

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, April 30, 2009

COWAN/KNIPPLE TRACT – LEE COUNTY, NC

TIMBER VOLUMES – 20.4 +/- acres (clear-cut) and 4.8 +/- acres Loblolly Thinning
(per unit)

<u>Timber Species</u>	<u>Est. Vol.</u>	<u>BdFt/Tree</u>
Loblolly Pine	216,500	158
Yellow Poplar	4,700	147
Red Oak	10,300	139
White Oak	25,300	128
Hickory	300	100
Blackgum	1,100	138
Sweetgum	9,900	121
Miscellaneous	1,800	100
Totals	269,900	151

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 1/10th acre plot field tally.

LOCATION:

This tract is located just north of Sanford and adjoins US Hwy 1-15/501 in Lee County, NC. See attached location map.

BIDS:

The Cowan/Knipple Tract is being sold on a lump sum, sealed bid basis for the large "sale area" and a "per unit" basis for the pine pulpwood thinning. Please submit your lump sum bid along with your per ton bid for the small area of pulpwood. Bids will be accepted by mail if received by 5:00 pm on Wednesday, April 29, 2009 or bids will be accepted by telephone at my office until 9:00 am on Thursday, April 30, 2009. Bids may

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Edward M. Cowan 4/2/09

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be brought to the timber sale on Thursday, April 30, 2009 by 11:00 am. At 11:00 am on Thursday, April 30, 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. A \$1,000 performance deposit will be payable at the closing and held in a non-interest bearing trust account until satisfactory completion of harvesting. The performance deposit does not limit the buyer's liability for following the terms of the sale.

PLACE OF SALE:

The timber sale will be held at the driveway leading into the parcel at 2919 Beechtree Drive at 11:00 am on Thursday, April 30, 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 specified merchantable timber within the "Sale Area". Most of the sale area is a clear-cut as shown on the Timber Sale Map. There is one small area of Loblolly Pine thinning in the central section of the tract. This is an "operator select" thinning operation. The Buyer shall harvest defective, diseased, crooked, and suppressed pines leaving the larger, more vigorous "crop" trees. The objective is to harvest the proper number of trees to leave an optimum stocking level of 70-90 square feet of basal area of growing Loblolly Pine timber. In areas where rows can be clearly identified, a fifth row thinning should be conducted with selected inferior trees being removed from between the rows. In areas where the rows cannot be identified, corridors should be placed approximately 50 feet apart with thinning between corridors to achieve the target basal area.

Seller, or seller's agent - William H. Lock & Associates, Inc., shall have the express right to halt all harvesting operations in the event the thinning operation is not achieving the desired basal area targets, if remaining stems are excessively damaged, or if any provisions of this contract are not being followed.

Creek Buffers have been marked with Blue Paint. No blue painted trees marking the buffer boundaries may be cut. All pines of any size and any hardwoods ≥ 16 " DBH may be harvested from within the "Buffer" areas provided NC Best Management Practices, Forest Practice Guidelines, and any applicable River Basin Rules are followed. Buyer agrees to use his best efforts in harvesting the larger trees from the Buffer areas to minimize damage to the smaller remaining trees. Seller acknowledges that some damage

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to smaller stems may occur. The "out" areas have been marked with red paint. No red painted trees or any trees within the out areas are to be harvested.

2. The Buyer shall access the tract from Beechtree Drive as shown on the Timber Sale Map. All access routes will need to be installed and/or maintained according to all NC Best Management Practices, Forest Practices Guidelines and/or any applicable River Basin Rules. All entrance driveways must be kept open and passable by ordinary automobile traffic at all times. All roadways must be left in good and usable condition 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. 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. Responsibility will include any required remediation including but not limited to the removal of contaminated soils.

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 NC Best Management Practices, Forest Practice Guidelines, and any applicable River Basin Rules and water quality regulations. 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. 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.

5. All property lines and corners have been flagged with orange flagging. No painted or 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, NC 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.

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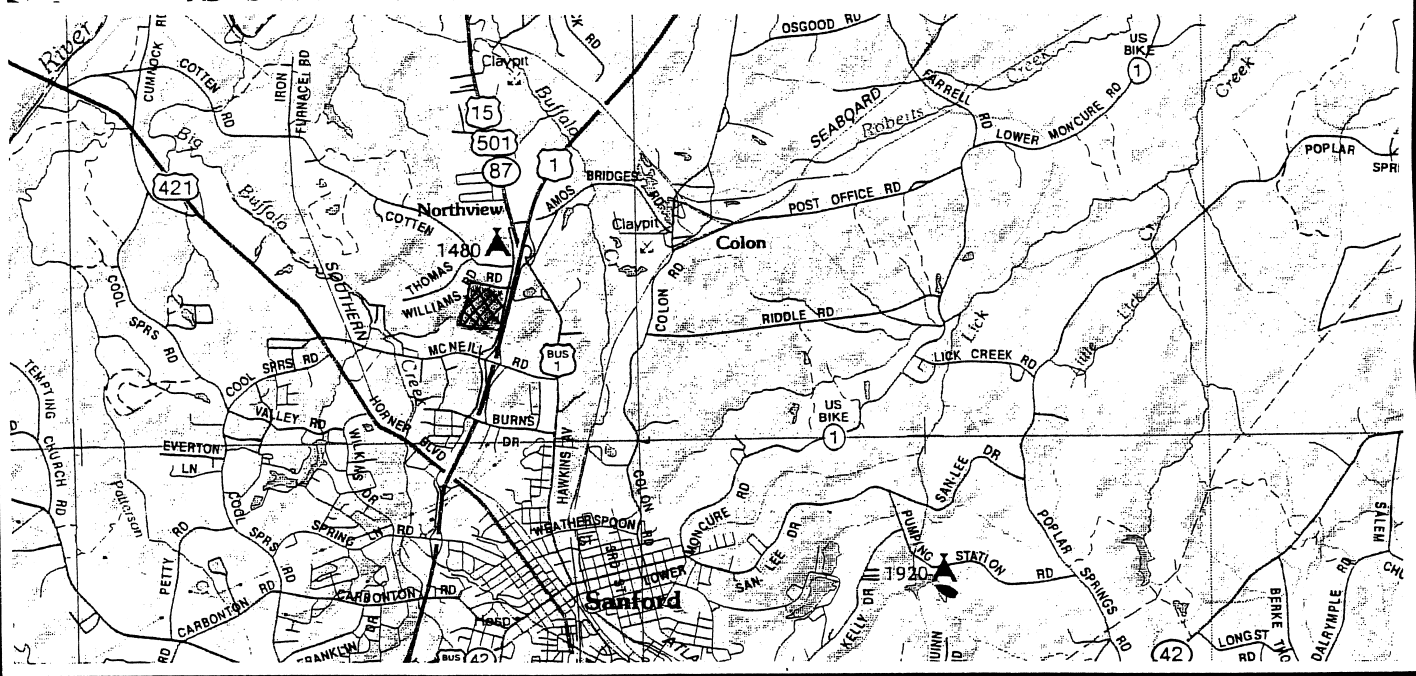
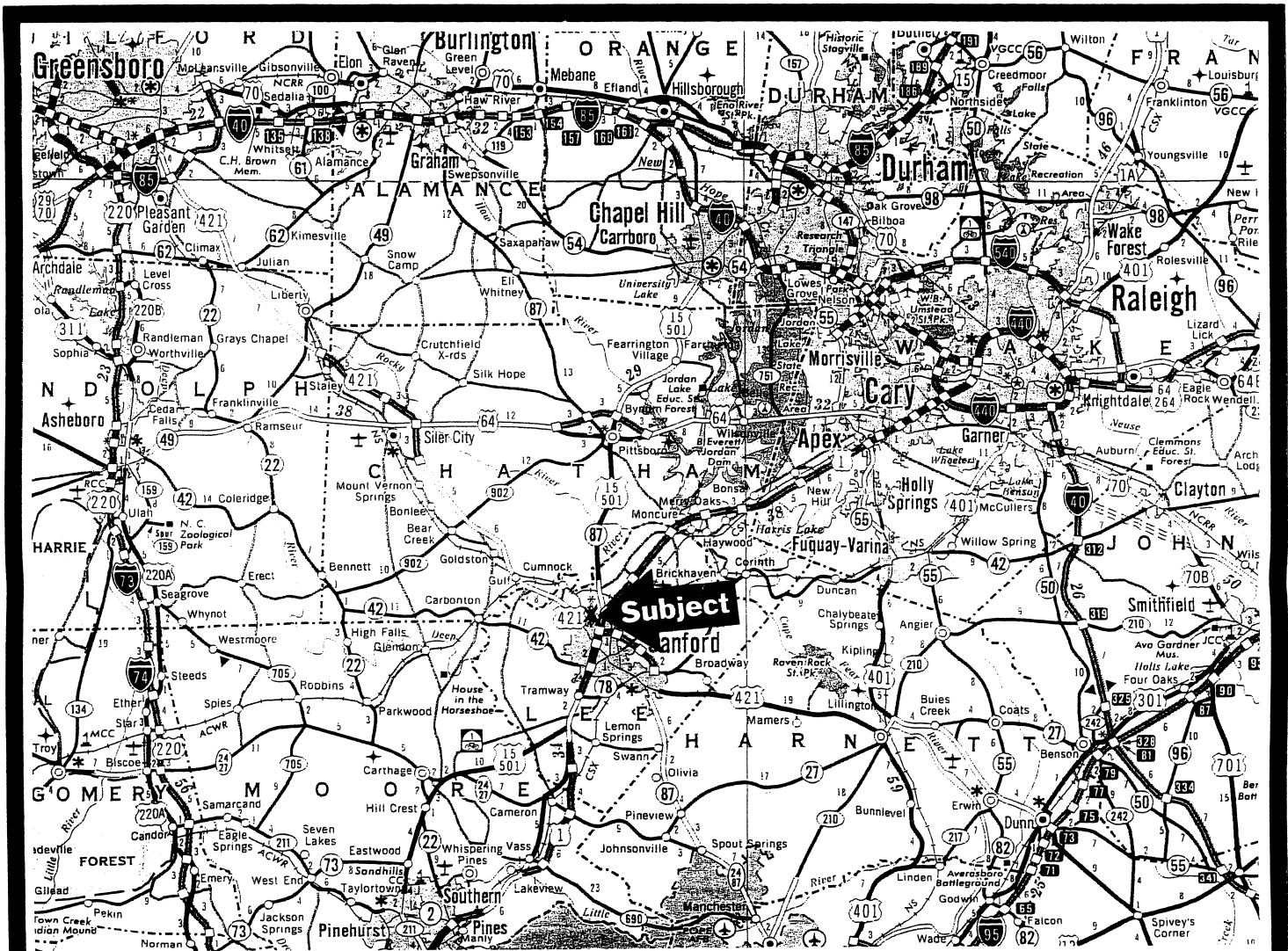
Sale Date: Thursday, April 30, 2009

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 tract or beginning any harvesting operations.
7. Seller or their Agent reserves the right, in its sole discretion, 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 amount of one million dollars and will provide satisfactory evidence of coverage at closing and maintain same throughout all logging operations.
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, 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.

Rebecca A Cowan 4/2/09

Mary H Knipple
2 April 09

Edward M. Cowan 4/2/09

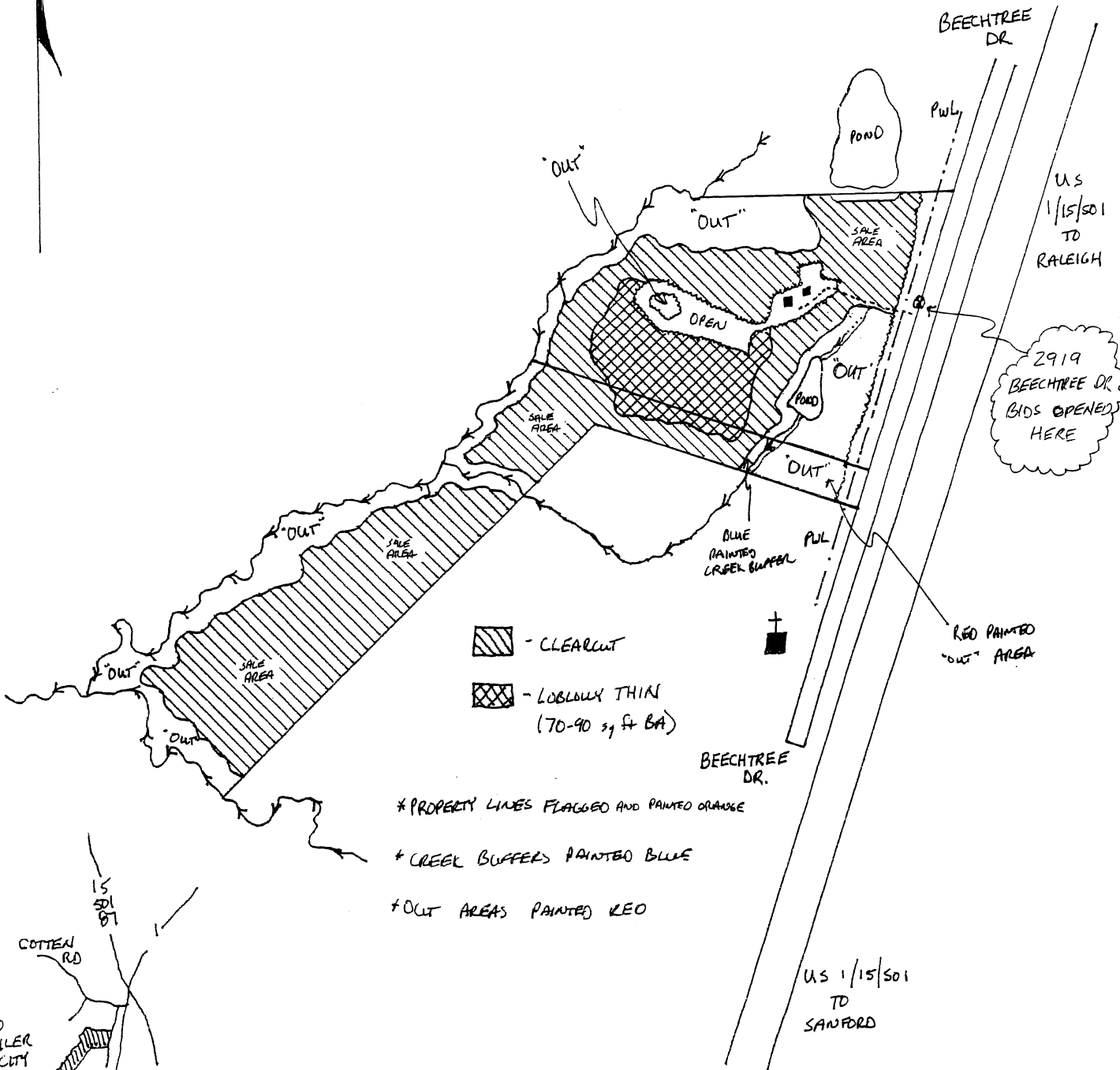




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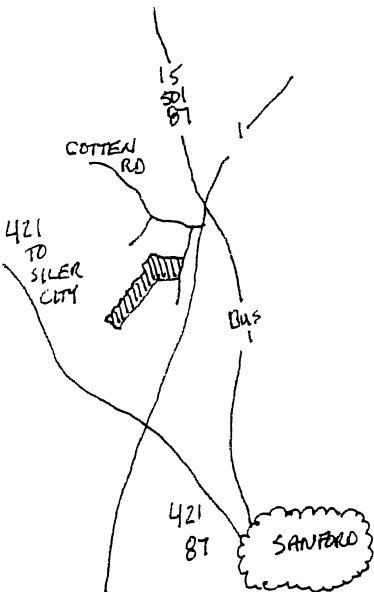
Mary A Krupple April 2/09

Edward W Cowan 4/2/09



-  - CLEARCUT
-  - LOBLOXY THIN (70-90 sq ft BA)

- * PROPERTY LINES FLAGGED AND PAINTED ORANGE
- * CREEK BUFFERS PAINTED BLUE
- * OUT AREAS PAINTED RED



* MAP IS APPROXIMATE AND WAS NOT FIELD MAPPED DUE TO 100% TALLY *

TIMBER SALE MAP
Rebecca Cowan 4/2/09
Mary A Knipple 2 April 09

SCALE: 1" = 515'	APPROVED BY: <i>Rebecca Cowan 4/2/09</i>	DRAWN BY: JOW BARWES, R.F.
DATE: 3/24/2009		REVISED

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COWAN / KNIPPLE - LEE CO., NC
 DRAWING NUMBER

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.