

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 2, 2011 at my office

LEANN LAND COMPANY TRUST TRACT – ALAMANCE COUNTY, NC

TIMBER VOLUMES – 97.1 +/- acres (clear-cut)

<u>Timber Species</u>	<u>Est. Vol.</u>	<u>BdFt/Tree</u>
Virginia Pine	11,150	138
Shortleaf Pine	21,960	121
Yellow Poplar	411,370	271
Red Oak	150,020	193
White Oak	143,180	189
Sweetgum	57,400	177
Hickory	80,220	198
Sycamore	6,680	223
Black Walnut	3,440	172
Beech	3,870	97
Maple	5,570	109
Ash	18,130	199
Miscellaneous	6,320	158
Totals	919,310	213

Pine Pulpwood was estimated at 23 Cords and Hardwood Pulpwood was estimated at 451 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 ninety-six (96) 1/10th acre field plots.

LOCATION:

This tract is located on the east side of Dickey Mill Road just south of its intersection with Hwy 119 in northeastern Alamance County. See attached location maps.

Page Two
LeAnn Land Company - Timber Sale
Sale Date: Thursday – June 2, 2011

BIDS:

The LeAnn Land Company Tract is being sold on a lump sum sealed bid basis. Bids will be accepted by **regular mail** if received by 5:00 pm on Wednesday, June 1, 2011 **OR** bids will be accepted by **email (whlock@whlock.com), telephone (336-632-9088), fax (336-632-9088), or in-person** at my office until 11:00 am on Thursday, June 2, 2011. At 11:00 am on Thursday, June 2, 2011 all bids received will be recorded. The successful bidder will be notified within 24 hours of the bid openings. 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 on or before June 29, 2011. The seller reserves the right to refuse or accept any and all bids. Seller will consider all bids. The seller will be responsible for the timber deed preparation and forestry consultant fees. The buyer will be responsible for all other closing costs. A \$1,000 performance deposit will be payable at closing and held in a non-interest bearing trust account until satisfactory completion of logging. The performance deposit does not limit the buyer's liability.

PLACE OF SALE:

The timber sale will be held at the office of William H. Lock & Associates, Inc. in Greensboro, NC. The office address is 375 S. Swing Road, Greensboro, NC 27409. Telephone and Fax: 336-632-9088; Email-whlock@whlock.com

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 marked with Blue Paint. No blue painted trees marking the buffer boundaries may be cut. The tract is within the Jordan Lake Watershed so some select harvesting will be allowed within the buffers as described in the watershed regulations. Buyer agrees to abide by all necessary regulations pertaining to this particular watershed and all other applicable rules and regulations pertaining to timber harvesting. The landowner does have a Forest Management Plan. The "PP" or pine plantation areas are considered "out" areas for the purposes of this sale. No harvesting activity will be allowed in these areas and no trees are to be damaged within these pine plantation areas.

2. The Buyer shall access the tract from Dickey Mill Road along the existing farm road and/or the 60' +/- wide strip of land adjoining the northern section of land. All 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 remain open and passable by ordinary traffic at all times. The roadways must be left in similar condition at the completion of the harvesting operation

Page Three

LeAnn Land Company - Timber Sale

Sale Date: Thursday – June 2, 2011

as they were at the beginning 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. Harvesting operations must not interfere with any farming operations and farming operations must not interfere with any 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. All loading decks and truck parking areas must be reseeded when the harvesting operation is completed. Buyer agrees to immediately repair any fences damaged by the harvesting operation. Seller agrees to work with Buyer for access through the necessary fences and gates with adequate harvest notification so Seller can make arrangements for moving livestock.

5. 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 and paths.

6. All necessary property lines and corners have been marked with pink flagging. 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 or sale boundary 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.

7. 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.

Page Four

LeAnn Land Company – Timber Sale

Sale Date: Thursday, June 2, 2011

The buyer and/or logger must complete a pre-harvest inspection with WHL & Associates prior to beginning any logging activity.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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 or contract, 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.