

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

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INVITATION TO BID BY SEALED BID ON STANDING TIMBER

SALE DATE: Thursday, April 2, 2009

NEAL/GENTRY TRACT – ROCKINGHAM COUNTY, NC

TIMBER VOLUMES – 34.8 +/- acres (clear-cut and “Virginia pine only” select-cut)

<u>Timber Species</u>	<u>Est. Vol.</u>	<u>BdFt/Tree</u>
Virginia Pine	150,000	79
Shortleaf Pine	2,800	64
Yellow Poplar	77,200	166
Red Oak	23,800	137
White Oak	7,600	117
Hickory	1,000	67
Maple	8,800	94
Sweetgum	600	86
Totals	271,800	98

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 total of 48 1/10th acre tally points.

LOCATION:

This tract is located in the central section of Rockingham County, NC between Bethany and Stokesdale on NC 65. See attached location map.

BIDS:

The Neal/Gentry Tract is being sold on a lump sum, sealed bid basis. Bids will be accepted by mail if received by 5:00 pm on Wednesday, April 1, 2009 or bids will be accepted by telephone at my office until 9:00 am on Thursday, April 2, 2009. Bids may be brought to the timber sale on Thursday, April 2, 2009 by 11:00 am. At 11:00 am on Thursday, April 2, 2009 all bids in hand will be opened. A 10% deposit may be

Page Two
Neal/Gentry - Timber Sale
Sale Date: Thursday – April 2, 2009

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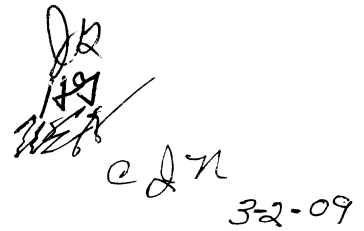
requested to be delivered to William H. Lock & Associates, Inc. within 72 hours of the bid opening. The balance of the sales price is to be delivered at the sale closing which should occur within 30 days from the sale date. The seller reserves the right to refuse or accept any and all bids. Seller will 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 in the open field area near 7481 NC 65 at 11:00 am on Thursday, April 2, 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 are two small areas near the highway that are Virginia Pine Only select-cut. Only Virginia Pine of any size is to be harvested from within these red painted areas. No other pine or hardwood species are to be harvested from within these two areas. The "Out" areas are painted blue. No blue painted trees marking this sale boundary may be cut and no trees within the "out" areas are to be harvested.
2. The Buyer shall access the tract from NC 65 along the existing 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

Handwritten initials and date: "DL" and "JH" with a checkmark, "e J N", and "3-2-09".

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 pink 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.

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

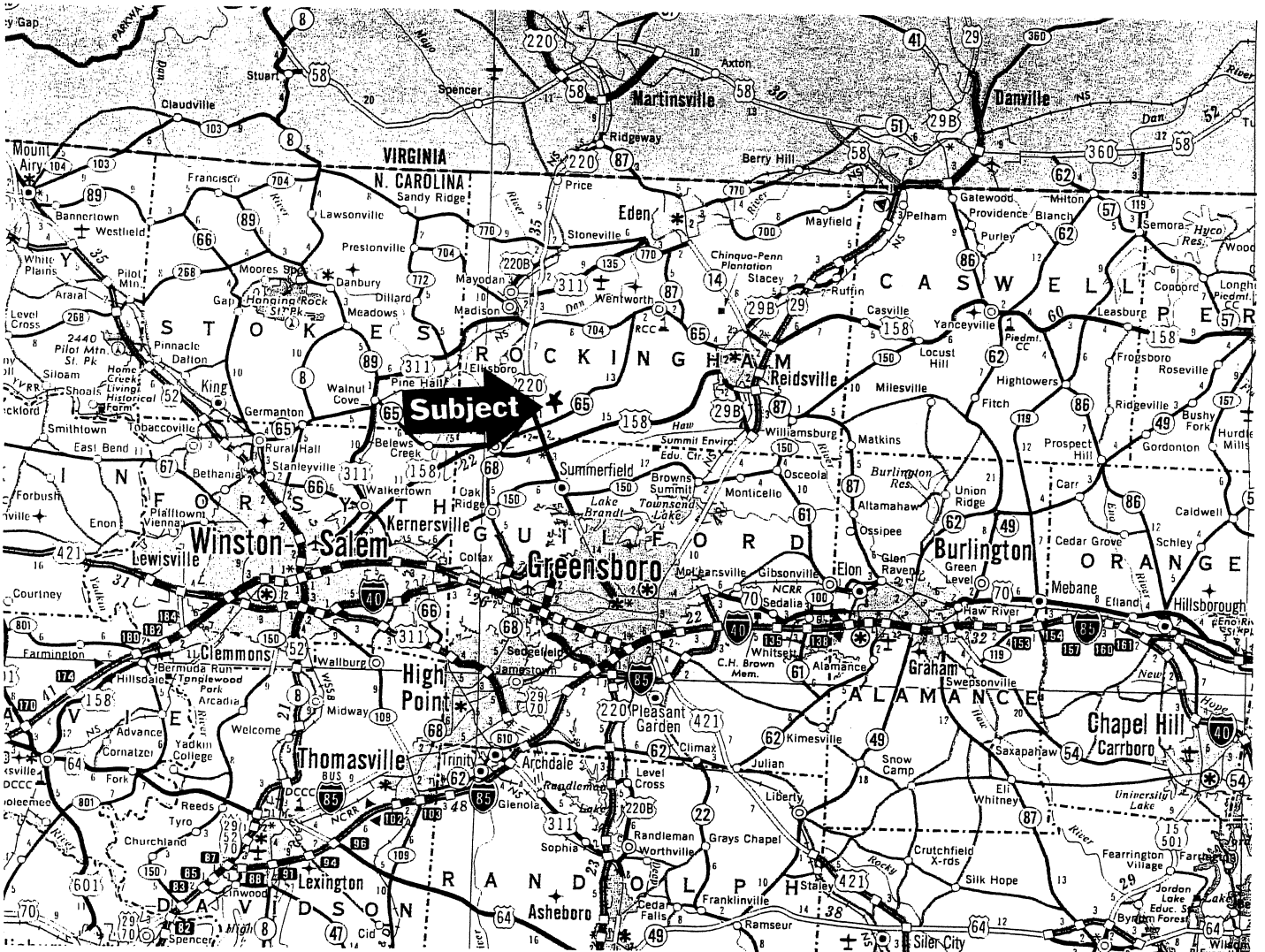
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million dollars and will provide satisfactory evidence of coverage at closing and maintain same throughout all logging operations.

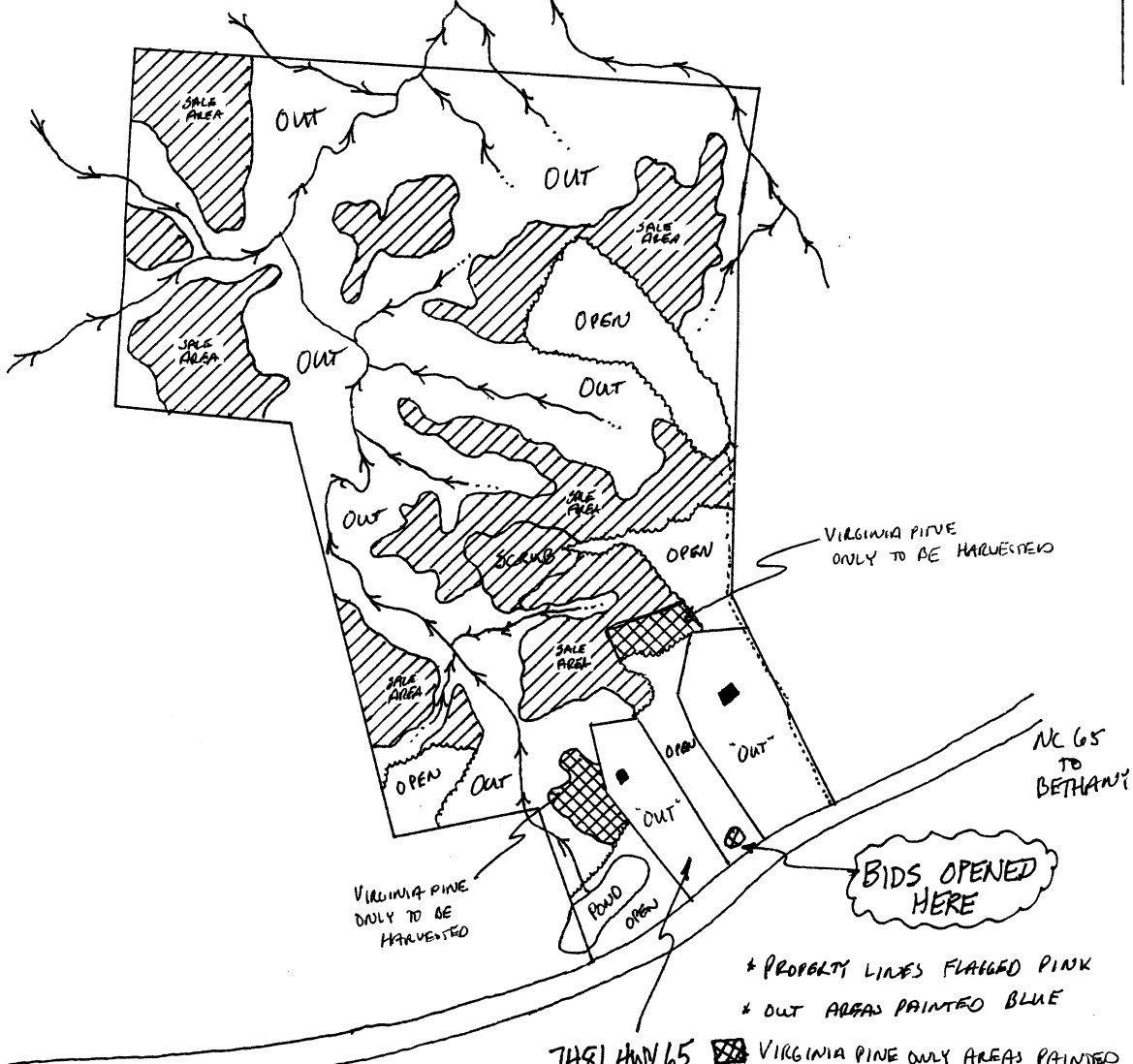
9. Once purchased, the Timber shall not be assigned by the Buyer, either in whole or in part without the prior written consent of the Seller.

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.



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VIRGINIA PINE ONLY TO BE HARVESTED

BIDS OPENED HERE

- * PROPERTY LINES FLAGGED PINK
- * OUT AREAS PAINTED BLUE
- * VIRGINIA PINE ONLY AREAS PAINTED RED
- * Clear-cut areas

NC 65 TO STOKESDALE

YANK RD

7481 HWY 65



TIMBER SALE MAP

SCALE: 1" = 660'

APPROVED BY:

DRAWN BY JON BARNES, R.F.

DATE: 2/18/09

REVISED

William H. Lock & Associates, Inc.
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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.

GENTRY/NEAL - ROCKINGHAM CO., NC

DRAWING NUMBER