

WILLIAM H. LOCK & ASSOCIATES, INC.
Consulting Forester * Certified Arborist * Real Estate Broker
P. O. Box 49571 * Greensboro, NC 27419
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INVITATION TO BID BY SEALED BID ON STANDING TIMBER

SALE DATE: Thursday, December 16, 2010

MOORE/SMOTHERS TRACTS - ROCKINGHAM COUNTY, NC

TIMBER VOLUMES – 206.7 +/- acres (clear-cut) **NOTE:** Not included in these figures, there are 55.3 +/- acres of Loblolly Pine thinning that will be sold on a per unit, operator select basis. Please include a per unit price for pulpwood thinning as a separate line item in your bid. We want to thin the stands to approximately 80-90 BA per acre. A non-refundable \$5,000 deposit will be collected for the thinning portion of the property. This will be used as a “draw” account when the thinning is started.

<u>Timber Species</u>	<u>Est. Vol.</u>	<u>BdFt/Tree</u>
Virginia Pine	248,700	68
Shortleaf Pine	1,400	78
Loblolly Pine	56,000	87
Yellow Poplar	400,500	184
Red Oak	45,100	111
White Oak	99,300	134
Sweetgum	63,000	124
Hickory	40,600	113
Sycamore	73,500	223
Birch	58,500	116
Black Walnut	3,200	188
Maple	20,800	102
Ash	15,100	145
Miscellaneous	5,100	85
Totals	1,130,800	116

Pine Pulpwood was estimated at 945 Cords and Hardwood Pulpwood was estimated at 980 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 a 1/10th acre plot cruise with 233 points.

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Moore/Smothers Tracts - Timber Sale

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LOCATION:

The tracts are located in the northeastern section of Rockingham County on Sagebrush Road just off of Worsham Mill Road. There is also another access from Panther Road from the north. See attached location maps.

BIDS:

The Moore/Smothers tracts are being sold on a lump sum, sealed bid basis. One bid, including the separate pulpwood per unit bid, will be accepted for all tracts combined. Bids will be accepted by **regular mail** if received by 5:00 pm on Wednesday, December 15, 2010 **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, December 16, 2010. At 11:00 am on Thursday, December 16, 2010 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 after December 31, 2010 and on or before January 15, 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 the 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. A \$5,000 non-refundable deposit will be collected for the thinning portion.

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 7325 D-2 W. Friendly Avenue, Greensboro, NC 27410. Telephone and Fax: 336-632-9088; [Email-whlock@whlock.com](mailto: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". Buyer agrees to follow all North Carolina Best Management Practices, Forest Practice Guidelines and any applicable River Basin Rules.

"Creek buffers" have been marked with blue paint. No blue painted trees marking the creek buffers may be harvested. Within the buffers, all pine of any size and hardwoods ≥ 16 " Diameter Breast Height may be harvested provided all Best Management Practices, Forest Practice Guidelines, and any applicable River Basin Rules are followed. Buyer agrees to use his best efforts in removing the larger stems from within the buffers and Seller acknowledges that some damage to the remaining stems may occur.

"Out" areas have been painted red. No harvesting will be allowed in these areas.

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Moore/Smothers Tracts - Timber Sale

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“Thinning” boundaries have been painted orange. These areas will be harvested utilizing an operator select method. 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 80-90 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 rows cannot be identified, corridors should be placed approximately 50’ apart with thinning between corridors to achieve the target basal area.

In areas where a large component of Virginia Pine has become established, the Virginia pine component should be removed first. This will allow the Loblolly Pine component to then be thinned down to the target basal area. In the event an area is primarily Virginia Pine, a total harvest will be conducted with prior approval of William H. Lock & Associates, Inc. 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.

2. The Buyer shall access the tracts from Sagebrush Road and/or Panther Road. We have a signed access agreement for the Panther Road access. 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 access roadways must be left in similar or better condition at the completion of the harvesting operation. Call W.H. Lock if you have 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. 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.

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 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.

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Moore/Smothers Tracts – Timber Sale

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5. All property lines and/or sale boundaries have been flagged or painted. 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 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.

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. Buyer is required to complete a pre-harvest inspection with WHL & Associates, Inc. prior to beginning the harvesting operation.

7. Seller reserves the right 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 the harvest operation continues during wet periods or if the land itself is too wet-natured, whether or not Seller or Agent has made any type of weather or land determination, 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.