

## Bid prospectus

We invite you to bid on the timber described below owned by our client, Ken Hobbs.

### Bid Opening/Critical Dates

Description	Time	Date
Interested parties are encouraged to tour the property at their own convenience, otherwise, call in advance to reserve your place for a one-time, timber showing scheduled for :	2:30 PM	Monday, January 21, 2008
Phone and facsimile bids will be accepted until:	2:30 PM	Friday, January 25, 2008
Bids will be opened in the offices of Clearwater Forest Consultants, LLC in Piedmont, Missouri at:	3:00 PM	Friday, January 25, 2008
The successful bidder will be selected no later than:	5:00 PM	Monday, January 28, 2008
If successful, a phone bid must be proven up with a written bid no later than:	12:00 PM	Thursday, January 31, 2008

Bids must be submitted in envelopes marked **Elm Branch Timber Bid**; please use the forms provided for mailed bids and allow enough time for the Post Office to make delivery. Send mailed bids to: Clearwater Forest Consultants, LLC, PO Box 176, Piedmont, MO 63957.

Unsuccessful bidders will be notified in writing. The owner reserves the right to refuse any or all bids.

### Timber Description

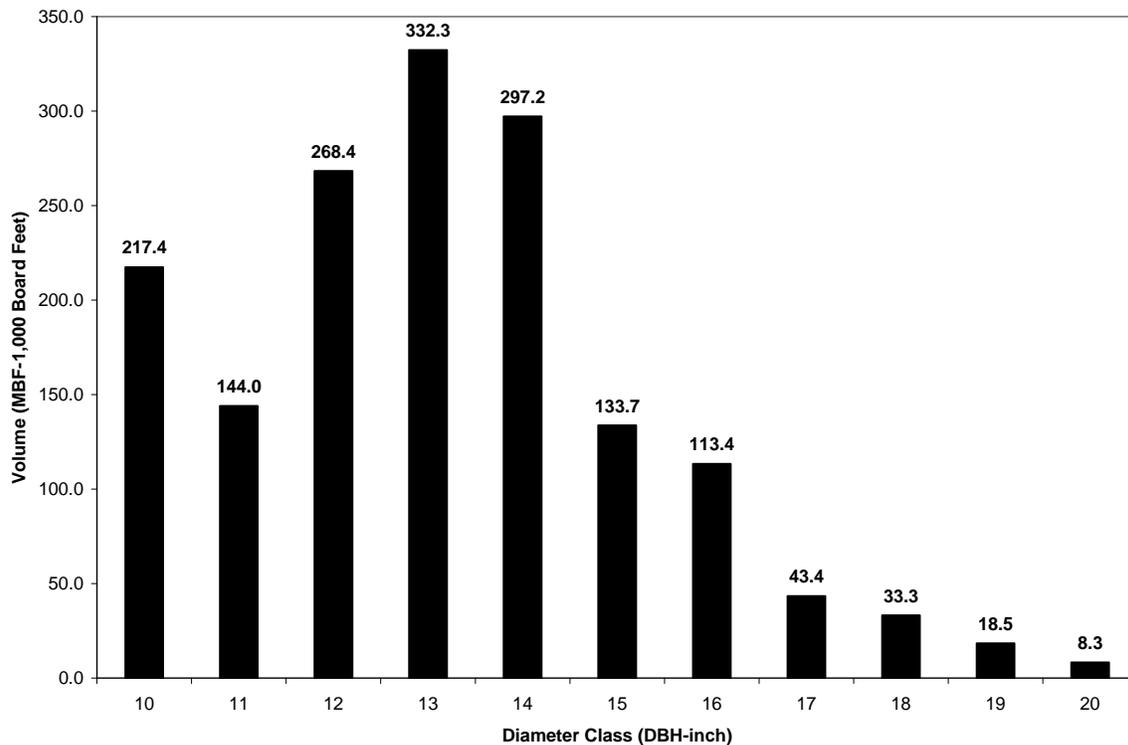
Timber quality is below average. Products include pallet logs as well as some stave logs and tie logs. The forest health is average. There is some evidence of oak decline depending on the aspect, but it is minimal. The sawtimber to be harvested is comprised of approximately 39.2% red oak, 36.8% white oak, and 24% other species (Table 1). The overall sawtimber volume is estimated at **1,609.8 MBF** (International ¼ inch scale, form class varies by species). **Over 40% of the sawtimber volume is in trees 14" DBH or larger** (Figure 1).

**Table 1. Sawtimber volume, number of trees, avg. volume per tree and percent by species.**

Species	Volume (MBF) Using 95% Confidence Interval			No. of Trees	Avg. Vol per Tree	Percent Volume
	Lower Limit	Most Likely	Upper Limit			
Hickory	253.0	364.0	475.1	5,325	68.4	22.6
Black walnut	-6.9	4.3	15.6	55	78.2	0.3
Black oak	112.1	179.4	246.7	2,290	78.3	11.1
Scarlet oak	308.6	451.7	594.8	4,483	100.8	28.1
Shingle oak	-8.9	5.5	19.8	89	61.8	0.3
White oak	306.2	406.9	507.7	4,889	83.2	25.3
Post oak	104.7	185.9	267.1	2,441	76.2	11.5
Chinkapin oak	1.5	12.1	22.7	192	63.0	0.8
<b>Total</b>	<b>1,391.7</b>	<b>1,609.8</b>	<b>1,827.8</b>	<b>19,764</b>	<b>81.5</b>	<b>100.0</b>

[volume estimated from a variable radius plot cruise conducted on 12/19/2007]

See Scaling Methods section for definitions



**Figure 1. Distribution of sawtimber volume by DBH class**

Hardwood pulpwood has been scaled for this sale (Table 2). The overall pulpwood volume is estimated at **4,646.1 tons**.

**Table 2. Pulpwood volume and percent volume by type.**

Type	Volume (tons) Using 95% Confidence Interval			Percent Volume
	Lower Limit	Most Likely	Upper Limit	
Hardwood pulpwood	3,832.59	4,646.1	5,459.61	100.0

[volume estimated from a variable radius plot cruise conducted on 12/19/2007]  
 See Scaling Methods section for definitions and confidence interval

This is a Pine Seed Tree harvest; only merchantable hardwood sawtimber as defined in the scaling methods section and located on the attached map may be harvested. Hardwood pulpwood has been scaled for this sale but does not include pulpwood from top logs which may also be removed if desired. Volume estimates and quality descriptions are not guaranteed; proper merchandising is dependent upon the timber cutters. Each bidder is expected to make personal examination of the timber and bid according to his/her own market needs, crew efficiency, and utilization standards.

Consulting forester Tim McAbee has prepared the timber harvest in accordance with the owner's goals and values. All trees are not required to be cut. No trees are to be cut within the pastured areas of the property, and pine trees cannot be cut. Felling of damaged trees may be required by the forester. Sale area terrain is well drained. Winter logging would be permissible only during very dry conditions when soil compaction and rutting will not occur. Summer logging is preferable. Stream Management Zones have not been flagged off, but logging crews are expected to conduct operations within the guidelines set forth in the 1997 Missouri Watershed Protection Practices published by the Missouri Department of Conservation.

### **Access & Location**

This sale can be accessed from CR 325 & 327 in Carter County, north of Highway 60. To access the southeast corner of the property – From the westernmost intersection of Highway 60 and Highway FF (old Highway 60), take Highway FF for approximately 1.0 miles. CR 327 will appear on the left. Travel CR 327 for 1.1 miles; a locked gate will appear on the left. To access the northwest corner of the property – From the easternmost intersection of Highway 60 and Highway OO (old Highway 60), take Highway OO for approximately 2.1 miles. CR 325 will appear on the right. Travel CR 325 for 2.1 miles to the property boundary.

There are many internal roads that may be used for logging; the roads and main skid trails will need to be treated prior to completion of harvesting operations. Please refer to the attached maps. The legal description is as follows (nominal):

[Part of Sections 14 & 15, Township 27 North, Range 2 East; being 547 acres more or less in Carter County, Missouri] The specific legal description is available through the deeds on file with CFC.

### **Tract Acreage & Boundaries**

Tract acreage sources are the Carter County Plat Book and ESRI ArcGIS 9® mapping software. The property is approximately 547 acres more or less. The sale area is approximately 450 acres. Tract boundaries: Boundaries are marked with pink and blue glow flagging spaced 25-50 feet apart.

### **Tour**

Interested parties are encouraged to tour the property at their own convenience. Otherwise, please call in advance to reserve your place for a one time tour of the property scheduled for Monday, January 21, 2008 at 2:30 PM. Interested parties should meet Tim McAbee at Simmons gas station at 2:15 pm. We will leave Simmons at 2:30 pm. *If no interested parties make reservations with a phone call in advance the tour will be cancelled.*

### **Terms**

The minimum acceptable offer is \$225,000. The purchaser must sign a lump sum contract within ten (10) working days of bid acceptance. Payment of a fifty percent (50%) nonrefundable deposit is required to be submitted along with the signed contract. The remaining 50% must be

paid in full at least five (5) days in advance of harvesting and removal of any trees to provide for shipping and check clearance. A sample copy of a contract may be obtained upon request from Clearwater Forest Consultants, LLC. The successful bidder must carry all legally required insurance on vehicles, equipment, employees, and sub-contractors. Additional conditions or exceptions on the bidder's behalf must be submitted in writing at least one week in advance.

A \$10,000 security deposit payable to Clearwater Forest Consultants, LLC is required at least five (5) days in advance prior to moving equipment onto the property or cutting any trees. The security deposit will be returned after harvesting has been completed and final inspection by the inspecting forester has determined that all necessary site treatments have been made. Interest will not be paid unless the Purchaser requests it in writing; a \$45.00 handling fee is required if interest is requested. For more detailed information call Kyle Flinn or Tim McAbee, foresters with Clearwater Forest Consultants, LLC.

### **Scaling Methods**

It is our objective to estimate the merchantable volumes as close as possible to be fair to both the buyer and the seller. Margins for error are purposely guided to be conservative so we don't overestimate the volume, yet we give as much credit as possible to the volume estimate on behalf of our client. Compensation for defect is done by the individual forester taking the measurements on a tree by tree basis. Our performance is improved through feedback from timber buyers; we appreciate honest reports of cut out volume.

**Sampling System:** This timber was scaled using a systematic, non-stratified point-double sample (variable radius plots) conducted on December 19, 2007. A lower and upper limit for the volumes was calculated using a 95% confidence interval. To clarify the volume estimates provided in Tables 1 & 2, it can be said that there is a 95% probability that the true volume will fall within the lower and upper limits of the estimated total volume. If needed, please call our office with further questions or clarifications.

**Specifications:** Trees must have a Diameter at Breast Height of ten (10) inches or larger and at least one 16 foot log to a merchantable height of at least a 8" top diameter outside bark to have been scaled as sawtimber. All volumes have been reported in International ¼ Inch Scale. Bidders may convert to Doyle scale using their own factors; however, simple multiplication by a constant factor is likely to result in inaccurate results. Trees must have a Diameter at Breast Height of six (6) inches or larger and at least one 8 foot log to a merchantable height of at least a 4" top diameter outside bark to have been scaled for pulpwood.

### **Special Considerations**

1. Timber harvesting must be conducted under the guidelines of the 1997 Missouri Watershed Protection Practices published by the Missouri Department of Conservation.
2. Damage to the residual stand must be minimized. Ability to directional fall is required. Skidder operators must be capable of skidding with minimum damage. Spring poles must be cut or pushed.
3. Damaged fences must be repaired.