

8/24/2016

Jim Givens
Auctions United, Inc.
16 Commerce Ct.
Rome, GA 30161

Subject: Timber Appraisal Report for the Gary Popham Property

Mr. Givens,

We have completed the timber inventory and appraisal for the Gary Popham property located on Indian Mountain in Cherokee Co., AL. This report will give you the current timber volumes and value for the area of the property that is harvestable. A color aerial map and topography map are also included.

Timber Inventory Procedures

The tree numbers, volumes and basal area contained in this report are based on a systematic inventory or cruise of the timberland which is accomplished by doing sample points on a predetermined grid over the inventory area. The sampling grid used was a 6 x 6 chain (one chain equals 66 linear feet) or a 396 ft. x 396 ft. spacing between sample points. Each point was sampled using variable radius plots using a 10 BA factor prism. At each point, tree species, tree diameter, height and timber product class were recorded using TCruise software.

Timber Appraisal

We estimate that there are 151.8 acres of the property that could be harvested, please see the maps for location details. This estimated area was based initially on the topography map of the property and then ground verified during the field visit to complete the timber inventory. Even within this area, there are still some very rocky places and steep ravines that may not be harvestable. Some of the timber would also have to be left along the streams as streamside management zone (SMZ's) to comply with the Alabama forestry best management practices to protect water quality. The access to the property, the terrain and rocky ground conditions were all considered when appraising the timber on the property. One positive aspect of the rocky terrain is that this tract could be harvested in the wet times of the year when other tracts could not be harvested because the ground would be too soft.

The area inventoried currently has an estimated basal area of 62.6 square feet per acre, an average of 40.5 tons of timber per acre and an estimated average per acre timber value of \$356.77. This equates to a total of 6,142 tons of merchantable timber with an appraised value of \$54,157.00. Please see *Table 1* for timber product and value details.

You will notice that the majority of the timber is in the hardwood pulpwood product class, which we put \$5 per ton on in the appraisal. Currently, this timber product is the most difficult for timber buyer and loggers to haul to the mills that utilize this type of timber. The hardwood pulpwood mills have been full of timber this year and all the timber buyer and loggers are on "quota", meaning, the mill tells them how many truck loads of wood they can haul to the mill each week. We have been hearing number like 5 to 10 loads per week. That is a very low quota. This makes hardwood pulpwood a lower valued product

than it has been in the past. Last year at this time, we would have put between \$7 and \$8 per ton on hardwood pulpwood.

Discussion

The property has a decent road and ATV trail system through the property. It would be a good property for anyone looking for a place to buy so they could ride ATVs. There could be some bulldozer work to improve a few of the trails and roads.

There are a number of established wildlife food plots on the property. The color aerial map shows the location of the food plots. The total area in food plots is about 7.5 acres. Potential buyers may be interested in the amount of food plots on the property. The food plots could be mowed to improve how they look before buyers view the property. But make sure whoever mows them looks out for all the rock in them.

Another interesting find on the property was native Longleaf pine trees growing on the ridges. Native Longleaf pines are not extremely common in Cherokee County, AL, but do occur. Most of the Longleaf pines on this tract are in areas that are too steep and rocky to be harvested.

Please let us know if we can help you with color aerial maps or topography maps for your advertising efforts of the property. We can provide maps in a few formats such as .pdf and high resolution .jpeg's which are suitable for advertising brochures and posters. We can print 11 inch by 17 inch paper maps here at our office if you are interested in larger paper maps. Please call us if you would like more information about the type of maps we can provide.

Thank you for allowing us to be of service to you.

Sincerely,

A handwritten signature in black ink that reads "Jason McGee". The signature is written in a cursive style with a large, sweeping initial "J" and "M".

Jason McGee, ACF, RF