

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, June 18, 2009

RIGGS/BADGETT TRACTS - SURRY COUNTY, NC

TIMBER VOLUMES – 54.2 +/- acres (clear-cut)

| <u>Timber Species</u> | <u>Est. Vol.</u> | <u>BdFt/Tree</u> |
|-----------------------|------------------|------------------|
| Virginia Pine | 36,400 | 95 |
| Shortleaf Pine | 17,400 | 120 |
| Yellow Poplar | 70,800 | 155 |
| Red Oak | 39,900 | 113 |
| White Oak | 13,400 | 134 |
| Chestnut Oak | 36,300 | 91 |
| Blackgum | 1,100 | 138 |
| Hickory | 5,800 | 81 |
| Maple | 5,400 | 75 |
| Totals | 226,500 | 114 |

Pine Pulpwood was estimated at 36 Cords and Hardwood Pulpwood was estimated at 322 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 sixty four 1/10th acre fixed plots.

LOCATION:

These tracts are located in the central section of Surry County just south of Mt. Airy on the east side of Simpson Mill Road just north of its intersection with Crotts Road. See attached location maps.

*Jon
Riggs*
5-22 09

Page Two
Riggs/Badgett - Timber Sale
Sale Date: Thursday, June 18, 2009

BIDS:

The Riggs/Badgett Tracts are being sold on a lump sum, sealed bid basis with one bid purchasing both parcels. Bids will be accepted by mail if received by 5:00 pm on Wednesday, June 17, 2009 or bids will be accepted by telephone at my office until 9:00 am on Thursday, June 18, 2009. Bids may be brought to the timber sale on Thursday, June 18, 2009 by 11:00 am. At 11:00 am on Thursday, June 18, 2009 all bids in hand will be opened. 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 within 30 days from the sale date. The seller reserves the right to refuse or accept any and all bids. Seller will consider all bids.

PLACE OF SALE:

The timber sale will be held at the Riggs' house located at 1231 Simpson Mill Road at 11:00 am on Thursday, June 18, 2009. See attached map for bid opening location.

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 painted blue. No blue painted trees marking the creek buffers are to be harvested. All Pine of any size and Hardwoods $\geq 16"$ may be harvested provided all North Carolina Best Management Practices, Forest Practice Guidelines, and any applicable River Basin Rules are followed. Buyer agrees to use their best efforts in the removal of these trees. Seller acknowledges that some damage to the remaining stems may occur.
2. The Buyer shall access the tract from Simpson Mill Road along the existing farm path. Any access routes will need to be installed and/or maintained according to all North Carolina Best Management Practices, Forest Practice Guidelines and any applicable River Basin Rules. All roadways must be left in similar condition, reasonable wear and tear accepted, at the completion of the harvesting operation. The personal driveway leading into the residence is not to be used by large log trucks. Call W.H. Lock if you have questions concerning access routes.
3. The Buyer is responsible for maintaining a clean site during the harvesting operation. 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, as a result of the logging operation, 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

Tom Riggs
5-22-09

Page Three

Riggs/Badgett - Timber Sale

Sale Date: Thursday, June 18, 2009

contaminated soils. Harvesting operations must not interfere with any farming operations and farming operations must not interfere with harvesting 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. If required, Buyer is responsible for obtaining any necessary permits or licenses required for timber harvesting. All logging operations must conform to North Carolina Best Management Practices, Forest Practices Guidelines, and any applicable River Basin Rules. 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/or sale boundaries have been pink flagged or painted. 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 are cut, North Carolina 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. The buyer/logger must complete a pre-harvest inspection with William H. Lock & Associates, Inc. prior to moving equipment onto the tracts or beginning any harvesting operations.

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

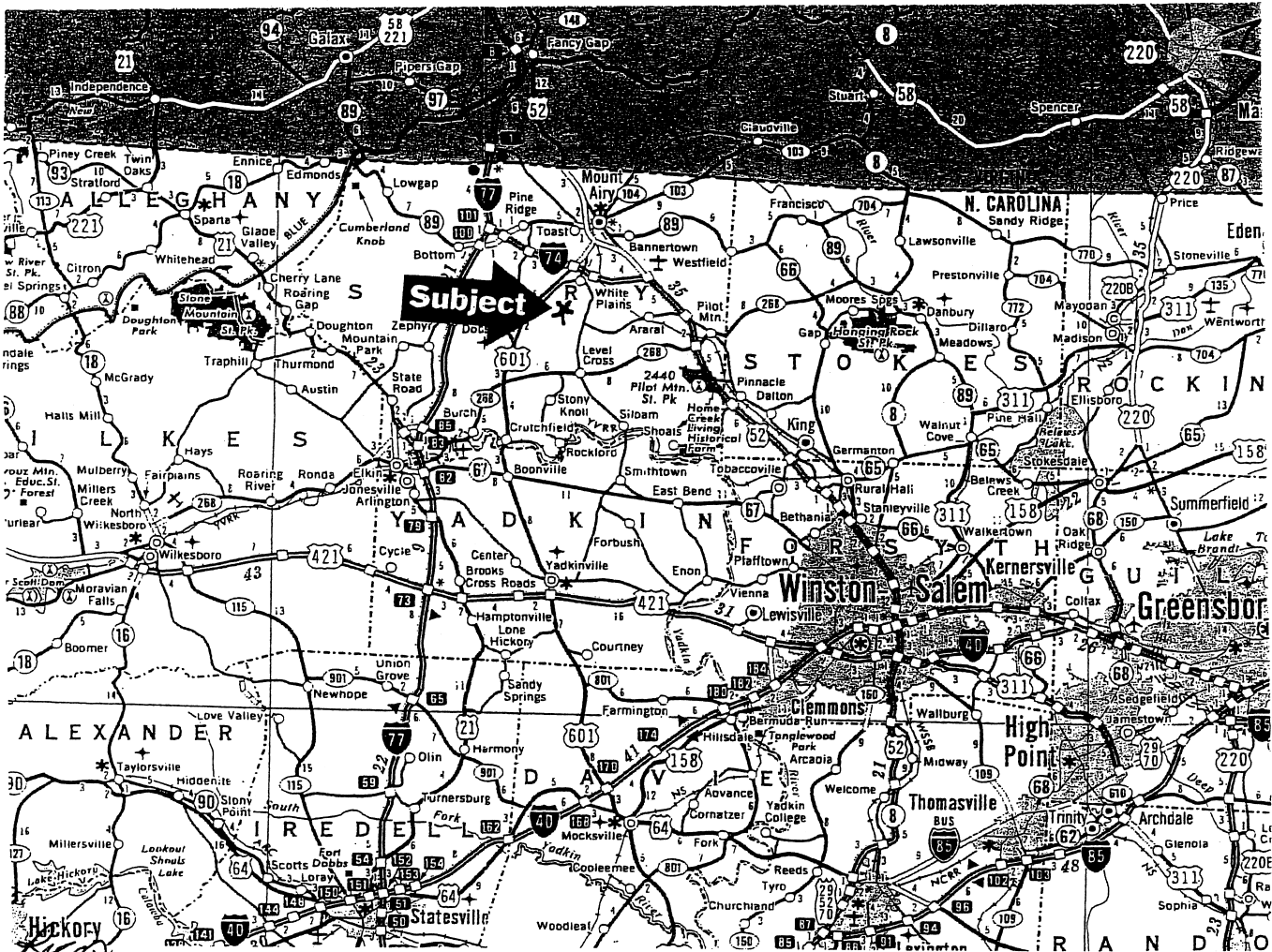
Tom Riggs
5-22-09

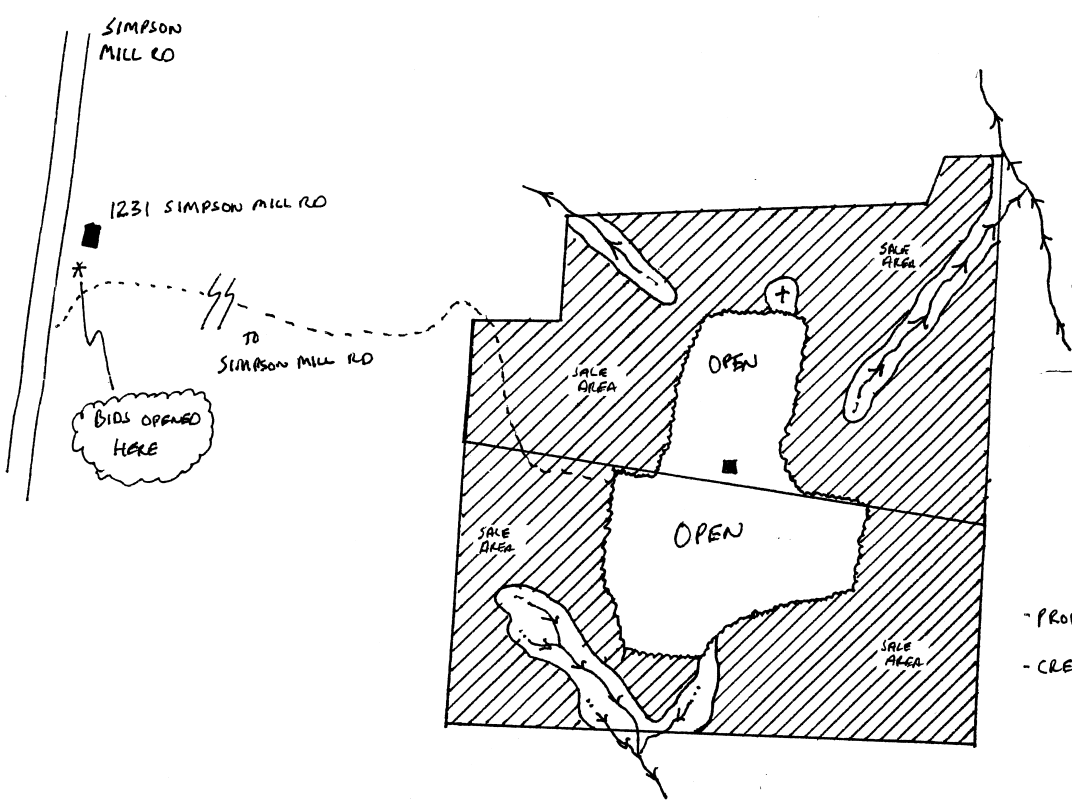
or related to this contract or upon the Sale Area, including such liability or loss caused by acts of omissions of Buyer's employees, contractors, sub-contractors, employees of contractors or sub-contractors, or licensees of Buyer, or to any others for property damage, personal injury, death, or otherwise.

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 the property lines as flagged pink and agrees to defend said title against any and all claims for taxes, mortgages, or any other encumbrances at his own expense.

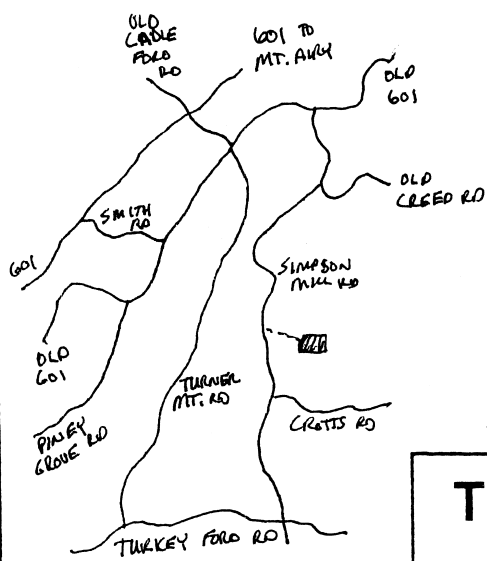
11. Seller or their Agent reserves the right to inspect the harvesting operations of the Buyer upon the Seller's lands at reasonable times and intervals. In the event the Seller or his Agent detects any violations of the timber deed, the Seller or his Agent reserves the right to suspend all harvesting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





* TREES AROUND BARN ARE NOT TO BE CUT

- PROPERTY LINES FLAGGED PINK
- CREEK BUFFERS PAINTED BLUE



* MAP IS APPROXIMATE *

TIMBER SALE MAP

SCALE: 1" = 660'

APPROVED BY:

DRAWN BY JON BARNES, RF

DATE: 5/11/09

REVISED

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

(336) 632-9088
1-888-899-9088

RIGGS/BADGETT - SURRY CO., NC

DRAWING NUMBER

Jon Riggs
5-22-09

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.