



Tennessee Timber Consultants

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TENNESSEE TIMBER CONSULTANTS, INC.

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March 6, 2018

Kelley Timber Sale

Bids to be opened Thursday March 29, 2018

Attn.: Buyers of Standing Timber,

Dr. Bobby J. Kelley has authorized Tennessee Timber Consultants to serve as his agents in the sale of certain **hardwood sawtimber** and **pulpwood** located on his property near Reagan in Chester County, Tennessee. This is the same property recorded in the Chester County Courthouse in Book 294, Pages 314 - 318, and Control Map 039, Parcel 010.00.

General Description of the Sale

This is primarily a quality hardwood sawtimber and pulpwood sale on a tract totaling approximately 253.5 acres (212 acres in Chester Co. and 41.5 acres in Henderson Co.). The actual woodland sale area is estimated at **83 acres** (all in Chester Co.) containing approximately **452,046 Boardfeet of hardwood sawtimber**. This is a quality hardwood sale that features 34% red oak, 19% white oak, and 18% poplar. **All trees average 222 bf/tree.**

Additionally, twenty-three (23) white oaks were considered to have prime veneer quality butt-logs totaling an estimated 4,266 boardfeet, and twenty-five (25) white oaks totaling and estimated 4,274 bf were considered to have 3-face veneer quality butt-logs.

The tract is located on upland with good access.

The Purchaser is **required** to carry General Liability Insurance and Worker's Compensation Insurance.

Location:

From the intersection of Highway 100 and Highway 22, follow Hwy 22 south for approximately 2 miles and turn left (east) on to Highway 201/Center Point Rd. Follow for approximately 6/10th of a mile and you will see marked timber on the east side of the road.

Due to extremely wet weather, there are limited places to park. Wherever you park, please do your best not to create ruts.

Sale Description

The sale includes the areas shown on the attached maps. Property lines are marked by orange flagging.

Only the hardwood trees marked by "Tennessee Timber Consultants" with **blue paint** at approximately chest height and below the stump line are eligible for harvest.

- Trees marked with a spot were considered sawtimber.
- Trees marked with a slash were considered pulpwood.
- Trees with a horizontal line under the spot indicate a deduction for defect, although further deductions were made even though the horizontal line may not be present.
- White oaks ringed with blue paint were considered to have veneer characteristics
- White oaks ringed with blue paint along with a "3" were considered to have 3-face veneer characteristics.

The location of all roads, primary skid trails and log decks must be approved in advance by the owners or their agents. **SMZ's have not been flagged. BMP's must be applied throughout the sale.**

Terms of the Sale

Sealed bids, submitted on a lump sum basis only, will be accepted until 11:00 A.M on March 29, 2018, at which time they will be opened. The bid opening will be held at **Latham's Meat Company at 3517 Highway 45 North in Jackson.** Buyers are invited to attend the bid opening and join us for lunch. Bids also may be submitted by mail, or fax (**call to be certain your fax was received**) on the attached or similar Bid Offer form, but **faxed offers must be received by us no later than 10:00 a.m. on the morning of the bid opening.** The Seller reserves the right to refuse any and all bids.

The Purchaser shall be required to make payment in full upon execution of the timber deed. The Purchaser shall provide the timber deed subject to the attached terms and conditions of the Seller, and assume all closing costs.

You are invited to inspect the tract at your convenience. Please feel free to contact Austin at 731-608-2933 if you have any questions relative to this sale.

Sincerely,

Austin Carroll

Austin Carroll
Tennessee Timber Consultants, Inc

Kelley Timber Sale

TIMBER VOLUME SUMMARY

The following timber volume estimates are provided for informational purposes only. Neither the Seller, nor Tennessee Timber Consultants guarantees the accuracy of this information in whole or in part.

Board Feet Volume Estimates*

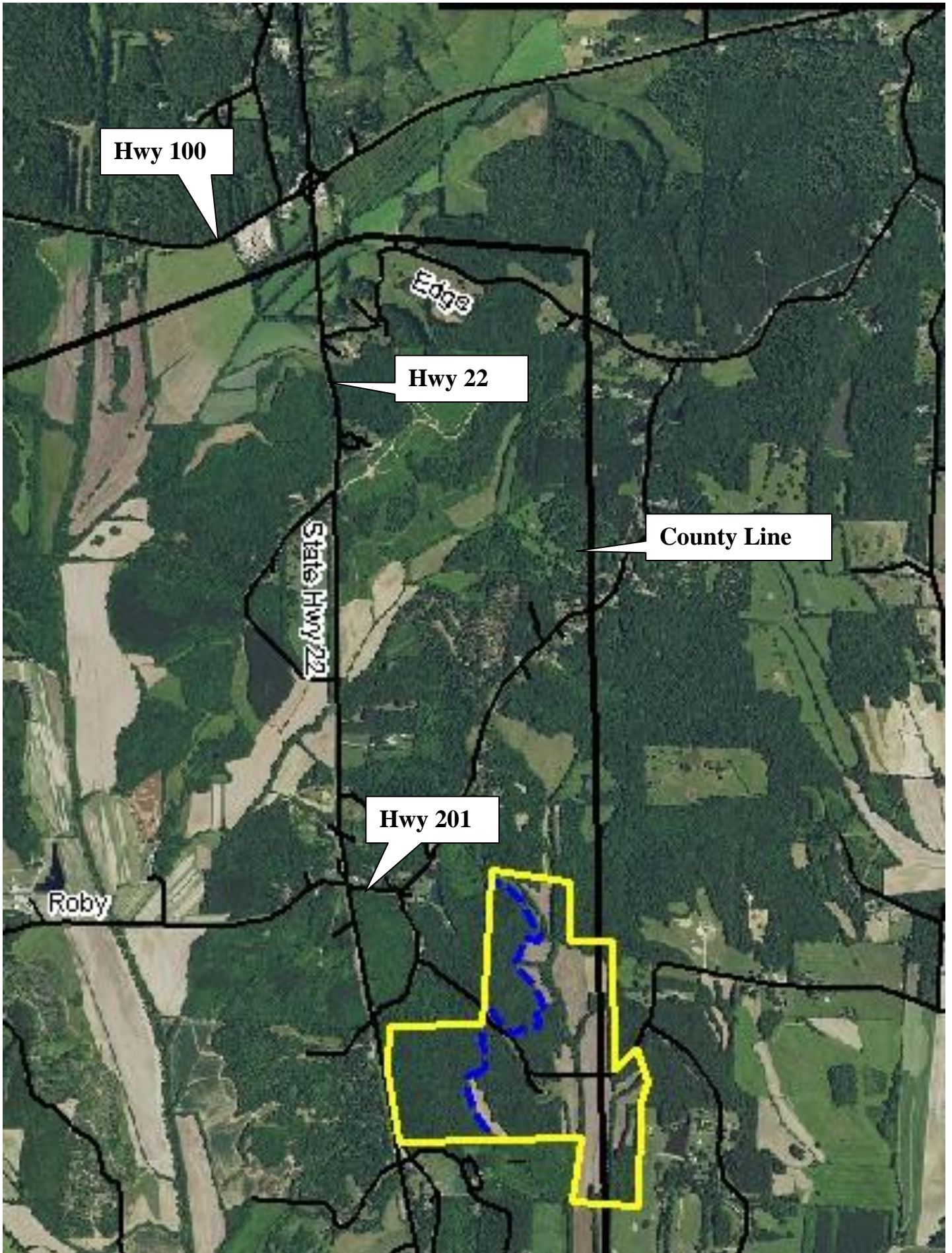
Species	Stand 1 ~30 acres		Stand 2 ~53 acres		Total		Avg. bf/tree
	Trees	Volume*	Trees	Volume*	Trees	Volume*	
White oak	65	14,269	252	72,253	317	86,522	273
Red oak	320	66,728	342	86,554	662	153,282	232
Poplar	119	42,471	129	38,286	248	80,757	326
Post oak	49	6,808	34	5,086	83	11,894	143
Hickory	56	9,039	266	42,023	322	51,062	159
Mixedwood*	89	13,537	148	22,312	237	35,849	151
Pine	46	7,202	117	25,478	163	32,680	200
Total	744	160,054	1,288	291,992	2,032	452,046	222

*Doyle Scale FC 78 for all species except FC 80 for poplar

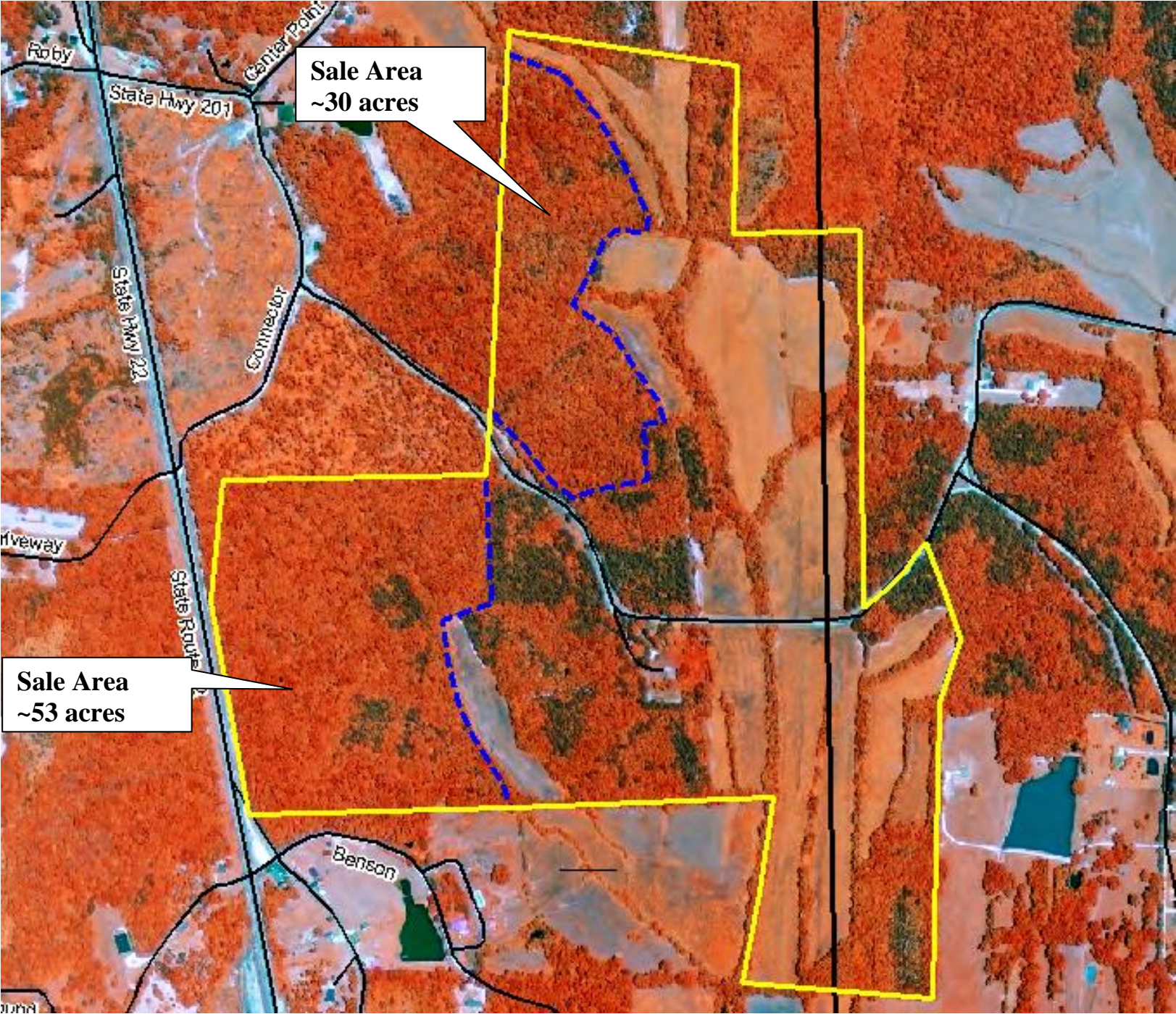
**Misc. includes red maple, hard maple, gum, ash, elm, beech, and cherry

White Oak Veneer	Trees	Volume (bf)	Avg bf/log
Prime	23	4,266	185
3-face	25	4,274	171
Total	48	8,540	178

Kelley Tract Location Map



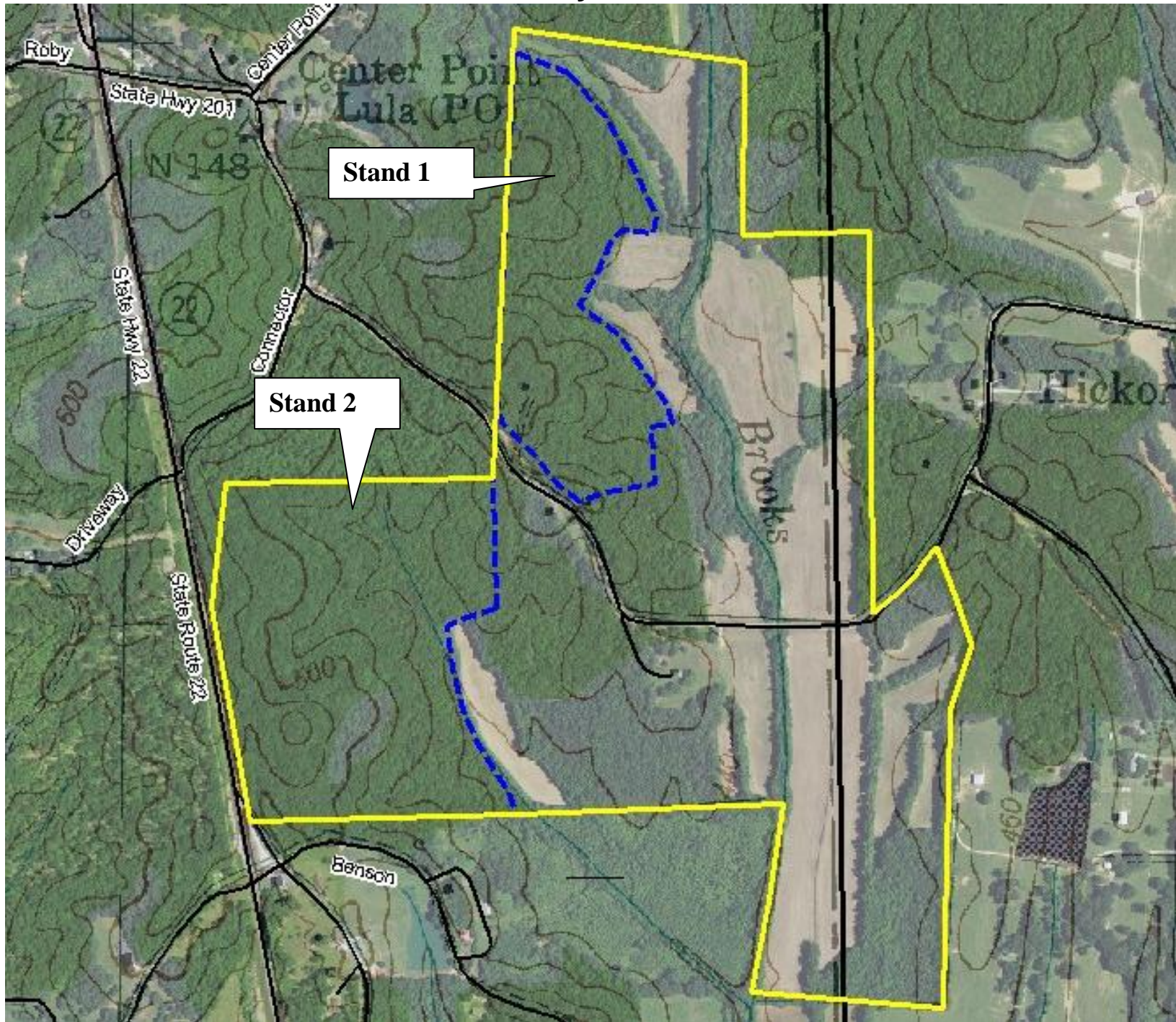
Kelley Tract



**Sale Area
~30 acres**

**Sale Area
~53 acres**

Kelley Tract



SALE TERMS and CONDITIONS

1. The Seller guarantees title to the timber sold, and grants to the Purchaser the right of ingress and egress upon the land for the purpose of harvesting and removing cut and severed trees. Securing the right to use any access points or access roads not on the property of the Seller is the sole responsibility of the Purchaser. The location of roads, loading decks and access points on the property of the Seller shall be agreed to in advance of logging activities.
2. Purchaser will pay for the timber in full at the time the contract or timber deed is signed, and shall assume all closing costs associated with the purchase of the timber contained in this sale. Purchaser shall be required to place a **5%** performance bond, not to exceed \$10,000, in the escrow account of the Seller's Agent Tennessee Timber Consultants. At the conclusion of logging operations this money or portions thereof not necessary to be used to bring the Purchaser into contractual compliance, shall be refunded provided the terms of this sale are met. In the event that the contractual terms are not upheld by the purchaser then this performance bond shall not be construed as being the final limit of the Purchasers liability to the Seller.
3. The Purchaser shall have until **December 31, 2019** to cut and remove the timber. Should adverse weather conditions preclude the removal of any or all timber prior to this date, this agreement shall be extended for any additional time, not to exceed six months, required by the Purchaser to cut and remove such timber. The Seller reserves the right to halt logging operations in the event that the logging operations are not being conducted in a manner consistent with the following terms and conditions. Any time lost due to a cessation of logging for contract non-compliance will count against the time stated in these Sale Terms and Conditions and no extension shall be granted in such event except said event shall be due to weather as stated above.
4. This timber sale is on the 253.5-acre property of Dr. Bobby J. Kelley on Highway 201 in Chester County. Within the two sale areas totaling roughly 83 acres, only those trees marked by Tennessee Timber Consultants with blue paint at approximately chest high and below the stump line are eligible for harvest.
5. The Purchaser shall not assign or in any way transfer its rights, duties or obligations under this contract or interest in this contract to a third party without the prior written consent of the Seller. Such consent shall not be withheld provided the third party agrees in writing to be bound by all of the Seller's original terms and conditions stated in this agreement as a condition of the transaction.
6. **Purchaser will notify Tennessee Timber Consultants at least one week prior to the logging operation.** The Purchaser and logging supervisor will meet on site with a representative agent of the company to review all contract provisions and requirements before harvesting begins. It is understood and agreed that the Seller's agent Tennessee Timber Consultants speaks with the Seller's authority under these terms regarding logging activities and contractual issues regarding logging activities.
7. Purchaser will remove tops and logging debris from roads, fields, streams, and the land of adjacent property owners immediately upon felling. Furthermore, the Purchaser shall take precautions, as needed so as not to allow its trucks or equipment to create ruts on the property during wet weather or in moist soil conditions. Purchaser will leave haul roads in a smooth and passable condition when logging is completed. Purchaser shall scatter back into the woods all logging debris including but not limited to tops, butt-offs, shorts, abandoned logs, limbs and bark and smooth out loading areas, and subsequently disk in fescue or wildlife vegetation and fertilizer on all affected areas as needed.
8. All trash, including but not limited to bottles, cans, lunch boxes, bags, broken equipment, oil cans, fluid spills discarded by the loggers will be removed from the property of the Seller when logging is completed. All clean up operations must be completed and all equipment removed from the property of the Seller within thirty days of completion of logging activities except in such case as other arrangements have been made with and agreed to in writing by the Seller.
9. Purchaser shall exercise reasonable care during the harvesting process to minimize damage to un-marked trees. The Sellers understand that significant damage will occur to un-marked, understory trees during the course of logging. However, merchantable trees that must be subsequently removed due to damage resulting from the ordinary course of logging will be paid for at their fair market value, while trees damaged due to recklessness or negligence, and all un-marked trees that are cut shall be paid for at twice their stumpage value as determined by the Sellers agent.

SALE TERMS and CONDITIONS

10. Purchaser shall be responsible for monitoring that all applicable state and federal laws and regulations regarding environmental issues are complied with relating to logging activities. Furthermore, the Purchaser shall take all actions required by State of Tennessee water quality best management practices (BMP's) to prevent and mitigate any environmental damage, and take such reasonable actions which may be requested by the Seller or their agent, Tennessee Timber Consultants.
11. Purchaser shall maintain in effect, general liability insurance coverage at a minimum rate of one million dollars per occurrence to cover any and all claims by Seller or others subject to the fulfillment and/or compliance with the terms and conditions of this agreement. This insurance coverage shall not be construed as being the final limit of the Purchasers liability to the Seller.
12. Purchaser shall indemnify and hold the Seller harmless from any liability arising out of the Purchaser's logging operations on the property or Purchaser's presence on the property, including without limitation any liability for injury or loss of life, damages to property of the Purchaser, streams, lessees, or adjoining property. The Purchaser further agrees that it shall have and show proof of worker's compensation insurance currently in effect and shall continue to carry said insurance in the full amount required by law for the entire period that it, or its employees, are on the property.
13. Seller shall provide written documentation to the Purchaser that these terms and conditions have been met and showing that the Purchaser has no other contractual obligations to the Seller upon satisfactory completion of logging activities. Satisfactory completion shall be agreed to mean that all contractual obligations have been met and are in compliance with all terms and conditions, laws, regulations and other agreements made during the course of logging. Such written documentation shall not be unreasonably withheld.
14. In the event of dispute over the terms of this agreement, final decision will rest with an arbitration board of three persons, one to be selected by each party to this agreement, and a third to be selected by the first two members of the board. The cost of arbitration shall be shared equally by Purchaser and Seller. Notwithstanding the foregoing, or in addition to the foregoing, Purchaser and Seller may each bring action(s) in law or in equity to enforce their respective rights.

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Date_____

For, and in accordance with the invitation to bid for certain timber offered for sale by Dr. Bobby J. Kelley, in Chester County, Tennessee, and subject to the terms and conditions required by the Seller, the undersigned agrees to purchase and pay the sum of \$_____.

Company Name_____

Street or P.O. Address _____

City/State/ZIP _____

Telephone _____

Authorized Signature _____ Title _____

(Mail, fax, or email your bid as shown above. Please feel free to bring your bid to the opening at the time and place described above.)