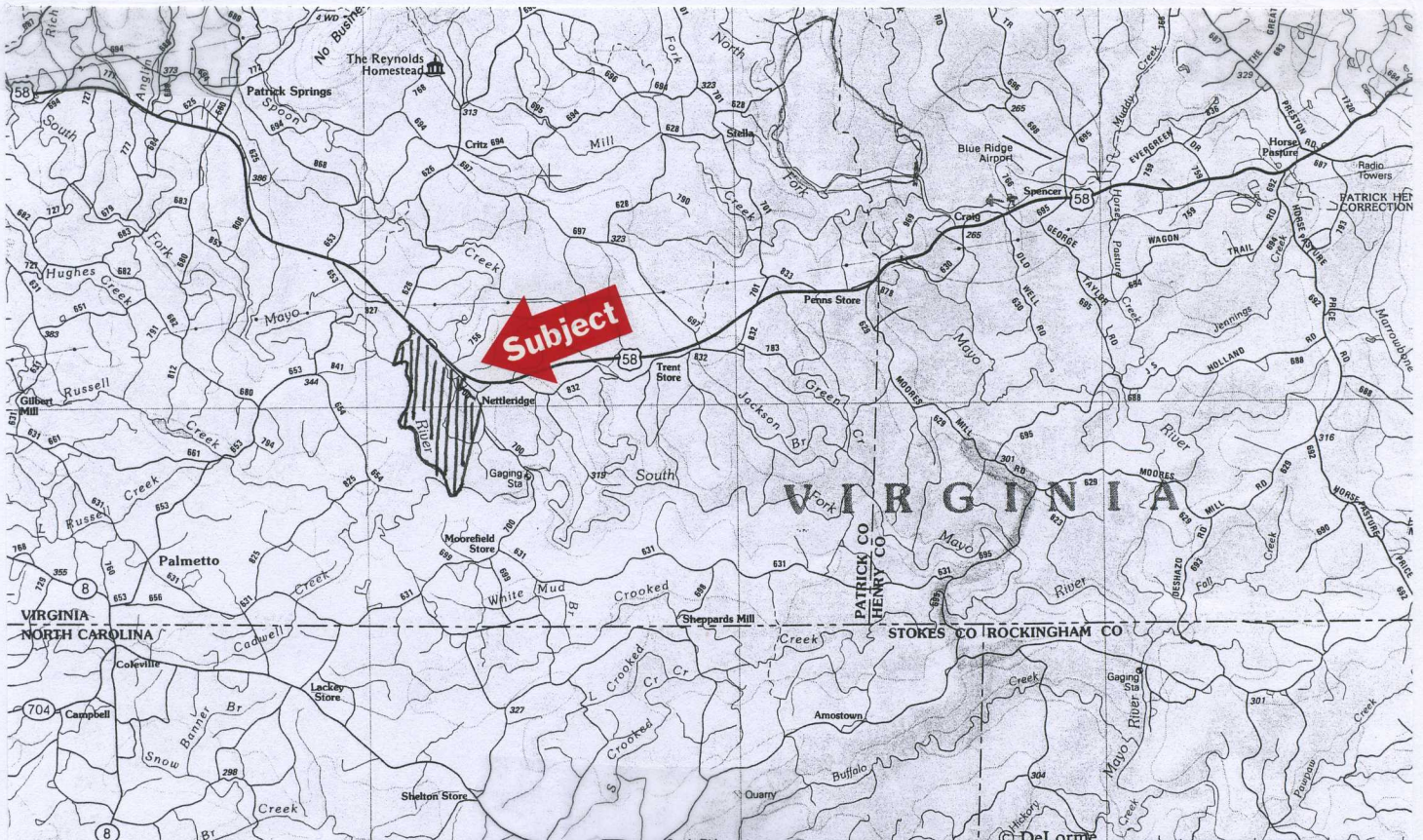
Sale Date: Thursday-July 29, 2010 at 11:00 am at our office

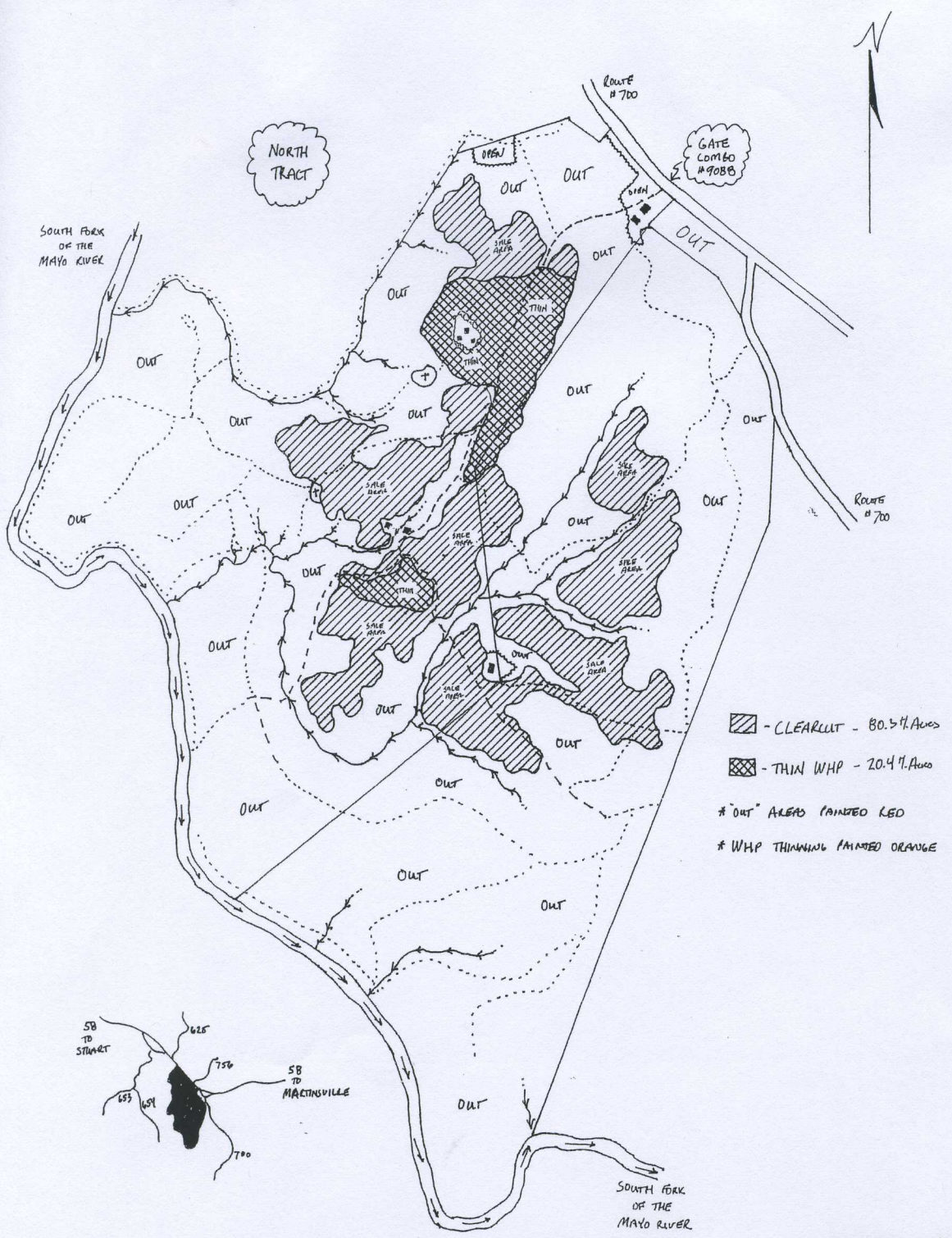
contractors or sub-contractors, or licensees of Buyer, or to any others for property damage, personal injury, death, or otherwise. Buyer guarantees their loggers will be covered by Workers Compensation and General Liability Insurance in the minimum amount of 1 million dollars and will provide satisfactory evidence of coverage at closing and maintain this coverage throughout the harvesting operation.

9. Once purchased, the Timber shall not be assigned by the Buyer, either in whole or in part without the prior written consent of the Seller.

10. Seller warrants his title to said timber and agrees to defend said title against any and all claims for taxes, mortgages, or any other encumbrances at his own expense.

11. Seller or their Agent reserves the right to inspect the harvesting operations of the Buyer upon the Seller's lands at reasonable times and intervals. In the event the Seller or his Agent detects any violations of the timber deed or these conditions, the Seller or his Agent reserves the right to suspend all harvesting operations until the violations are corrected. Any questions regarding this sale should be directed to William H. Lock & Associates, Inc. in Greensboro, NC at our office number - (336) 632-9088.



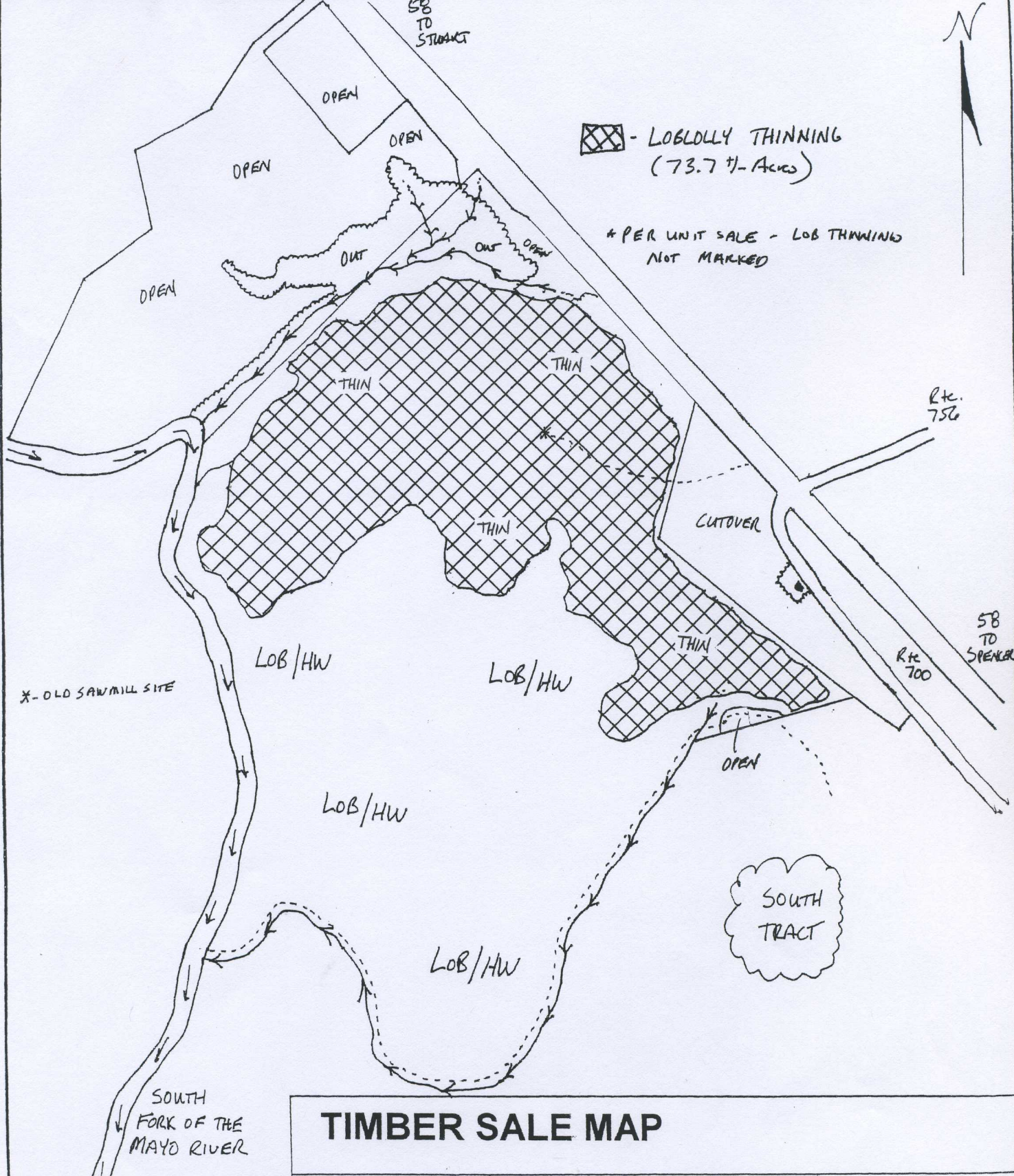


▨ - CLEARCUT - 80.5% Area
 ▩ - THIN WHP - 20.4% Area
 * "OUT" AREAS PAINTED RED
 * WHP THINNING PAINTED ORANGE

***MAP HAS BEEN REDUCED**

TIMBER SALE MAP		
SCALE: 1" = 600'	APPROVED BY:	DRAWN BY: JDN GALLAGHER
DATE: 5/27/00		REVISED:
William H. Lock & Associates, Inc. P. O. Box 49571 Greensboro, NC 27419		(336) 632-9088 1-888-899-9088
CLARK - NETLERIDGE TRACT - PATRICK CO., VA		DRAWING NUMBER

This map is not a certified survey and has not been reviewed by a local government agency for compliance with any applicable land development regulations.



TIMBER SALE MAP

SCALE: 1"=660'	APPROVED BY:	DRAWN BY: JON BARNES
DATE: 5/27/10		REVISED

William H. Lock & Associates, Inc.
 P. O. Box 49571
 Greensboro, NC 27419
 (336) 632-9088
 1-888-899-9088

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FULTON CLARK - NORTH TRACTS - PATRICK CO. VA
 DRAWING NUMBER