

Bid prospectus

We invite you to bid on the timber described below owned by our client, Mr. Dean Shelley and Laverne Shelley, his wife.

Bid Opening,

Bids will be opened at 3:30 PM on Thursday, May 8, 2008 in the offices of Clearwater Forest Consultants, LLC in Piedmont, Missouri. Bids will be evaluated in private discussion with the owners prior to making the final selection. Final selection will be the one bid deemed to be in the best interest of the forest owner. Price, while being the primary consideration, may not be the sole determining factor considered. Other factors include Professional Timber Harvester (PTH) training and certification, business reputation-including contact of references, availability, and other considerations. The successful bidder will be selected no later than 12:00 P.M. (noon) on Monday, May 12, 2008; successful bidder must return signed contract with 10% deposit no later than 5:00 P.M. on Monday, May 26, 2008. Bidders are free to call in for results at any time. Unsuccessful bidders will be notified in writing if no call has been received.

Mailed bids must be submitted in envelopes marked **Aulsbury Church Timber Bid**; please use the forms provided and allow ample time for the Post Office to make delivery. Send mailed bids to: Clearwater Forest Consultants, LLC, Attn: Doug Enyart, Forester, PO Box 176, Piedmont, MO 63957. Phone, email, and fax bids are welcome and will be accepted until 3:20 PM on Thursday, May 8, 2008. Email and fax bids should also be on the form provided. If a bid is lost, misrouted, or for any reason fails to reach our office in time we won't be able to accept it. If successful, a phone bid must be confirmed in writing, on the form, no later than noon on Friday, May 9, 2008.

The owner reserves the right to refuse any or all bids.

Timber Description

This timber is FSC certified wood
 is SFI certified wood
 is not certified wood

Timber quality is excellent on the majority of the harvest area. The forest health is excellent with little evidence of decay or damage to the log portions of the trees (see comments on ice damage below). The majority of the volume is in white oak and in large diameter classes (DBH): One inch diameter classes provide tighter, more accurate volume estimates. The timber runs very sound; most trees were sounded as may be witnessed by impressions left in the bark. This is some of the best timber to be found in Saint Francois County. Many of these white oaks are **Veneer Quality**. Even on poorer sites the white oak and post oak sound up solid and trees are routinely 20 inches in DBH or larger. Butt logs and first cut upper logs not qualifying for veneer still provide good stave logs and grade lumber logs and tie logs. **63% of the sawtimber**

volume is in trees 16" DBH or larger. 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. With the red oak market still spiraling downward this is a sale to take serious.

This is an individual tree selection marked timber harvest; only sawtimber that has been marked with **yellow** paint may harvested. Consulting forester Doug Enyart has marked the timber in accordance with the owner's goals and values. First priority was to mark trees damaged by ice over one year ago. Most of these trees are still standing and alive and the majority of damage was limited to the top branches of hickory trees. A small patch of timber was knocked completely down, but the trees are mostly white oak and the volume has not yet been affected. Evidence of a tornado (tin roofing) years ago is scattered through the harvest area but there is no visible evidence of damage to the trees. Second in priority for marking were trees considered to be mature, not likely to reach the next harvest entry. Trees which are deformed or are of less desirable species came next, followed finally by trees excellent in form and of desirable species where the stand is overstocked. Areas of poor quality with little marketable volume have been intentionally omitted so harvesting crews will not lose production time.

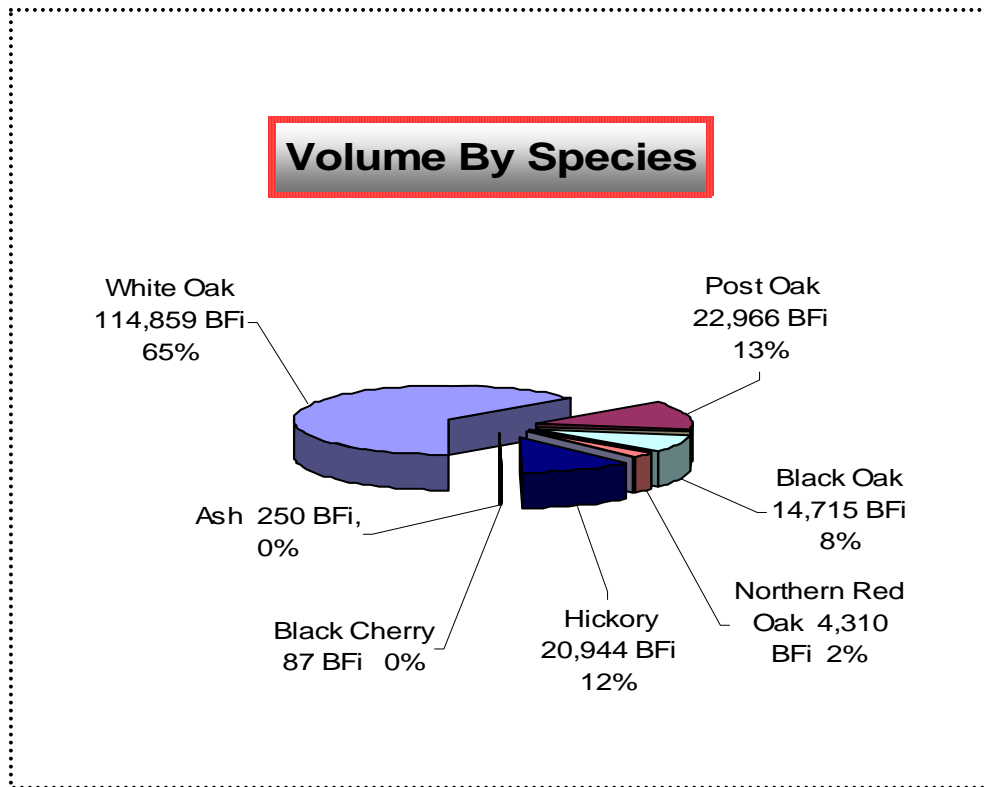
Table 1. Volume by Species and Percent of Total Volume.

Species	Volume ₁	% of Total Volume
White Oak	114,859	64.5%
Post Oak	22,966	12.9%
Black Oak	14,715	8.3%
Northern Red Oak	4,310	2.4%
Hickory	20,944	11.8%
Black Cherry	87	0.0%
Ash	250	0.1%
TOTAL	178,131	100.0%

₁ All Figures are reported in Board Feet on the International ¼ Inch Tree Scale

The sawtimber to be harvested is comprised of approximately **65% white oak**. The overall sawtimber volume is estimated at **178.1 MBF** (International ¼-inch scale, form class varies by species, aspect, and elevation). Hardwood pulpwood from top logs may be removed if desired; no pulpwood has been specifically marked or scaled for this sale. The total number of marked trees is **1,008**. Average volume per white oak tree is 200 BF_i; average volume per tree overall is 177 BF_i (BF_i = Board Feet International Tree Scale)

Figure 1. Volume by Species Chart.

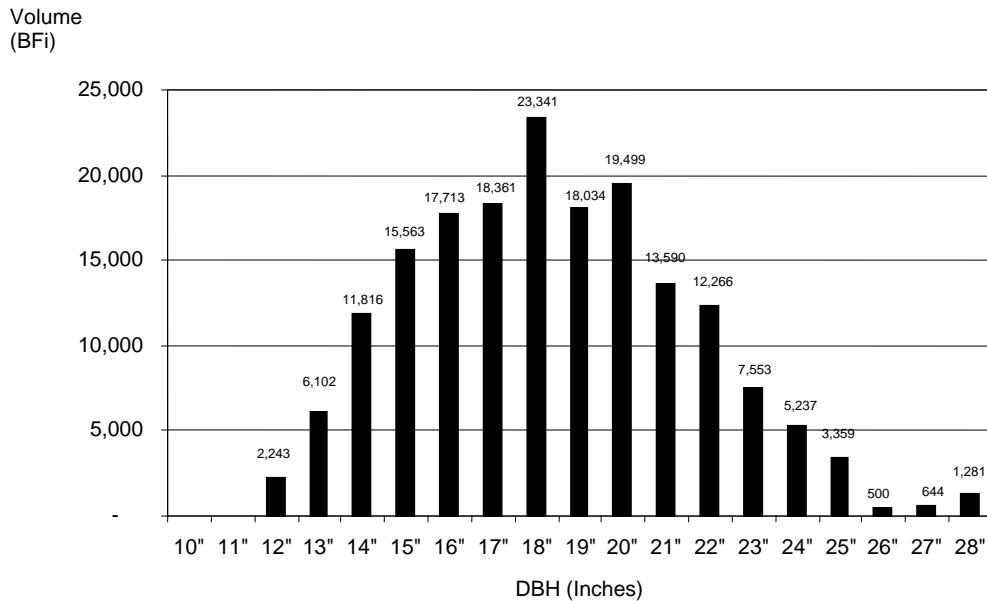


Timber to be harvested has been marked with usual and customary skidder operations and timber felling in mind. Skidders will not have to pass close to valuable leave trees to access harvest trees. Trees with heavy lean near fences and valuable leave trees were not marked. Areas with few marketable trees have been left unmarked to avoid having sending crew into such areas for one or two trees; a full turn of logs is marked in all marked areas. Vertical slash marks on small trees indicate preferred or expected routes for skidders to haul logs or for felling of trees. Trees so marked are expected to be damaged. Cutting of all marked trees is not required; however, under the selected harvesting method felling of damaged trees may be required by the forester. Minimal damage to the residual stand is expected and required. Stumps must be left with paint marks intact; if any trees are found that have been marked but do not show a mark on the stump, the forester must be notified prior to cutting. Stump height is not limited.

Table 2. Volume By Size, Number of Trees By Size, and Percent By Volume and Number.

All Tree/All Species				
DBH	Volume	#Trees	% by Vol	% by Number
10"				
11"				
12"	2,243	38	1%	4%
13"	6,102	79	3.43%	8%
14"	11,816	123	7%	12%
15"	15,563	132	9%	13%
16"	17,713	128	10%	13%
17"	18,361	108	10%	11%
18"	23,341	119	13%	12%
19"	18,034	80	10%	8%
20"	19,499	75	11%	7%
21"	13,590	44	8%	4%
22"	12,266	38	7%	4%
23"	7,553	20	4%	2%
24"	5,237	12	3%	1%
25"	3,359	7	2%	1%
26"	500	1	0%	0%
27"	644	1	0%	0%
28"	1,281	2	1%	0%
30"	1,029	1	1%	0%
Totals	178,131	1,008	100%	100%

Figure 2. Volume by Size (DBH)₁



₁ International ¼ Inch Tree Scale

Table 3. Number of Trees and Volume by Species and Number of Logs per Tree.

Number of Trees by Species & 16' Logs ₁								
	White Oak		Post Oak		Black Oak		Hickory	
	#Trees	Volume	#Trees	Volume	#Trees	Volume	#Trees	Volume
One 16' Log	80	7,599	73	5,980	17	1,957	28	1,877
One & One Half 16' Logs	227	36,391	90	11,711	23	4,088	64	7,319
Two 16' Logs	189	44,206	25	4,351	21	5,279	36	5,942
Two & One Half 16' Logs	68	21,260	3	924	5	1,530	21	4,268
Three 16' Logs	10	4,374			1	262	4	1,253
Three & One Half 16' Logs	1	1,029			3	1,599	1	286
Four 16' Logs								
Totals	575	114,859	191	22,966	70	14,715	154	20,945

₁ Some figures vary due to omission of ash and cherry species in this table.

Soils of the area contain little rock and are susceptible to compaction and erosion during wet weather conditions. Winter logging would be permissible only under extraordinarily dry conditions, for the primary access provided, when soil compaction and rutting are not likely to occur. Summer logging is preferable, but certain products may require dormant season

extraction. Stream Management Zones have not been flagged off, but harvesting 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

Access to this timber comes across land owned by Warren Shelley, who runs cattle. There are 3-4 gates to pass through depending upon where Mr. Shelley has his cattle at the time. This is a limitation and may affect the bid price. The successful bidder may be able to make arrangements to access the timber by better routes that would make winter logging easier.

Once the haul trucks get on paved road again (less than a mile) there is ready access to major highways in every direction enabling mills at great distances the opportunity to purchase this timber at a profit.

Directions from Bonne Terre, Missouri: East on highway K to the junction of highways K, D, & C. Turn left on highway D. Go a little over one (1) mile to turn right on Aulsbury Church Road. Road will go through three (3) sharp 'S' curves – Caution. Pass Aulsbury church and cemetery on right, pass next house on left to first gate on left past house. See a house on right directly across from the gate. Please refer to the attached maps.

Legal Description (nominal):

Lot 2 NW¹/₄, Section 4;
and
E2 Lot 2 & NE¹/₄ Lot 3, Section 5;
Township 37 North-Range 6 East;
5th P.M.

Containing 152 acres, More or Less, in Saint Francis County, Missouri

The legal description above was taken from Saint Francis County tax records, provided by owner. Not all acres contain marked timber.

Tract Acreage & Boundaries

Tract acreage source is the Saint Francis County Plat Book. Most of the boundaries are fenced except:

- The west line is an old fence, down in most places, that has been flagged with pink flagging.
- The far east line has been flagged only; no timber has been marked close to this line.
- The east ½ of the south line has been flagged only, no timber has been marked close to this line.
- A ¼ mile section, more or less, has two diverging fences of different ages, with the furthest south being true in accordance by use pattern.

- An internal north – south fence runs approximately mid-way through the easternmost parcel.
- No timber has been marked south of the internal woods road as there is little marketable timber to be extracted.

Tour

Access to this timber requires crossing fields with cattle and gates. A one time tour with the forester will be held on **Monday, April 28, 2008 at 3:00 P.M.** Interested parties should meet the forester at the junction of Highway 67 and Highway K in Bonne Terre at the gas station on the east side of Highway 67 on the south side of Highway K.

Terms

The purchaser must sign a lump sum contract within ten (10) working days of bid acceptance. Payment of a ten percent (10%) non-refundable deposit must be submitted along with the signed contract. The remaining 90% must be paid in full at least five (5) days in advance of harvesting and removal of any trees to provide for shipping, check clearance, and the forester's schedule. A sample copy of a standard contract may be obtained upon request from Clearwater Forest Consultants, LLC. The successful bidder agrees to carry all legally required insurance on vehicles, equipment, employees, and sub-contractors, and will save and hold harmless the owner and Clearwater Forest Consultants, LLC. Additional conditions or exceptions on the bidder's behalf must be submitted in writing at least one week in advance of bid opening.

A ten percent (10%) 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 Doug Enyart, forester with Clearwater Forest Consultants, LLC.

Scaling Methods

All volumes reported related to this timber sale are estimates; no guarantee is implied.

This timber has been marked and scaled within the limits of maximum utilization standards of mills located within operating range. 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 on a tree by tree basis. Harvesting crews who take advantage of upper logs to a minimum top diameter of 5" or 6" may realize an overcut. Harvesting crews which only take butt logs or cut only to a minimum top diameter of 10" may cut less volume than is estimated here. Only the individual bidder knows his/her unique utilization standards and should bid accordingly.

Our performance is improved through feedback from timber buyers; we appreciate honest reports of cut out volume.

Sampling System: This timber was scaled at **100%** due to the high value of the timber involved.

Specifications: Trees must have a Diameter at Breast Height of twelve (12) inches or larger and at least one 16 foot log to a merchantable top diameter of at least 8" inside bark to have been marked and 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. Reports in Doyle Scale, or any other standard measure of timber, may be provided on a case-by-case basis by request.

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. Harvesting crews having attended the Professional Timber Harvester course and who keep their certification current are preferred and may impact the selection of the successful bidder.
3. Damage to the residual stand must be minimized. Ability to directional fall is required. Skidder operators must be capable of skidding with minimum damage. Reminder: this timber has been marked by an experienced forester with knowledge of usual and customary timber falling and skidding practices.
4. Access provided across Mr. Warren Shelley's property is a privilege not to be abused. The bidder is free to work out alternative routes to all or some of the timber to be harvested.
5. All specifications in this prospectus and accompanying bid form are hereby incorporated and made part of the timber sale contract to be signed by the successful bidder.