

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT (this “Agreement”) shall govern the conditions under which _____, a _____ [State], _____ [Entity] (“Recipient” or “you” or “your”) has agreed to discuss a potential transaction (the “Potential Transaction”) involving Vulcan Timberlands, Inc., a Michigan corporation (“Company”). Company and Recipient may be referred to herein individually as a “Party” or collectively as the “Parties.”

1. Confidential Information. As a condition to such discussions, Recipient agrees, except as provided in paragraph 3 below, to keep strictly confidential all information conveyed by the Company or the Company’s “Representatives” (as defined below) to Recipient or the same such information conveyed in connection with the Potential Transaction by Recipient or on its behalf to its “Representatives” (as defined below) and in whatever form, whether written or oral and whether before or after the date of this Agreement, hereinafter referred to as the “Confidential Information,” and to refrain from using the same except as provided below. A Party’s “Representatives” shall mean all of the Party’s subsidiaries and affiliates and its and their respective officers, directors, employees, attorneys, accountants, consultants, agents and financial advisors.

2. Confidentiality. This Agreement will confirm Recipient’s agreement to retain in strict confidence all Confidential Information, unless such information (i) is, was or becomes available to Recipient from a source other than the Company or the Company’s Representatives, provided that such other source is not in violation of any other obligation of confidentiality or nonuse, (ii) was or becomes available to the public from a source other than Recipient or its Representatives, or (iii) is independently developed by Recipient without the use of or reference to any Confidential Information. Recipient will use such Confidential Information only in connection with its consideration of whether to enter into the Potential Transaction with the Company and, except as otherwise expressly permitted herein, will not otherwise use the Confidential Information in its business or for any other purpose or disclose it to others. Recipient may communicate the Confidential Information to its Representatives assisting with the Potential Transaction, provided that each such Recipient shall be directed to abide by the terms of this Agreement and agrees to be bound by the obligations set forth herein as if it were the Recipient. Recipient hereby agrees that it will be responsible for any breach of any provision of this Agreement by its Representatives except that the non-solicitation provision shall not apply to any of its Representatives who are attorneys, accountants, consultants, agents and financial advisors (collectively, your “Professional Advisors”) so long as such Professional Advisors are not acting on Recipient’s behalf with respect to the restrictions set forth therein. Recipient agrees not to initiate, contact, or engage in discussions with any employee, customer, or supplier of the Company regarding the Potential Transaction without the prior written consent of the Company. Recipient agrees that, except as provided in paragraph 3 below or without prior written consent of the Company and except in accordance with the provisions set forth in this Agreement with respect to a “Required Disclosure” (as defined herein), Recipient will not disclose to any other person that

it has received Confidential Information, that it is in discussions or negotiations with the Company as to the Potential Transaction, or that the Company is considering the Potential Transaction.

3. Third Party Discussions. The Company hereby agrees that Recipient is authorized to discuss the Confidential Information, the Potential Transaction, and any discussions or negotiations Recipient has with the Company as to the Potential Transaction, with any third party who is also a party to a Confidentiality Agreement with the Company concerning the Potential Transaction (a “Third Party”), but only if Recipient is in discussions with such Third Party regarding the Recipient and Third Party presenting a combined bid for the Potential Transaction.

4. Agreement not to Solicit Employees. For a period of two years from the date of this Agreement, Recipient and its Representatives (excluding its Professional Advisors so long as such Professional Advisors are not acting on Recipient’s behalf with respect to the restrictions set forth in this paragraph 4) agree not to directly or indirectly solicit for employment or employ any employees of the Company, other than through a public general advertisement or through the use of search firms (in each case not directed at, or targeted to, the Company or any of the Company’s employees).

5. No Representations. You acknowledge that neither the Company nor any of the Company’s Representatives makes any representation as to the accuracy or completeness of such Confidential Information and that neither the Company nor any of the Company’s Representatives shall have any liability to you as a result of your reliance on or use of such Confidential Information. You agree that, until a definitive acquisition agreement is executed between you and the Company, the Company has no legal obligation of any kind whatsoever with respect to any transaction (including the Potential Transaction) by virtue of this Agreement or otherwise.

6. Potential Transaction. You acknowledge that (i) the Company will conduct the process for the Potential Transaction in its sole discretion (including, without limitation, negotiating with any prospective party and entering into definitive agreements without prior notice to you or any other person), (ii) any procedures relating to the Potential Transaction may be changed at any time without notice to you or any other person, (iii) the Company shall have the right, in its sole discretion, to reject or accept any potential party, proposal, or offer, and to terminate any discussions and negotiations, at any time and for any or no reason, and (iv) you shall have no claims whatsoever against the Company or the Company’s Representatives arising out of or relating to such actions.

7. Return of Confidential Information. At any time upon the Company’s request, Recipient shall promptly return to the Company all Confidential Information, or destroy all tangible material of any type containing or reflecting any information, knowledge or data contained in the Confidential Information (whether prepared by the Company or otherwise, and whether in your possession or the possession of any of your Representatives), and will not retain any copies, extracts or other reproductions, in whole or in part, of such material. All documents, notes, summaries, analyses, memoranda and other writings whatsoever (including copies, extracts or other reproductions) prepared by you or your Representatives based on the information, knowledge or data contained in the Confidential Information (hereinafter referred to as the “Evaluation Materials”) shall be destroyed, and such destruction shall be certified in writing to the Company. Notwithstanding the above, Recipient may retain one copy of the Evaluation Materials

but only to the extent that any law or regulation creates a direct and affirmative obligation upon Recipient to do so, in the opinion of Recipient's counsel, or in accordance with Recipient's pre-existing document retention policy. In such case, Recipient agrees to keep such Evaluation Materials confidential.

8. Required Disclosure. In the event that you or any of your Representatives are requested or required by law, regulatory authority or other applicable judicial or governmental order to disclose any Confidential Information, you will (a) provide the Company with prompt notice of any such request or requirement so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement, and (b) give the Company all available information, reasonable assistance and necessary authority to enable the Company to take the measures that the Company, in its sole discretion, may consider appropriate to protect the Confidential Information from disclosure. In the event that such protective order or other remedy is not obtained or that the Company waives compliance with the terms hereof, you may disclose only that portion of the Confidential Information which, upon written advice of counsel is legally required to be disclosed. Disclosures pursuant to this paragraph are herein referred to as a "Required Disclosure."

9. Breach. You represent that you have full power and authority to execute and deliver this Agreement. No other proceedings or actions on the part of Recipient are necessary to approve and authorize Recipient's execution and delivery of this Agreement. You acknowledge and agree that money damages would not be a sufficient remedy for any breach of this Agreement and that, as a remedy for any such breach, the Company shall be entitled to specific performance, injunctive, and/or other equitable relief. Such remedy shall not be deemed to be the exclusive remedy for any breach of this Agreement. In addition to the Company's other rights hereunder, the Company retains all rights and remedies the Company may have under applicable law, provided however, that in no event shall Company be entitled to recover consequential, incidental or exemplary damages for any claim arising out of this Agreement regardless of the legal theory advanced. In the event of litigation in relation to this Agreement, the non-prevailing Party shall reimburse the prevailing Party for all reasonable costs and expenses (including reasonable attorneys' fees) associated with the litigation upon receipt of a final judgment from a court of competent jurisdiction.

10. Acknowledgment. Each party acknowledges that it has had the opportunity to read and discuss this Agreement with its advisors and understands Agreement and its importance.

11. Notices. Any notice under this Agreement will be in writing and will be deemed to have been duly given when delivered personally or three (3) days after such notice is deposited in the United States mail, registered, postage prepaid, and addressed, to the parties at their respective addresses as shown on the signature page to this Agreement.

12. Severability and Savings Clause. If any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect the validity and enforceability of any other provisions of this Agreement, and it is the intention of the parties that there shall be substituted for such invalid, illegal or unenforceable provision a provision as similar in intent and economic effect to such provision as may be possible and yet be valid, legal and enforceable

13. Governing Law. This Agreement and all matters arising from or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the conflict of law principles thereof.

14. Amendment. This Agreement cannot be amended or terminated, and no provision may be waived or modified, without the written consent of both Recipient and the Company.

15. Term. This Agreement will continue for a period of two (2) years from the date hereof.

16. Counterparts; Execution. This Agreement may be executed in counterparts each of which shall be considered an original, and all counterparts together shall constitute one and the same instrument. Further, each party may execute upon a separate counterpart and signature pages may be detached and reattached from counterparts in order to create one or more fully executed counterparts. Any party delivering its signature via electronic means (e.g. image attached to an e-mail or via facsimile) shall be bound by such electronically delivered signature as if it were an original.

If you agree with the foregoing, please sign and return one copy of this Agreement, which will constitute our agreement with respect to the subject matter hereof.

Confirmed and Agreed to:

RECIPIENT

By: _____

Its: _____

I am a Vulcan International Corporation
stockholder: yes [], no []

A Vulcan International Corporation
stockholder has asked me to sign
this Agreement: yes [], no []

Date: _____