

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 1, 2010
(Bids taken at our office and not at the tract)

MILL POND, INC. "Route 648" TRACT - HENRY COUNTY, VA

TIMBER VOLUMES – 56.7 +/- acres (clear-cut)

<u>Timber Species</u>	<u>Est. Vol.</u>	<u>BdFt/Tree</u>
Virginia Pine	154,000	64
Shortleaf Pine	5,500	64
Yellow Poplar	57,100	145
Red Oak	12,800	89
White Oak	5,500	85
Chestnut Oak	9,100	414
Hickory	18,300	142
Sycamore	8,900	247
Maple	6,200	95
Miscellaneous	800	57
Totals	278,200	83

Pine Pulpwood was estimated at 375 Cords and Hardwood Pulpwood was estimated at 176 Cords. No topwood or crownwood is included in these 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 (79 points).

LOCATION:

This tract is located in the east central section of Henry County just east of Martinsville, VA. The parcel is north of Highway 58 and adjoins the east side of Stoney Mountain Road (Rte. 648) after it crosses Leatherwood Creek. See attached location maps.

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Mill Pond, Inc. – Route 648 Tract - Timber Sale

Sale Date: Thursday-July 1, 2010 at 11:00am at our office

BIDS:

The Mill Pond, Inc. - 648 Tract is being sold on a lump sum, sealed bid basis. Bids will be accepted by **regular mail** if received by 5:00 pm on Wednesday, June 30, 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 1, 2010. At 11:00 am on Thursday, July 1, 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 July 30, 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 \$2,000 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 merchantable timber within the "Sale Areas". "Creek Buffers" have been marked with blue paint and are considered "no-cut" areas. No blue painted trees marking the buffer boundaries and no trees within the buffers are to be harvested. "OUT" areas have been marked with blue paint also. No blue painted trees marking these boundaries or trees within these boundaries are to be harvested. It will be necessary to cross through some of the "out" areas and creek buffers 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.

2. The Buyer may access the tract from Stoney Mountain Road and/or Pervis Road. Stoney Mountain Road is state maintained but Pervis Road is private. Millpond, Inc. obtained the right to use this private road thru their recorded deed (DB 0200, Pg 02715). If Pervis Road is used, buyer agrees to maintain this road in similar condition during the entire harvesting operation as it is presently. The road must be kept open and passable at all times for regular automobile traffic. The gravel surface must be usable and

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Mill Pond, Inc. – Route 648 Tract - Timber Sale

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maintained with no rutting. No parking of trucks and/or other equipment will be allowed along Pervis Road that may block or impede automobile traffic. 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 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. All property lines and corners are marked with pink flagging and were "side-chopped" from a previous survey. No 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.

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.

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Mill Pond, Inc. – Route 648 Tract - Timber Sale

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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.

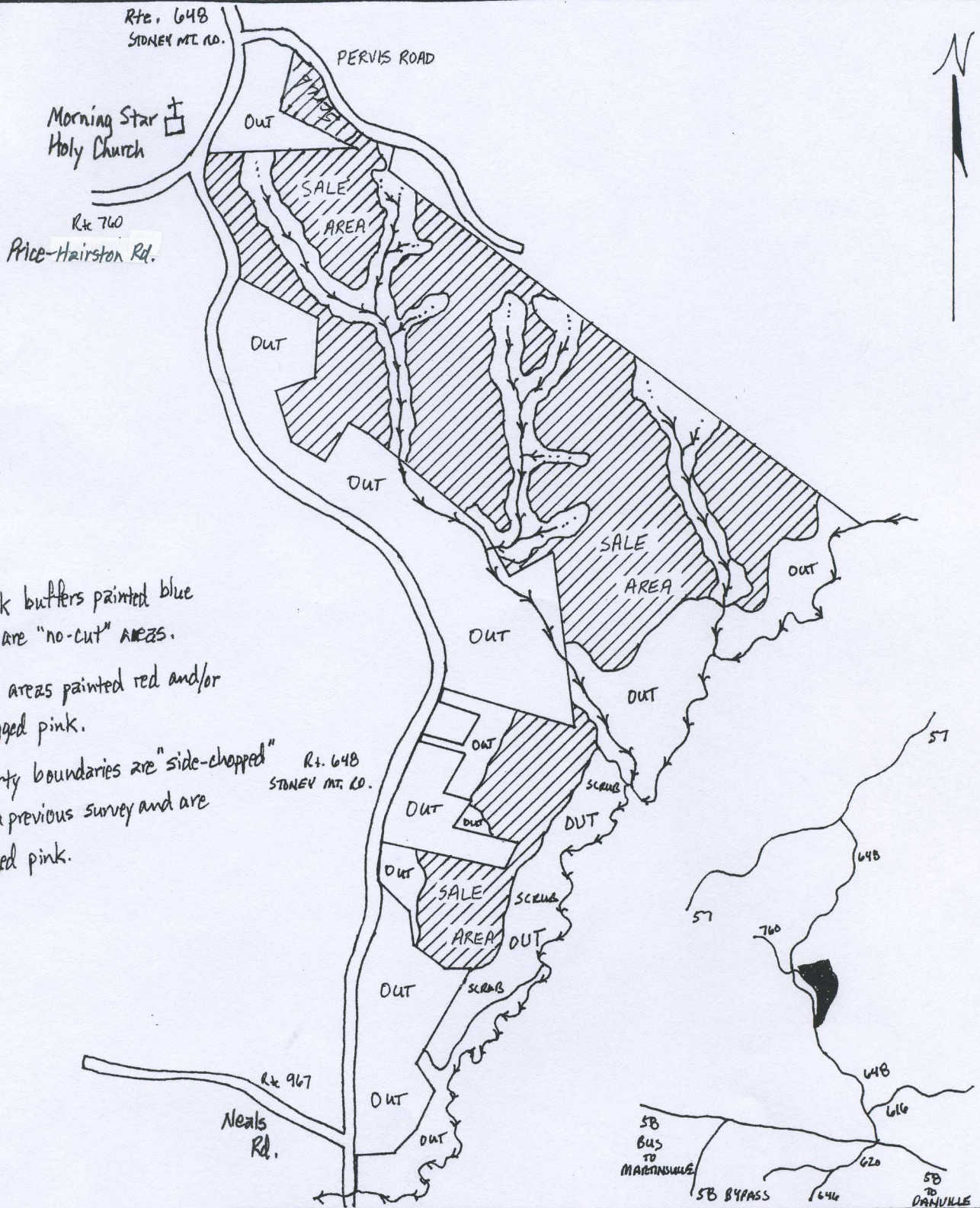
7. Seller reserves the right to require the termination of all timber harvesting in the event that weather conditions cause the land to become so wet that continued logging will cause excessive site damage and rutting. Seller agrees to extend the cutting time automatically for the number of days of required 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 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.



- * Creek buffers painted blue and are "no-cut" areas.
- * OUT areas painted red and/or flagged pink.
- * Property boundaries are "side-chopped" from a previous survey and are flagged pink.

TIMBER SALE MAP

SCALE: 1" = 660'

APPROVED BY:

DRAWN BY JON BARNES

DATE: 5/17/10

REVISED

William H. Lock & Associates, Inc.
P. O. Box 49571
Greensboro, NC 27419

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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.

MILLPOND #648 TRACT - HENRY CO., VA

DRAWING NUMBER