



June 22, 2019

Dear Ms. Ferguson:

This letter provides a timber summary, value/basis estimation and management recommendations for a tract of timberland in Roanoke County, Virginia that you own. This parcel is listed as tax parcel 099.00-01-06.00-0000 according to Roanoke County tax records, and is located at the physical address 4707 Ferguson Valley Road, Roanoke, VA. There are approximately 64 acres of merchantable timber distributed across this tract (see attached map).

The timberland that was examined in this current report is mostly (approx. 60 ac) of medium and large-sized hardwood and white pine sawtimber, plus an additional (approx. 4 ac) of plantation white pine small and medium-sized sawtimber. This value estimation reflects current market values as determined from sales of comparable timber in the Roanoke/Franklin County area over the last 3 months and from current delivered log prices.

KEY FINDINGS-Value Estimation

1. This property contains 535.1 MBF-INTERNATIONAL 1/4 (Thousand board feet, International ¼ Log Rule) or 430.4 MBF-DOYLE (Thousand board feet, Doyle Log Rule) of merchantable hardwood and pine sawtimber. The breakdown, by species, is shown in the table, below.

SPECIES	Sawlog Volume-MBF INT 1/4	Sawlog Volume-MBF DOYLE
Red Oak	92.0	70.00
Black Oak	1.5	1.00
White Oak	39.0	29.00
Chestnut Oak	150.0	105.00
Scarlet Oak	6.0	4.00
Yellow Poplar	129.0	88.00
Ash	7.0	4.00
Hickory	27.0	19.00
Maple (mostly soft)	8.0	4.40
Black Walnut	1.6	1.00
Misc Hardwoods	35.0	24.00
Yellow Pine	28.0	16.00
White Pine	11.0	65.00
	535.1	430.40
*MBF = thousand board feet		

KEY FINDINGS-Value Estimation (continued)

2. A harvest of the sawtimber would generate an estimated 1,240 tons of hardwood and softwood pulpwood—including topwood and small-diameter material.
3. ***The estimated total value of the standing timber on this tract is \$88,205 or approximately \$1,380 per merchantable acre.***

The following factors were considered in making the determination of the value of this timber:

- a. The timber quality and the species composition is good.
- b. The tract is situated reasonably close to a number of wood processing facilities.
- c. Access to the property is good via Ferguson Valley Road, though access may be difficult for tractor trailers.
- d. There is a ford over Back Creek—this may limit access during periods of wet weather conditions (see attached photo, below).
- e. Within the tract boundary, access to the timber is fair to good (this is a steep tract that may require a “mountain logger”).
- f. There are a several suitable landing sites associated with this tract.
- g. At 64 merchantable acres, this tract is comparable in terms of overall size and overall volume relative to other timber tracts.
- h. ***This estimate reflects current market conditions as at June 22, 2019. These market conditions are subject to change at any time.***
- i. ***This estimate is based on acreages and boundaries provided by the client and/or of public record, and is not to be construed as a survey and/or professional interpretation of same by a licensed surveyor.***

KEY FINDINGS-Management Recommendations

The following management recommendations have been developed based on your ownership objectives, physical/ecological constraints, and current market conditions.

1. The large-sized sawtimber found across most of the tract (approx. 60 acres) is mature and is ready to harvest at any time over the next 10-20 years. A clear-cut timber harvest would be the optimal way to ensure adequate natural regeneration. The use of a consulting forester to solicit bids and/or ensure competitive stumpage pricing is recommended.
2. The small- and medium-sized sawtimber located in approximately 4 acres of white pine plantation on the northeastern quadrant of the tract is still somewhat immature and should be left to grow for at least 5-10 more years unless this land is to be converted to pasture or other land uses.

I appreciate your asking me to provide this timber summary, value/basis estimation and management recommendations. If you have questions, please do not hesitate to call.

Sincerely,

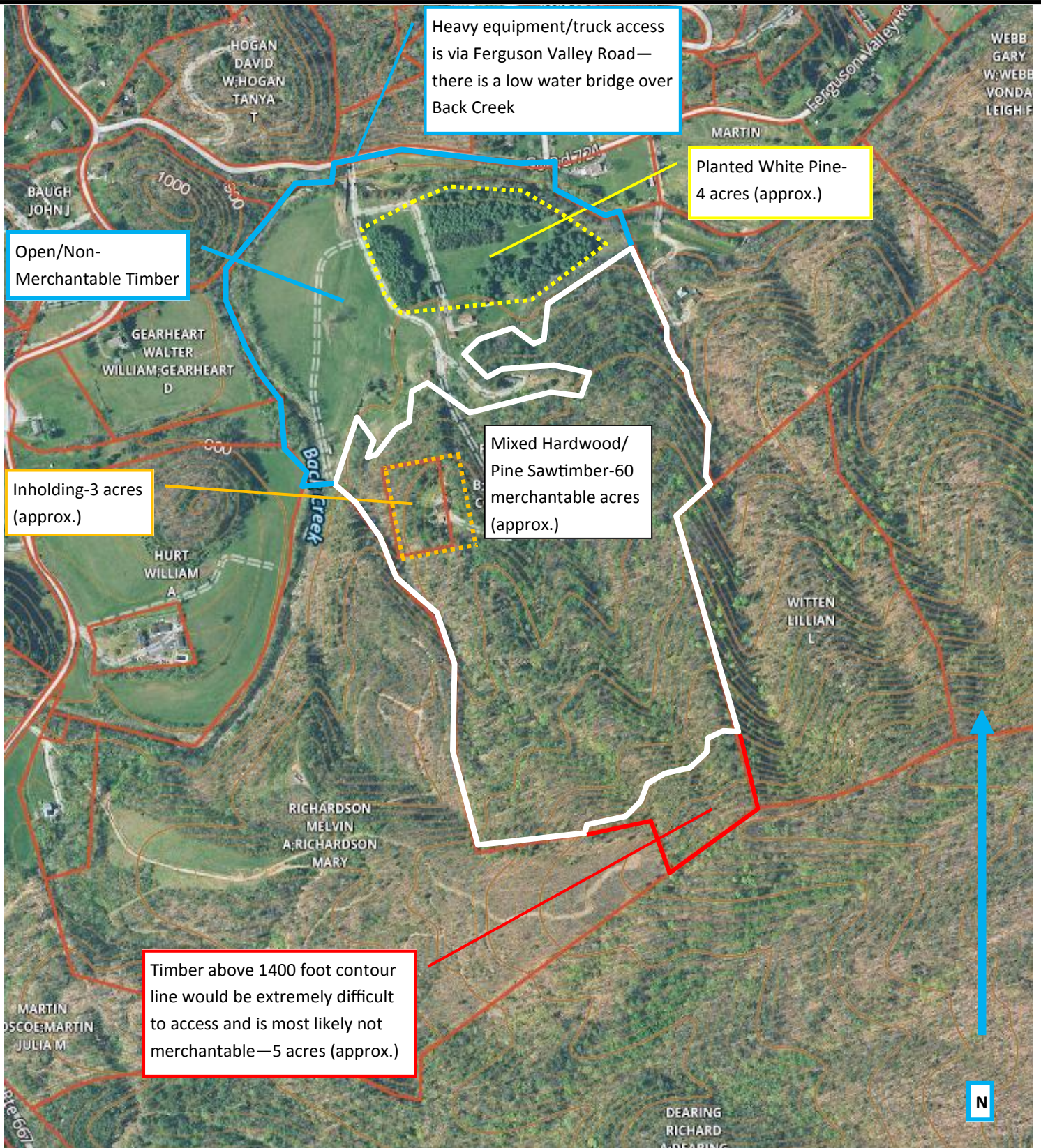
David W. Richert

David Richert, CF, CA
Owner/Operator
Whole Forest Solutions, LLC

Enclosures

EXHIBIT A: Ferguson Tract, Roanoke County, Virginia

Timber Summary and Value Estimation



**Methods and References
for Timber Summary and Value Estimation
Ferguson Tract**

Field Methods

Prior to starting field work, I obtained a copy of the property boundaries from Woltz & Associates, INC., and met with the property owner to learn more about the land use history of the tract. While conducting the field work on June 10, 2019, I was able to find some flagging in the approximate vicinity of property lines, as described on the tract map.

I cruised the tract using the prism method with a 10 factor prism. Points were located using a grid pattern to achieve randomness. Sawtimber heights were recorded in 16 foot logs in half log intervals. Diameters were measured to the nearest even two inch diameter class. Quality of the timber was noted, along with steepness of terrain, rock, fire damage and other factors pertinent to value.

Calculations

Board footage of sawtimber was determined by using Doyle and International $\frac{1}{4}$ volume tables using Form Class 76. Stumpage values are listed for Doyle Rule since it is more widely used rule of trade in this area. The publication “Conducting a Simple Timber Inventory” found on the web: <http://www2.ca.uky.edu/Forestry/FOR250/TimberInventory.pdf> is an easy-to-understand discussion of the statistics and calculations used to determine standing timber volume. Stumpage prices are determined from sales in the Virginia and Northeastern Tennessee area.



Photo 1: Typical forest conditions on the Ferguson Tract.



Photo 2: Numerous blowdown trees were noted throughout the Ferguson Tract.



Photo 3: Low water bridge crossing of Back Creek at entrance to the Ferguson Tract.