

Tim Chesnut, RF

Georgia Registered Forester # 2427
Alabama Registered Forester #1775

www.ChesnutForestry.Com



"From Seedling..."

CHESNUT
FORESTRY



"...to Sawlog."

TIMBER SALE NOTICE

June 7, 2008

Dear Timber Buyers

Acting as Agent on behalf of **XXXXXX**, I am soliciting bids on approximately 256 Acres of Timber on **two tracts** located in Southern Chattooga County.

Tract 1: Approximately 17 acres. Located in Land Lots 83 and 84, 5TH District. **This harvest is a SELECTIVE HARVEST. Trees to LEAVE (not cut) are flagged pink and butt-marked blue. Any Hardwoods selected for cut will be painted RED. Otherwise, NO HARDWOODS shall be cut.** All Sale Boundaries will be flagged in **PINK FLAGGING**. Access to this Tract is through an automatic gate. The combination is **1-2-3-4-***.

In addition, the Landowner plans to build a lake near this Tract and asks that all trees and timber be harvested from the impoundment area first. This area is shown on the Timber Sale Map.

Tract 2: Approximately 239 acres. Located in Land Lots 173, 174, 187, 188, and 209, 5th District. **This harvest is an OPERATOR SELECT-SELECTIVE HARVEST. Target Basal Area is 40 square feet per acre. There will be areas of marked leave trees (blue painted) to serve as templates for the desired harvest goal. In the younger pines, access corridors will be flagged.** All Sale Boundaries will be flagged in **PINK FLAGGING**.

Most of Tract 2 was previously thinned. Previously used deck sites can be used again. All gates will have combination locks installed. The combination is 0-6-9-9. Please keep all gates closed and locked. Access to Tract 2 North is From Whaley Road (Follow double pink flags).

Please find enclosed a Location Map, Timber Sale Maps, Bid Form and Timber Sale Contract.

HARVESTING DETAILS:

- Sale Boundaries are indicated by **PINK** Flagging.
- Leave trees in Tract 1 are flagged **PINK** and butt-marked **BLUE**. Any hardwoods to cut are painted **RED**. Otherwise, **NO HARDWOODS** are to be removed.
- No skidding allowed around outside edge of Tract 1 Sale Area.
- Trees and timber in the proposed lake impoundment area are to be harvested first.
- On Tract 2, all previously thinned timber is to be thinned to 40 square feet of basal area. All cutter operators must be trained how to estimate this, and areas will be marked for demonstration and target comparisons, with trees to leave painted blue.
- Mast-producing hardwoods are not to be harvested.

- All sweet gum and Virginia pine are to be harvested.
- All SMZ's are flagged with BLUE flagging. Any trees to harvest from within the SMZ's will be painted RED.
- Existing log decks can be used again and all debris must be concentrated in compact, round piles at least 50' from any leave tree, 100' from any sale or SMZ boundary and preferably upon the logging decks
- Logger will be expected to follow the Chesnut Forestry Load Accounting Procedure, consisting of a load sheet in the loader and load tickets to be affixed to every load.
- Any other harvest specifications are found in the enclosed timber contract.

TERMS:

- PER UNIT (TON) Payment, with a \$10,000 Advance Deposit. Products to be bid on are hardwood pulpwood, hardwood sawtimber, pine pulpwood, pine chip-n-saw and pine sawtimber.
- Harvest will be balanced against the Advance. Upon depletion, payments will be made to landowner on a weekly basis.
- \$2,000 PERFORMANCE BOND due prior to commencement.
- **BID DATE: THURSDAY, JUNE 26TH 2008, 11:30 AM EST.**
- BIDS MUST BE CALLED IN TO TIM CHESNUT AT 706+936-0699, FAXED TO 706+291-9558 OR EMAILED TO Tim@ChesnutForestry.com. Please include a phone number where you can be reached so your bid can be confirmed.
- 12 MONTH CONTRACT, with allowances and extensions provided only if bad weather prevents logging.

Any Questions, please call Tim Chesnut at 706+936-0699



Tim Chesnut
Georgia Registered Forester #2427

TIMBER BID FORM
(to be Faxed, Mailed or E-mailed to Chesnut Forestry)

The undersigned hereby agrees to purchase the timber upon the **XXXXX Tracts 1 & 2** which is offered for sale by Chesnut Forestry for the following **PER UNIT (TON) PRICES:**

Hardwood Pulpwood: \$ _____/Ton.

Hardwood Sawtimber: \$ _____/Ton.

Pine Pulpwood: \$ _____/Ton.

Pine Chip-N-Saw: \$ _____/Ton.

Pine Sawtimber: \$ _____/Ton.

The undersigned certifies that he has read a copy of the timber sale contract herein contained and agrees to the terms and conditions as outlined:

**BIDDER'S
SIGNATURE:** _____

Bidder's Printed Name: _____

Company Represented: _____

Chesnut Forestry
PO Box 128
Gaylesville, AL 35973

706+936-0699
706+291-9558 (fax)

Tim@ChesnutForestry.com

TIMBER BUYER LIST FOR THE XXXXXX TIMBER SALE

Abitibi Bowater, Inc.
Alred Timber Company
Archer Forestry, LLC
B & M Pulpwood
B & S Logging
Barton & Sons Logging
Bristol Timber Company
Bryant Logging
Burns Timber Co., Inc.
Canal Wood, LLC
Centre Forest Products
Charles Ward Pulpwood
Cherokee Timber Co. LLC
Christian Forestry, Inc.
Coosa River Timber
Double A Timber Co., Inc
Drennen Forestry Services, Inc.
Dunnagan and Sons, Inc.

Foothills Timber Company, Inc.
Frank Bearden Logging
Gary Ward Trucking
George Dawson Timber, Inc.
Harris Timber Co.
Holmes Timber Company
Interstate Forestry
J & M Logging
J. P. Smith Lumber Co., Inc.
Kenneth Dobson Logging, Inc.
Kenneth Moore Logging
Little River Forestry, Inc.
M & K Dawson Co, Inc
Martin Logging
Matt Owens Logging, Inc.
McIntyre Lumber Company
Mead Container Board, Inc.
MT Lumber Company

Padgett Timber Company
Peppertree Timber Corp
Pettit Timber, Inc.
Reece Logging Company
Scofield Timber Company
Sisson & Sons Logging
Smith Brothers Timber
Southern Select
Steed Timber Company, Inc.
Stiles & Sons Logging
Sunbelt Timber Company
Tallapoosa River Forest Products
Tommy Dunnagan Logging
Triple J Logging
Valley Wood Inc.
W C Timber
Wolf Creek Timber
Woodland Enterprises, Inc

TIMBER SALE AGREEMENT

THIS BUY AND SELL AGREEMENT made this _____ day of _____, 2008 by and between **XXXX of xxxxx,xxxxxxxxxxxxxxxx**, hereinafter referred to as "Seller" and _____ of _____ hereinafter referred to as "Buyer"

(1) WITNESSETH:

Seller agrees to sell and Buyer agrees to buy:

Tract 1: All UNMARKED Pine and MARKED Hardwoods.

Tract 2: All pines and non-mast producing hardwoods to a basal area of 40 square feet per acre.

These areas are delineated on the enclosed "timber sale maps".

Said timber and sale area being located on the following tracts of land:

Tract 1: Approximately 18 acres. Located in Land Lots 83 and 84, 5th District. Chattooga County, Georgia. In addition, an area which is to be converted to a lake is to be harvested.

Tract 2: Approximately 239 acres. Located in Land Lots 173, 174, 187, 188, and 209, 5th District, Chattooga County, Georgia.

hereinafter referred to as the "Property", and shown on the enclosed "Locator Map":

Total Area included in the sale is approximately **239 Acres**.

Neither Seller nor Seller's Agent warrant or guarantee the acreage, number of trees, products or volumes located on the Property. Buyer relies upon his own inspection.

Seller agrees that Seller possesses the right to convey the Timber in fee simple, and hereby warrants and will defend the title to said Timber against the claims of all persons.

(2) Buyer Agrees to pay the Seller the following prices "per unit" or "per ton":

Pine Pulpwood	\$	Per Ton
Pine Chip-N-Saw	\$	Per Ton
Pine Sawtimber	\$	Per Ton
Hardwood Pulpwood	\$	Per Ton
Hardwood Sawtimber	\$	Per Ton

(3) Buyer shall deposit **\$2,000** with Seller's Agent which shall be held by said Agent, without interest. Such funds may be released for use in the following circumstances:

- A) In the event Buyer causes damage to land or property and does not promptly and satisfactorily repair damage at his expense;
- B) In the event Buyer causes damage to timber not included in the sale and does not recompense owner of timber in a prompt and satisfactory manner;
- C) In the event Buyer fails to comply with any terms of- or does not fulfill his obligations as outlined within this Agreement.

Should any of the deposit be used to repair any loss or damage caused by the Buyer, Buyer will promptly deposit further funds to maintain the \$2,000.00 balance. In the event any loss or damage exceeds the balance of the deposited funds, Buyer agrees to reimburse Seller the difference promptly.

All funds not used as specified above shall be returned to Buyer upon satisfactory completion of all harvesting, post-harvesting and "clean up" activity and obligations.

- (4)** Each week, Buyer shall send to Seller's Agent the previous week's scale tickets (originals) and a balance sheet stating the amount of timber harvested. This information will be used to deplete the Advance Payment Account. When the balance of the Advance Payment Account has been reduced to \$0.00, Buyer shall then include payment to Seller for all subsequent Timber harvested along with the scale tickets and balance sheet. If a balance remains after harvesting is satisfactorily completed, Seller shall reimburse Buyer this balance.
- (5)** Seller grants to Buyer all necessary rights of ingress and egress over the Property to carry out the harvesting and also grants to the Buyer the right to use and operate all equipment on the Property necessary for the harvest. However, Buyer agrees to use existing roads where possible and to leave the roads in a condition as good or better than they were at the commencement of this contract. If Buyer wants to enter upon land not owned by Seller, Buyer shall be solely responsible for securing permission to do so.
- (6)** Buyer agrees to follow the management practices cited in "Georgia's Best Management Practices for Forestry", published by the Georgia Forestry Commission.
- (7)** Buyer agrees to remove all tops and logging debris from all roads, firebreaks, fields, streams or other open areas, and such shall be removed immediately should any occur as a result of Buyer's operation. All debris is to be concentrated into piles at least 100' from any property line, and 50' from any "leave tree".
- (8)** Buyer, his agents, employees or contractors shall not leave trash, bottles, cans or other debris or refuse anywhere upon the property. All trash should be packed out.
- (9)** Buyer shall not willfully cause the discharge of fuel, oil, hydraulic fluid, coolant, etc, onto the property. If maintenance of equipment is necessary, Buyer agrees to collect all fluids, tires, parts, etc, for proper disposal. Likewise, all servicing areas must be located away from streams or other waterways.
- (10)** Buyer agrees to avoid damage to all fences, roads, firebreaks, crops, and other improvements located on the property. Buyer agrees that in the event it or its agents or employees shall damage such, that he shall reasonably compensate Seller therefore or repair same to previous condition at election of Seller.
- (11)** Buyer agrees to prevent damage timber (mechanical, fire, etc,) to not designated for sale in this Agreement. If damage to such occurs, Buyer agrees to pay \$15 per hardwood pulpwood tree, \$30 per hardwood sawtimber tree, and \$50 per loblolly, shortleaf or longleaf pine tree (regardless of grade), plus all cost of inspection and tally. A tree is considered damaged if a cumulative total of 1/3 of its circumference is damaged along the merchantable stem, or if the tree is caused to lean more than 30 degrees from vertical or if it is more than 25% severed along any portion of its stem.

Furthermore; it will be the Buyer's responsibility to inform all employees or sub-contractors of these requirements.

XXXXX Tract-Specific Harvesting Requirements

1. A Copy of this contract must be present on the logging job at all times.

2. Only unmarked pines and marked hardwoods shall be harvested from Tract 1. All timber is to be removed from the lake area. Pines and non-mast producing hardwoods are to be harvested from Tract 2. In the young pines, access rows will be flagged out. Target Basal Area is 40 square feet per acre, and all cutting personnel on the logging crew should be instructed on how to calculate the target and evaluate their progress.

3. Logger will follow Chesnut Forestry's Load Accounting System. A load sheet will be kept in the loader, and a sequentially numbered ticket will be put on each load prior to delivery.

4. Debris piles should not be placed 100' from any sale boundary or SMZ, or 50' from any leave tree.

5. Existing Logging Decks should be used.

In witness whereof this Timber Cutting Agreement has been executed before the undersigned witnesses on the date first above written.

Signatures, Witnesses and Notary

(12) All harvest roads, major skid trails and logging decks shall be constructed in such a manner as to prevent erosion and protect water quality. Sellers Agent shall have the right to designate and/or approve in advance the locations of such. Use of old landings, roads and trails is preferred, except where the use of such may cause damage to Timber or Property. In the event a discontinuation of harvesting is required and anticipated to last two weeks or more, Buyer must stabilize all disturbed areas, including roads, trails and decks, in accordance with "Georgia's Best Management Practices for Forestry".

(13) Buyer agrees to notify Seller's Agent two day's prior to commencement or resumption of logging activity. Buyer should also notify Seller's Agent of any change in harvesting planning or activity that may be incongruous with the Agreement. Seller's Agent shall have the right to visit the harvesting operation at any time to ensure the provisions and obligations of this Agreement area being met satisfactorily. Seller and Seller's Agent shall have the right to temporarily halt Buyer's harvesting activities if weather or ground conditions are such that harvesting is causing unreasonable damage to roads, soils or timber on the Property.

(14) The terms of this contract shall begin on the _____day of _____, 2008 and shall terminate at noon **12 months** from that date. Additional time will be granted to Buyer for the harvesting in the event of delay due to inclement weather, acts of God, mill closures or strikes, carrier or employee strikes or the like. The amount of time granted will be commensurate with the substantiated production time lost. Additional time will not be granted in any case of "Buyer's Inactivity" when all other factors are favorable for harvesting. If, upon termination of this Agreement, Buyer has failed to harvest all the Timber, Buyer shall pay to Seller Seller's actual damages, if any, resulting from Buyer's failure to harvest all the Timber during the term of this Agreement, as determined by Seller's Agent, including the costs of volume and value estimation.

(15) Buyer is required to carry the following insurance:

- Commercial general liability insurance and contractual liability insurance covering its harvesting activities, which policy shall have minimum limits of \$1,000,000 combined single limit and \$1,000,000 general aggregate.
- Automotive insurance with minimum limits of \$1,000,000/\$1,000,000/\$1,000,000 or higher limits if required by state and/or federal laws, and
- Statutory workers' compensation insurance covering all of its employees.

Buyer shall provide Seller with certificates of all of the above insurance policies upon request.

(16) Buyer shall hold Seller harmless and indemnify Seller and Seller's Agent from any claim or liability, including reasonable attorneys' fees, which may arise from the negligence of Buyer in any operation connected with harvesting of the Timber, including but not limited to any claim or liability arising from damage to any adjoining landowner's property which may be caused by Buyer's negligence or willful misconduct.

(17) Buyer agrees to follow any "Tract-Specific Harvesting Requirements" as outlined below, which may or may not have been already stated elsewhere in this document.

LOCATOR MAP

Tract 1 is located off Rocking R Ranch Road. Tract 2 is located Foster Manning Road and off Whaley Road.



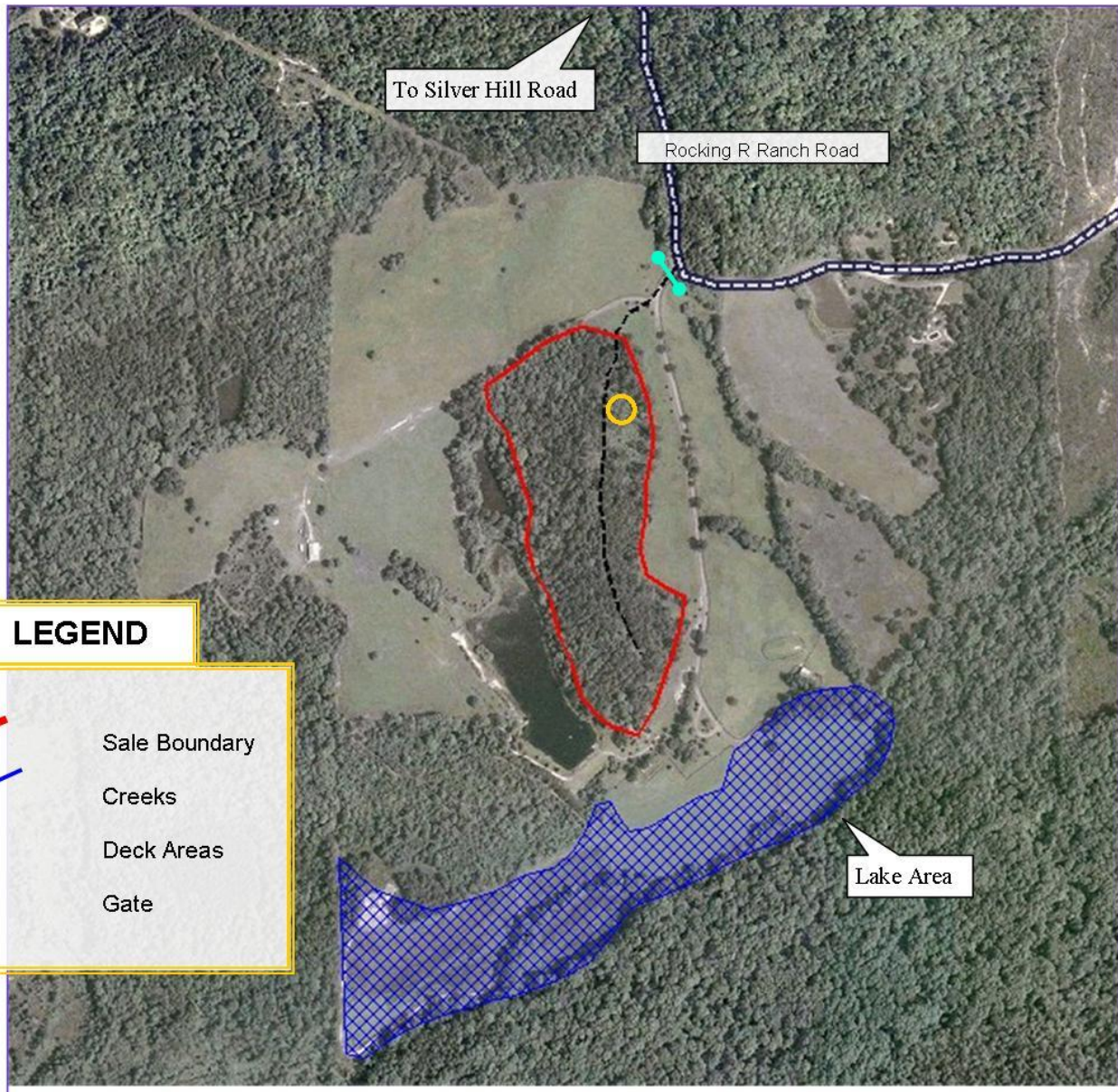
Timber Sale Map

Property of





— **Tract 1**

Within Land Lots 83 and 84
5th District, Chattooga County, Georgia .

Approximately 17 Sale Acres (not including Lake Area)



LEGEND

	Sale Boundary
	Creeks
	Deck Areas
	Gate



SCALE:
ONE INCH = 660 FEET

DATE: JUNE 5, 2008
PREPARED BY: TIM CHESNUT, RF

"From Seedling..."



"...to Sawlog."

This map represents the property features as found "on the ground" based on information provided by the landowner, court-house records, etc. This map is not to be used in lieu of a legal survey or plat.

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Timber Sale Map

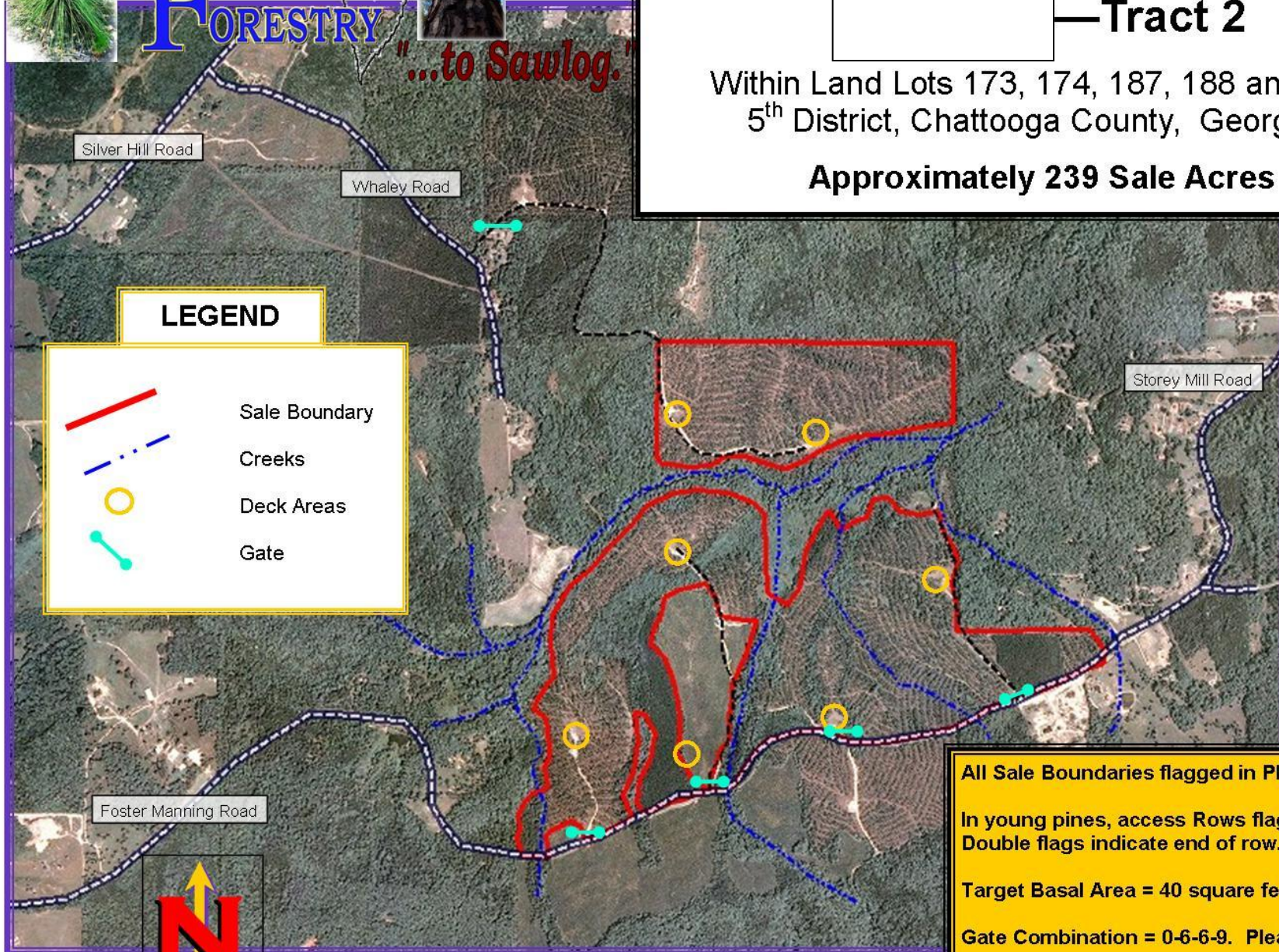
Property of







—Tract 2

Within Land Lots 173, 174, 187, 188 and 209,
5th District, Chattooga County, Georgia .

Approximately 239 Sale Acres



LEGEND

-  Sale Boundary
-  Creeks
-  Deck Areas
-  Gate



SCALE:
ONE INCH = 1320 FEET

DATE: JUNE 5, 2008
PREPARED BY: TIM CHESNUT, RF

All Sale Boundaries flagged in PINK

**In young pines, access Rows flagged in ORANGE.
Double flags indicate end of row.**

Target Basal Area = 40 square feet per acre

Gate Combination = 0-6-6-9. Please keep closed.

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