

WILLIAM H. LOCK & ASSOCIATES, INC.
Consulting Forester * Certified Arborist * Real Estate Broker
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INVITATION TO BID BY SEALED BID ON STANDING TIMBER

PINE PULPWOOD AND SAWTIMBER THINNING

SALE DATE: July 28, 2016

MILLPOND, INC. TRACT – HENRY COUNTY, VA

80 +/- acres of thinning area (gate combo is 1-2-2-5)

This Loblolly Pine thinning is located in the front northern section of the larger Millpond, Inc. property holdings off of Tommy Carter Road (Rt. 914). The trees were planted in 1997 and basal area measurements range from 150 to 175 +/- square feet per acre. The area has never been thinned. Some small areas have a Virginia Pine component within the stand and our goal is to remove as much of the Virginia Pine as possible and thin the remaining Loblolly Pine down to a target basal area of approximately 70-90 square feet.

LOCATION:

This tract is located in the eastern section of Henry County at the end of Tommy Carter Road (Route 914) which is just north of Axton off of Mountain Valley Road (Route 647). See attached location map.

BIDS:

The Millpond, Inc. Thinning is being sold on a per unit basis. You are asked to submit your bid by indicating the following products:

- 1-Pine pulpwood per ton
- 2-Loblolly Pine sawtimber per ton
- 3-Virginia Pine sawtimber per ton
- 4-Hardwood pulpwood per ton
- 5-In woods chips per ton

Bids will be accepted by telephone at my office until 10:00 am on Thursday, July 28, 2016.

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Millpond, Inc. – Thinning Sale
Sale Date: July 28, 2016

A \$10,000 non-refundable deposit will be required to be delivered to William H. Lock & Associates, Inc. at the closing. This will be used as a “draw” account when the harvesting begins. The balance of the sales price is to be delivered as the products are harvested. The buyer will be required to send a weekly summary of all scale tickets and the payment check for that period to William H. Lock & Associates, Inc., P. O. Box 49571, Greensboro, NC 27419. **All checks will be made out to William H. Lock & Associates, Inc. Forestry Trust Account.**

CONDITIONS OF SALE:

1. The Buyer shall have until November 30, 2017 to cut and remove all merchantable timber within the “Thinning Area”. “Creek Buffers” have not been marked but Buyer is expected to adhere to all Virginia Best Management Practices and any applicable water quality regulations in the event creeks and/or drains traverse the thinning areas. This is an “operator select” thinning operation, however, William H. Lock & Associates, Inc. will be responsible for monitoring the harvest process and selecting which areas to begin, which Virginia Pine areas to clear, and which areas to continue.
2. 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.

3. The Buyer shall access the tract from Route 914 (Tommy Carter Road). There is an extensive road system leading through and around the entire thinning areas. All access routes will need to be installed and/or maintained according to all Virginia Best Management Practices and/or any applicable River Basin Rules. All existing roadways must remain open and passable by ordinary pick-up truck traffic at all times during the harvesting operation and must be left in similar condition and passable by ordinary pick-

up truck traffic at the completion of the harvesting operation. Call W.H. Lock if questions concerning access routes. The entrance gate should be locked at the end of each day and/or while no harvesting activity is taking place.

4. The Buyer is responsible for maintaining a clean site. No equipment parts, trash, tires or other debris shall be left on the property. 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. Responsibility will include any required remediation including but not limited to the removal of contaminated soils.

5. The Buyer is responsible for Virginia timber harvest notification and for following all Federal, State, and local regulations regarding timber harvesting activities. If required, Buyer is responsible for obtaining any necessary permits or licenses required for timber harvesting. All logging operations must conform to Virginia Best Management Practices and any applicable water quality regulations. 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. 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. All deck sites will need to be free of logging debris, ripped and smoothed when completed, and re-seeded with a wildlife friendly seed mixture.

6. All necessary property lines and corners are marked with paint and/or flagging. No painted or flagged 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.

7. 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.

8. Seller or their Agent reserves the right, in its sole discretion, 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.

9. 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 negligence, if any shall occur, in 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 contractors or sub-contractors, or licensees of Buyer, or to any others for property damage, personal injury, death, or otherwise. Buyer, its agents, employees and assigns shall at all times exercise reasonable care to minimize and reduce the hazard of fire. In the event fire destroys any of the Seller's timber and/or property, the Buyer will be held liable for these damages provided the fire was caused by the harvesting operation or the Buyer's negligence.

10. 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.

11. 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.

12. 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, 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.

13. The property is currently leased for hunting and the hunters will be notified of the pending harvesting operation once the landowner has been notified that harvesting will be beginning. All parties should exercise care and caution when conducting preview inspections or working on the tract and be aware of others.