

Ottery Creek Bid Prospectus

We invite you to bid on the FSC certified 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, March 24, 2008 |
| Phone and facsimile bids will be accepted until: | 2:30 PM | Friday, March 28, 2008 |
| Bids will be opened in the offices of Clearwater Forest Consultants, LLC in Piedmont, Missouri at: | 3:00 PM | Friday, March 28, 2008 |
| The successful bidder will be selected no later than: | 5:00 PM | Monday, March 31, 2008 |
| If successful, a phone bid must be proven up with a written bid no later than: | 12:00 PM | Thursday, April 3, 2008 |

Bids must be submitted in envelopes marked **Ottery Creek 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 above average. Products include veneer as well as stave logs and tie logs. The forest health is average. The sawtimber to be harvested is comprised of approximately 51% white oak, 37% red oak, and 12% other species (Table 1). The overall sawtimber volume is estimated at 359 MBF (International ¼ inch scale, form class varies by species). **Over 75% 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 | No. of Trees | Volume(bdft) | Avg. Vol per Tree | Percent Volume |
|---------------|--------------|--------------|-------------------|----------------|
| White oak | 1,562 | 176,800 | 113.2 | 49.2 |
| Post oak | 65 | 6,100 | 93.8 | 1.7 |
| Black oak | 494 | 63,600 | 128.7 | 17.7 |
| Scarlet oak | 534 | 68,600 | 128.5 | 19.1 |
| Hickory | 365 | 38,000 | 104.1 | 10.6 |
| Black Walnut | 4 | 300 | 75.0 | 0.1 |
| Cherry | 1 | 100 | 100.0 | 0.0 |
| Chinkapin Oak | 3 | 200 | 66.7 | 0.1 |
| Sugar Maple | 29 | 3,100 | 106.9 | 0.9 |
| Ash | 20 | 1,800 | 90.0 | 0.5 |
| Black Gum | 7 | 700 | 100.0 | 0.2 |
| Total | 3,084 | 359,300 | 116.5 | 100.0 |

[volume estimated from a 100% tally of marked trees conducted in 02/2008 & 03/2008]

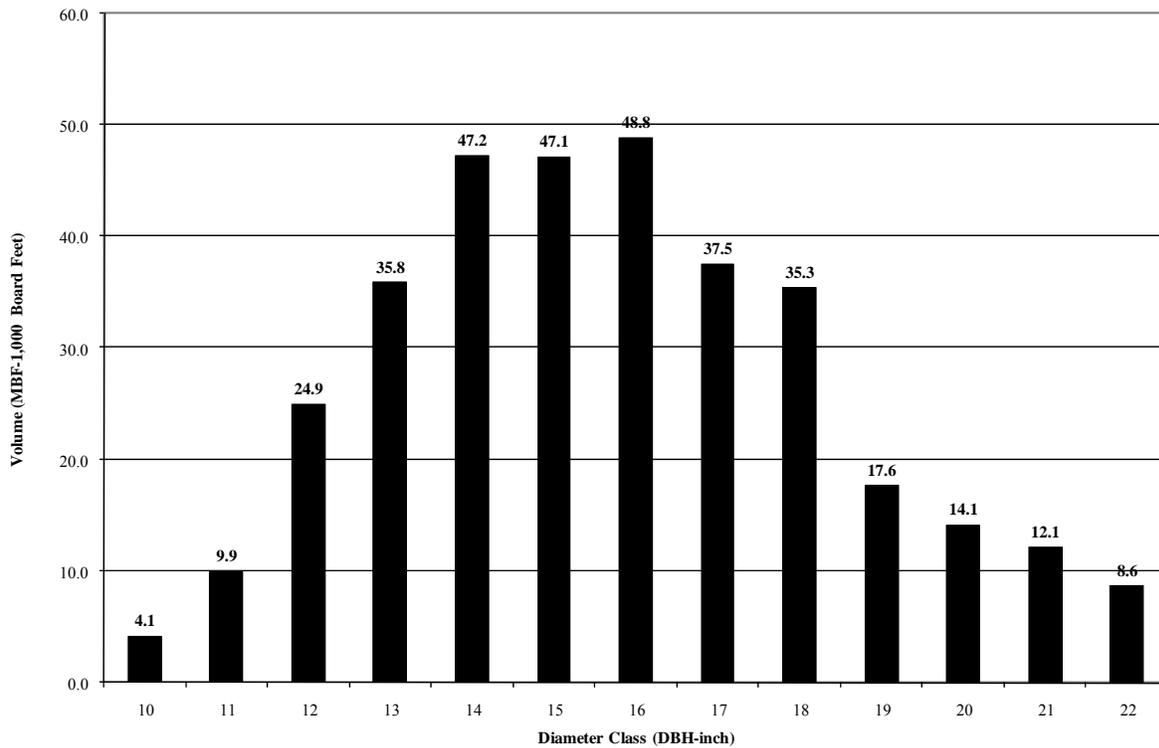


Figure 1. Distribution of sawtimber volume by DBH class

This is a marked thinning; only trees marked with orange paint may be harvested. All trees to be cut are marked with an orange paint ring around their trunk and as well as a stump mark. 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 foresters Tim McAbee and Jamie Overton have prepared the timber harvest in accordance with the owner's goals and values. All trees are not required to be cut, tree with orange "X"s may be left. Felling of damaged trees may be required by the forester. Sale area terrain is moderately drained; however a portion of the sale area is bordered by Ottery Creek and a small perennial stream (see attached map for exact locations). Winter logging would be permissible only during very dry conditions when soil compaction and rutting will not occur. Summer logging is preferable. Streamside Management Zones will be flagged off, logging crews are expected to conduct operations within the guidelines set forth by the Forest Stewardship Council and the 1997 Missouri Watershed Protection Practices published by the Missouri Department of Conservation.

Access & Location

This sale can be accessed from Highway 49 (majority of the harvest) & Highway A (small section of the harvest \approx 24 acres) in Reynolds County.

To access the southeast corner of the property –

- From Lesterville, Missouri travel north on HWY 49 for approximately 11.5 miles, a locked gate will appear on the right side of the road (the gate is next to a white shed). A mailbox on the left side of the road has the name Hobbs on it.
- From Viburnum, Missouri travel south on HWY 49 approximately 21 miles, a locked gate will appear on the left side of the road (the gate is next to a white shed). A mailbox with the name Hobbs is on the right side of the road across from the gate.

To access the northwest corner of the property –

- From Lesterville, Missouri travel north on HWY 49 for approximately 13 miles, , turn right onto “A” Highway, travel $\frac{3}{4}$ of a mile and on the right is a small parking area.
- From Viburnum, Missouri travel south on HWY 49 approximately 19 miles, turn left onto “A” Highway, travel $\frac{3}{4}$ of a mile and on the right is a small parking area.

There are a few old roads and a couple of trails that may be used for logging; the roads and 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 Section 3, Township 33 North, Range 1 East; being 420 acres more or less in Reynolds County, Missouri] The specific legal description is available through the deeds on file with CFC.

Tract Acreage & Boundaries

Tract acreage sources are the Reynolds County Plat Book and ESRI ArcGIS 9® mapping software. The property is approximately 420 acres more or less. The sale area is approximately 200 acres. Tract boundaries: Boundaries on the eastern edge of the sale are marked with blue Missouri State Department of Natural Resources signs, the boundaries on the southern portion of the sale are marked with blue flagging and orange paint slashes, and the western boundaries are outlined by barbwire fence.

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, March 24, 2008 at 2:30 PM. Interested parties should meet Tim McAbee and Jamie Overton at the intersection of HWY 49 and HWY A. We will leave the intersection at 2:30 pm. *If no interested parties make reservations with a phone call in advance the tour will be cancelled.*

Terms

The purchaser must sign a lump sum contract within ten (10) working days of bid acceptance. Payment of a fifteen percent (15%) nonrefundable deposit is required to be submitted along with the signed contract. The remaining 85% 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 \$4,000 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 Tim McAbee and Jamie Overton, 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.

Timber Scaling: This timber was scaled using a 100% tally conducted in February and March of 2008. 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 8 foot log to a merchantable height of at least an 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.

Special Considerations

1. Timber harvesting must be conducted under the guidelines of the Forest Stewardship Council and 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.