Property Description & Background

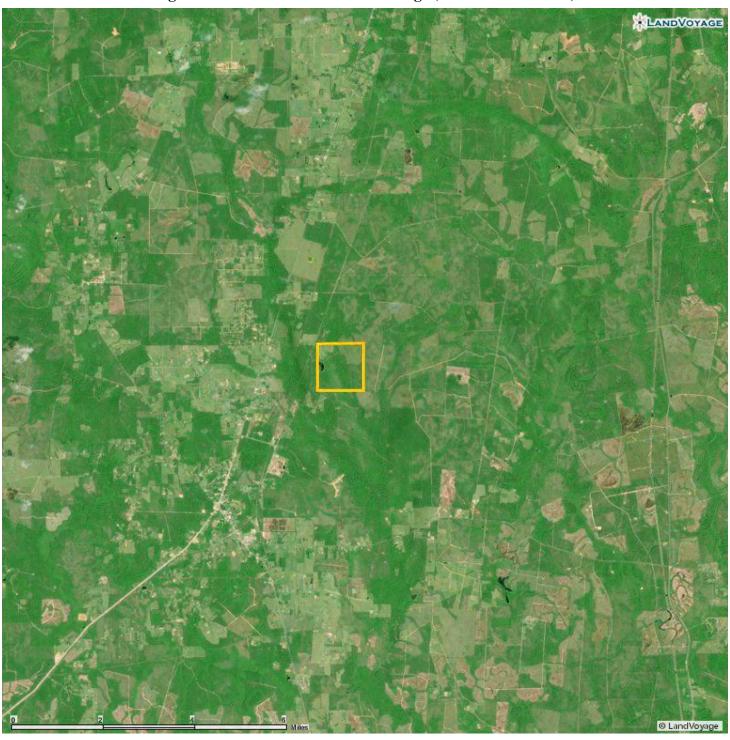
The subject property is a contiguous tract of land totaling 640 acres, more or less, located in Jasper County in southeast Texas approximately 30 miles northeast of downtown Beaumont.

BEAUMONT CALCASIEU

Figure 1. Proximity Map (30 mile radius)

The land is situated in an area that is predominantly timberland with a patchwork of open pastures and hay fields.

Figure 2. Jan 2000 Color Satellite Image (15 meter resolution)



The surface of the land is gently sloping to nearly level. Red Bank Creek crosses the center of the tract from north to south joining Cypress Creek and eventually the Sabine River just north of Deweyville.

Maximum elevation exceeds 100 feet above mean sea level near the northwestern and northeastern corners. The lowest elevation is less than 65 feet above mean sea level at the point Red Bank Branch crosses the southern property line.

The tract is located approximately 3.9 miles north of Buna off US 96 and CR 725.

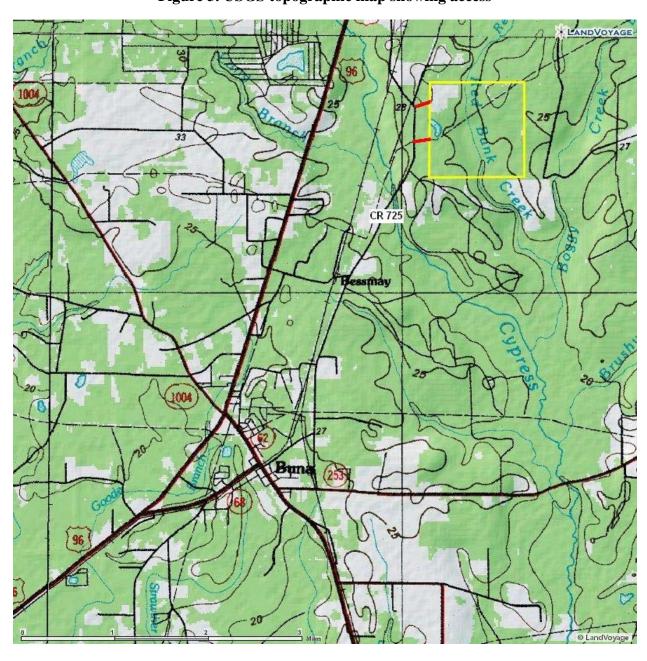


Figure 3. USGS topographic map showing access

Timber Inventory Methods and Description

Two sections of the property with merchantable timber were selected for the inventory – the bulk of the eastern ½ of the tract totaling 250 acres and the southwestern corner with 80 acres. The northeastern corner of the property (115 acres) is a 1997 pine plantation. Approximately 110 acres were recently harvested (salvage following Hurricane Rita) and replanted. The northwestern corner of the tract is non-forest and includes a residence, pasture and hayfield. A large pond occupies the midpoint along the west property line. Several patches (and strips) of trees were not included in the forest inventory. Although there is some merchantable timber value in these areas it is slight and insignificant. Roads consume the remainder of the tract acreage.

Timber inventory data were tallied using a 10 BAF prism from 66 points across the merchantable timber acreage on a targeted grid of 4 by 10 chains. The sampling intensity was 1 sample point per 5 acres.

Trees at each sampling point measuring at least 5.0" dbh were tallied. Tree data included species, product, dbh (one-inch class to the nearest inch), total tree height (nearest foot), merchantable height for sawlogs and chip-n-saw (random length to the nearest foot), stopper height (nearest foot) for trees with top defect or non-merchantability, ending or top diameter (nearest inch) for trees with top defect or non-merchantability and growth measurements. Individual tree data were collected on hand written tally sheets, recording the tree information by sampling point and stand number. Trees that failed to meet minimum merchantability specifications "Culls" were not tallied.

Trees tallied in the inventory sample were assigned to one of five Species Groups. Timber product specifications and pricing were outlined for each group as follows. (The primary species are listed for each group.)

Table 1. Species Groups Specifications and Prices.

PINE (ALL PINE SPP.)	PULPWOOD		CHIP-N- SAW	SMALL SAWLOGS	LARGE SAWLOGS
MIN DBH	5.	0"	8.0"	10.6"	13.6"
MIN PULPWOOD TOP	2.	0"		2.0"	2.0"
MIN SAWLOG TOP	_	_	5.0"	8.0"	9.0"
MIN LENGTH	2	0'	27'	26'	20'
STUMPAGE PRICE	STANDING	TOPWOOD			• • •
(\$/TON)	\$7	\$7	\$17	\$28	\$42

OAK (ALL OAK SPP.)	Pulp	Sawlogs	
MIN DBH	5	11.6"	
MIN PULPWOOD TOP	3		
MIN SAWLOG TOP	-	9.0"	
STUMPAGE PRICE	STANDING	TOPWOOD	C4C
(\$/TON)	\$4	\$4	\$16

GUM (SWEETGUM & BLACKGUM)	PULP	Sawlogs		
MIN DBH	5	.0"	11.6"	
MIN PULPWOOD TOP	3			
MIN SAWLOG TOP	-	_	9.0"	
STUMPAGE PRICE	STANDING	TOPWOOD	#4.4	
(\$/TON)	\$4	\$4	\$14	

MISCELANEOUS HARDWOOD (ASH, HICKORY, MAPLE & ELM)	Pulpwood		SAWLOGS
MIN DBH	5	11.6"	
MIN PULPWOOD TOP	3	.0"	
MIN SAWLOG TOP	-	_	9.0"
STUMPAGE PRICE	STANDING	TOPWOOD	©4.4
(\$/TON)	\$4	\$4	\$14

LOW GRADE HARDWOOD (CHINESE TALLOW & MINOR HDWDS)	Pulpwood
MIN DBH	5.0"
MIN PULPWOOD TOP	3.0"
MIN SAWLOG TOP	_
STUMPAGE PRICE (\$/TON)	\$4

Timber prices correspond to recent and current market trends in southeast Texas.

Data were collected on the subject property in July and August 2007 by Bryant Forestry personnel. Bryant Forestry cruisers have extensive timber inventory experience.

The inventory processor used in this analysis, *TCruise*, *Version 4.0 (Sep 2004)*, was developed by Dr, Thomas Matney at Mississippi State University and distributed by Haaglof. Various volume equations including some developed for individual Southeastern U.S. tree species were used to calculate volume.

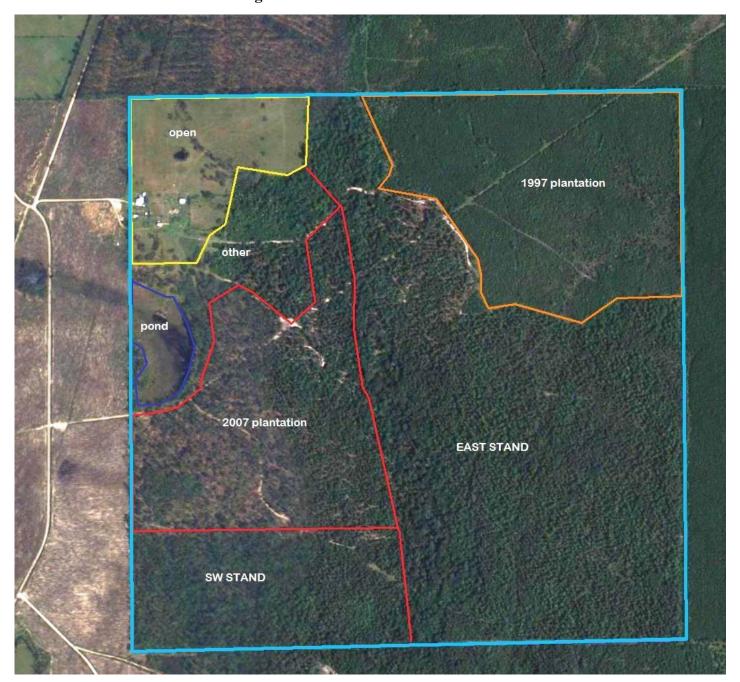


Figure 4. York Ranch Timber Stands

Timber Inventory Results

The results of the timber inventory are presented on the following pages, first for the tract as a whole and second by stand type.

TRACT LEVEL DISCUSSION

Total property area is approximately 640 acres of which 555 acres are currently classified as merchantable timberland (87%). The timberland is comprised of 330 acres of merchantable timber and 225 acres of premerchantable timber. The total estimated timber value for the 555 acres is **\$405,366** which is equivalent to \$633 per acre for the entire tract acreage.

The estimate of current timber value includes \$325,866 for the 330 acres of merchantable timber (\$987 per acre) and \$79,500 for the 225 acres of premerchantable timber (\$353 per acre).

The sampling error for total merchantable timber value is $\pm 13.9\%$ @ the 95% confidence level, meaning the estimated mean from any set of 66 sample units within the sampling area will fall within 13.8% of the reported mean in 95 out of 100 estimates. If we apply this confidence interval to the entire timber value (merchantable plus premerchantable) the interval is \$349,020 to \$461,712.

Table 2. Means, sampling errors and confidence intervals for all merchantable timber data

	Mean	Sampling Error	Lower Limit	Upper Limit
Number of Trees	57.4 trees/ac	± 18.5%	46.8 trees/ac	68.0 trees/ac
Basal Area	51.5 sq ft/ac	± 12.7%	45.0 sq ft/ac	58.0 sq ft/ac
Avg. DBH	9.7"	± 5.0%	9.2"	10.2"
Total Volume	50.7 tons/ac	± 13.0%	44.1 tons/ac	57.3 tons/ac
Total Value	\$987.40/ac	± 13.9%	\$850.15/ac	\$1,124.65/ac

MERCHANTABLE TIMBER

The merchantable stands contain a total of 16,724 tons with an estimated value of \$325,866. The pine component comprises 57% of the total volume and 74% of the value. The Pine Sawlog component contributes the highest volume and value of any Timber product group.

Table 3. York Ranch— Merchantable Timber (330 acres)

PRODUCT	TONS	DOLLARS	\$/TON
pine pulpwood	4,109	\$28,765	\$7.00
pine topwood	2,049	\$14,342	\$7.00
pine chip-n-saw	2,422	\$41,166	\$17.00
pine small sawlogs (10.5" to 13.5" dbh)	1,356	\$37,982	\$28.00
pine sawlogs (>13.5" dbh)	4,870	\$194,810	\$38.00
Total Pine	14,806	\$317,064	\$21.42
hardwood pulpwood	1,726	\$6,904	\$4.00
hardwood topwood	79	\$318	\$4.00
hardwood sawlogs	113	\$1,579	\$13.97
Total Hardwood	1,918	\$8,801	\$4.59
TOTAL	16,724	\$325,866	\$19.48

Trees Abundance

Seventy-two percent of the trees growing in the merchantable stands are pine species and 28% are hardwood (72:28). Figure 5 (Page 11) illustrates the distribution of trees by the various species group/timber product classes. PINE PULPWOOD accounts for 35% of the trees; HARDWOOD PULPWOOD 27%. **The average total number of trees is 88 per acre,** indicating moderately low tree stocking. PINE SAWLOGS account for only 14% of the total trees.

Stand Density

Figure 6 (Page 11) illustrates the distribution of basal area across the species group/timber product classes. Specifically basal area is the sum of the cross-sectional area of all trees on one acre. Timber basal area is an indicator of stand density and is a function of the **number** and **size** of trees in the forest. Given the contribution that trees size has on stand density, PINE SAWLOGS move to prominence over the pulpwood categories.

Pine trees comprise 84% of the average stand density, hardwood 16%. The average total basal area for all trees in the merchantable stands is 52 square feet per acre, indicating low stand density.

The average tree measures 9.7" dbh. Pine trees average 10.6" and hardwood trees average 7.4".

Timber Volume

Tree height and form are added to the function to calculate timber volume. Figure 7 (Page 12) shows the distribution of timber volume in Tons. Pine timber accounts for 89% of the total timber volume, hardwood 11%. PINE SAWLOGS continue as the most prominent product category accounting for 29% of the total timber volume.

PINE & HARDWOOD TOPWOOD area added to the analysis for the timber volume and value distributions. Topwood is derived from the sawlog trees (and chip-n-saw) and is the portion of the tree that is utilized for pulpwood after sawtimber is merchandized. Pine sawlog trees typically generate more topwood than hardwood sawlog trees.

The average total timber volume is 51 tons per acre, slightly less than 2 truck loads per acre.

Timber Value

Timber value is assigned to the timber volume in a stair-stepped manner. That is, value increases at an uneven rate with jumps that are triggered by product thresholds rather than by gradual gradations. Some smoothing of the value to volume and tree size ratio is realized in "log sorts" offered (or required) by certain mills but "blended" pricing is more applicable for inventory and appraisal studies.

Pine trees account for 97% of the timber value, hardwoods only 3%. PINE SAWLOGS account for 60% of the total value (61% of the pine value). The two pine sawlog categories combined also comprise 71% of the total timber value.

The average total timber value for all trees in the merchantable stands is \$987 per acre.

 Table 4. Merchantable Timber Inventory Results for the York Ranch

York Ranc	h					
	330 acres	trees	basal area	tons	stumpage	avg dbh
Lobiolly	pine pulpwood	30.6	13.0	12.5	\$87.20	8.5
	pine topwood			6.2	\$43.40	
	chip-n-saw	14.1	7.4	7.3	\$124.70	9.8
	pine small sawlogs (11-13")	6.0	5.0	4.1	\$115.10	12.4
	pine sawlogs (>13")	12.5	17.9	14.8	\$590.30	16.1
	total pine	63.2	43.3	44.9	\$960.70	10.6
Hardwood	hardwood pulpwood	23.9	7.7	5.2	\$20.90	7.3
	hardwood sawlogs	0.4	0.5	0.3	\$4.80	12.7
	hardwood topwood			0.2	\$1.00	
	total hardwood	24.3	8.2	5.8	\$26.70	7.4
Total		87.5	51.5	50.7	\$987.40	9.7

York Ranc	h	tract total				
	330 acres	trees	basal area	tons	stumpage	
Lobiolly	pine pulpwood	10088	4300	4109	\$28,765	
	pine topwood			2049	\$14,342	
	chip-n-saw	4660	2450	2422	\$41,166	
	pine small sawlogs (11-13")	1969	1650	1356	\$37,982	
	pine sawlogs (>13")	4117	5900	4870	\$194,810	
	total pine	20834	14300	14806	\$317,065	
Hardwood	hardwood pulpwood	7891	2550	1726	\$6,904	
	hardwood sawlogs	118	150	113	\$1,579	
	hardwood topwood			79	\$318	
	total hardwood	8009	2700	1918	\$8,801	
Total		28843	17000	16724	\$325,866	

12.5, 14%

Figure 5. All Merchantable Stands – Trees by Timber Product Categories

Figure 6. All Merchantable Stands – Basal Area by Timber Product Categories

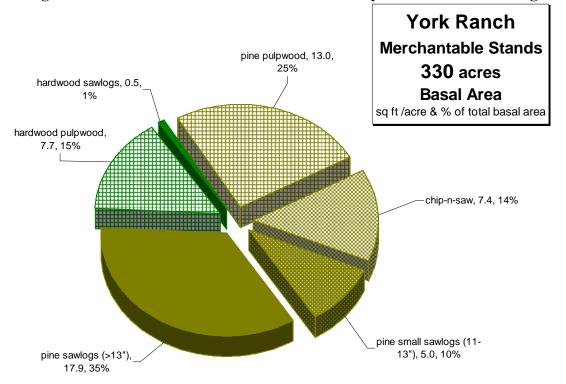


Figure 7. All Merchantable Stands – Timber Volume by Timber Product Categories

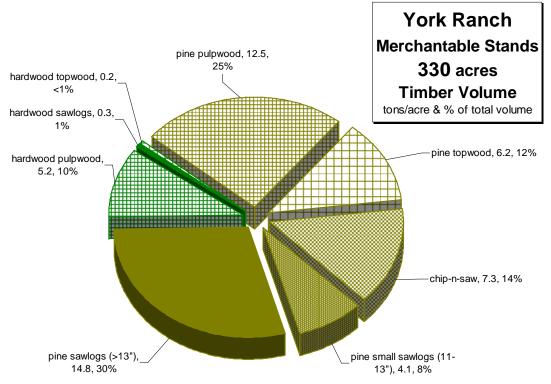


Figure 8. All Merchantable Stands – Timber Value by Timber Product Categories

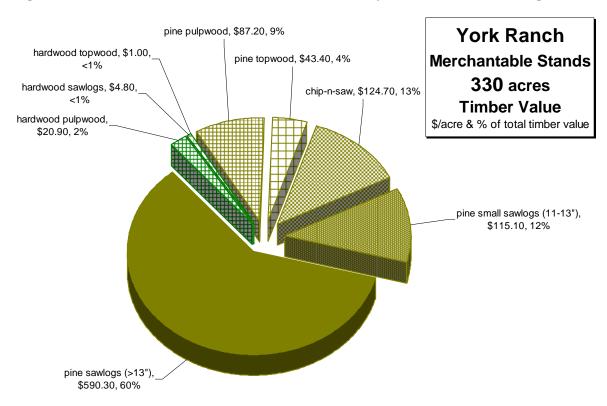


Table 5. York Ranch - PINE Stock & Stand Table - 330 acres

	Total	Pine		Pine PW		С	hip-N-Sa	w	Pine Sm	nall Logs dbh)	(11-13"	Pine Sav	wlogs (>1	13" dbh)	Pine Tops
DBH	trees	tons	trees	tons	avg. total height	trees	tons	avg. total height	trees	tons	avg. log height	trees	tons	avg. log height	tons
5	733	71	733	71	33										
6	509	65	509	65	29										
7	2806	626	2806	626	43										
8	2865	905	2292	711	47	573	194	54							
9	2942	1289	1471	631	53	1471	645	58							13
10	2017	1057	917	483	53	1100	574	53							
11	1742	1201	227	161	61	1515	1008	61							32
12	1528	1239	318	263	58				1210	748	38				228
13	1139	1093	380	343	52				759	608	44				142
14	1169	1389	140	185	73							1029	931	41	273
15	1181	1556	81	112	63							1100	1066	36	378
16	824	1291	72	125	73							752	877	39	289
17	508	894										508	675	39	219
18	283	577	57	118	65							226	341	40	118
19	178	406	51	110	58							127	231	45	65
20	206	485										206	350	34	135
21	42	119										42	90	43	29
22	38	125										38	97	47	28
23	52	147	17	63	70							35	52	21	32
24	32	89	16	42	40							16	30	25	17
25	0	0													
26	27	127										27	95	45	32
27	0	0													
>27	12	54										12	35	31	19
total	20834	14805	10087	4109		4660	2422		1969	1356		4117	4870		2049

Figure 9. Distribution of Trees by Product Class and DBH

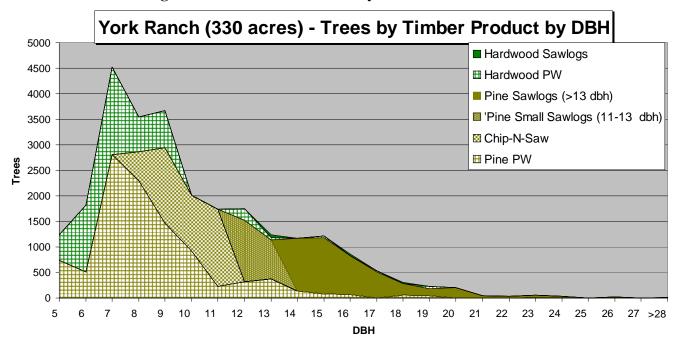
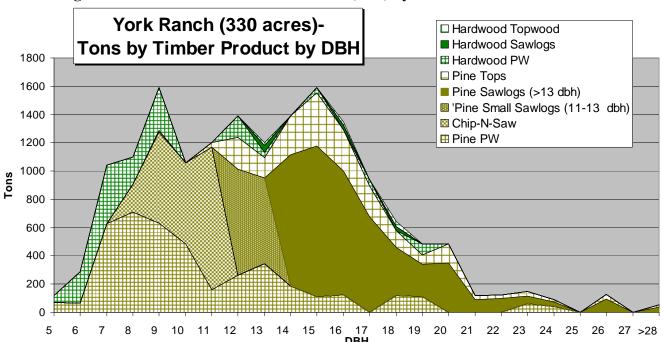


Table 6. York Ranch - HARDWOOD Stock & Stand Table - 330 acres

	Total F	ldwd	Hdwo	d PW	Hdwd S	Hdwd Tops		
DBH	trees	tons	trees	tons	trees	tons	tons	
5	2567	200	2567	200				
5 6 7	510	47	510	47				
	1310	223	1310	223				
8	1719	417	1719	417				
9	679	192	679	192				
10	733	300	733	300				
11	0	0						
12	0	0						
13	270	221	217	153	53	49	19	
14	47	39	47	39				
15	0	0	0	0				
16	71	92	35	33	36	34	25	
17	0	0	0	0				
18	57	108	28	43	29	30	35	
19	0	0						
20	46	79	46	79				
21	0	0						
22	0	0						
23	0	0						
24	0	0						
25	0	0						
26	0	0						
27	0	0						
>28	0	0						
total	8009	1918	7891	1726	118	113	79	

Figure 10. Distribution of Timber Volume (tons) by Product Class and DBH



PREMERCHANTABLE TIMBER

The total Premerchantable Timber area is 225 acres (33% of the tract acreage) and consists of a 115 acre 1997 loblolly pine plantation and 110 acre 2007 loblolly pine plantation (perimeter of plantation and acreage were estimated from aerial photography).

The premerchantable timber value is estimated using a general formula whereby the plantation is given an establishment cost of \$200 per acre and \$50 per acre for each year after year 4. On this basis the 1997 plantation has a current value of \$500 per acre and the 2007 plantation \$200 per acre for a total current value of \$79,500 (\$353.33 per acre).

SUMMARY of TIMBER VALUE

The estimated total current timber value for the York Ranch is \$1,586,604 (\$659 per acre).

Table 8.	Curren	nt Timber Valu	e

	Acres	Current Timber Value	Current Timber Value per Acre
Merchantable	330	\$325,866	\$987
Premerchantable	225	\$79,500	\$353
Current Timberland	555	\$405,366	\$730
Current Non-Timberland	85	Na	Na
Total	640	\$405,366	\$633

STAND LEVEL DISCUSSION

The property is divided into five timber stands, as much a division of convenience as timber type. The merchantable timber stands are labeled EAST and SW and consists of predominantly pine stands. Hardwood trees are present in higher concentrations in both stands along Red Bank Creek. The "Other Woods" includes a patch of trees southeast of the open area and several strips adjacent to the 2007 plantation. Hardwood trees predominate although there is some natural pine regeneration in some areas. This stand was not included in the inventory and appraisal. The Non-Forest areas include the pasture/hay field/residence in the northwestern corner (approx. 50 acres) and the pond on the western property line (approx. 16 acres).

Table 7. York Ranch Timber Stands

Stand	Acres
EAST - pine	250
SW - pine	80
1997 Pine Plantation	115
2007 Pine Plantation (estimated)	110
Other Woods	17
Non-Forest (pond, open, roads, etc)	68
Total	640

EAST

The southeastern half of the property (except the northeastern corner) is dominated by a large stand of native pine timber. The area defined by this stand also includes most of the streamside management zone along Red Bank Creek.

York

The EAST stand accounts for 76% of the merchantable timber acreage and contains 72% of the timber volume and 69% of the value.

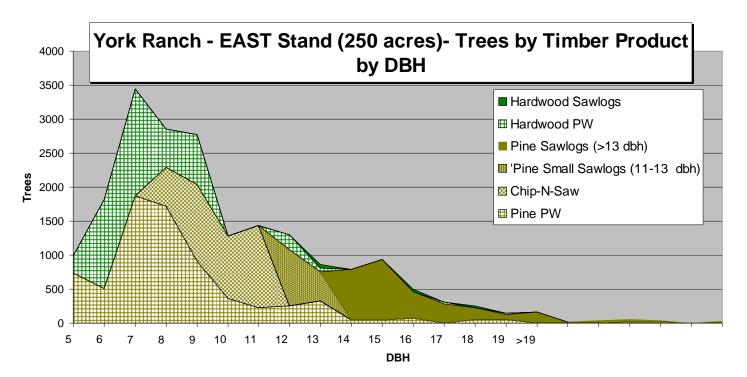
PINE SAWLOGS and PINE PULPWOOD dominate the stand. Note: many of the pine trees that are large enough to be classified as higher value products are downgraded to pulpwood.

York Ranc	h - East Stand					
	250 acres	trees	basal area	tons	stumpage	avg dbh
Lobiolly	pine pulpwood	28.8	12.2	11.7	\$81.80	8.4
	pine topwood			5.8	\$41.20	
	chip-n-saw	15.3	8.0	7.9	\$134.20	9.7
	pine small sawlogs (11-13")	5.0	4.2	3.4	\$95.80	12.3
	pine sawlogs (>13")	11.5	16.4	12.8	\$512.40	16.0
	total pine	60.6	40.8	41.6	\$865.40	10.5
Hardwood	hardwood pulpwood	26.4	8.8	6.0	\$23.90	7.5
	hardwood sawlogs	0.5	0.6	0.5	\$6.30	15.1
	hardwood topwood			0.3	\$1.30	
	total hardwood	26.9	9.4	6.8	\$31.50	7.6
Total		87.5	50.2	48.4	\$896.90	9.6

York Ranc	h - East Stand	tract total						
	250 acres	trees	basal area	tons	stumpage			
Lobiolly	pine pulpwood	7212	3050	2922	\$20,452			
	pine topwood			1473	\$10,311			
	chip-n-saw	3834	2000	1974	\$33,555			
	pine small sawlogs (11-13")	1262	1050	855	\$23,953			
	pine sawlogs (>13")	2865	4100	3202	\$128,092			
	total pine	15173	10200	10426	\$216,363			
Hardwood	hardwood pulpwood	6588	2200	1494	\$5,976			
	hardwood sawlogs	118	150	113	\$1,579			
	hardwood topwood			79	\$318			
	total hardwood	6706	2350	1686	\$7,873			
Total		21879 12550 12112 \$224,2						

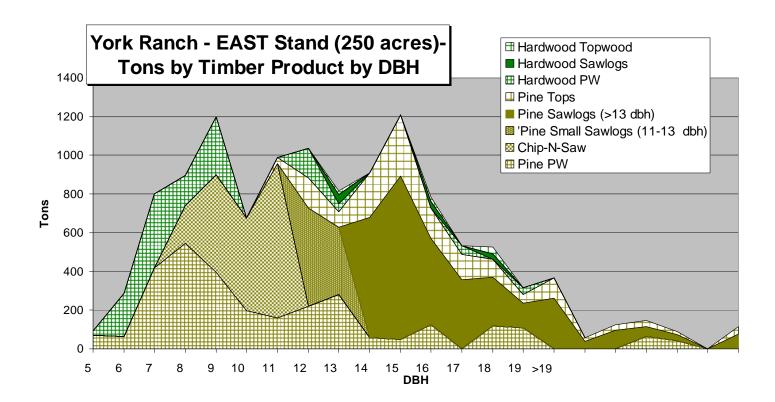
EAST - Pine Stock & Stand Table

	Total	Pine		Pine PW		CI	hip-N-Sa	w	Pine Sm	nall Logs dbh)	(11-13"	Pine Sav	wlogs (>´	13" dbh)	Pine Tops
DBH	trees	tons	trees	tons	avg. total height	trees	tons	avg. total height	trees	tons	avg. log height	trees	tons	avg. log height	tons
5	733	71	733	71	33										
6	509	65	509	65	29										
7	1871	419	1871	419	43										
8	2292	740	1719	546	49	573	194	54							0
9	2037	900	905	394	54	1132	506	56							0
10	1284	676	367	199	54	917	477	53							0
11	1439	989	227	161	61	1212	797	61							31
12	1083	884	255	221	63				828	506	37				157
13	759	709	325	280	48				434	349	44				80
14	795	908	47	58	65							748	621	36	229
15	937	1209	41	49	50							896	844	35	316
16	466	727	72	125	73							394	445	37	157
17	285	488										285	357	36	131
18	227	461	57	118	65							170	252	39	91
19	127	281	51	110	58							76	127	40	44
20	160	367										160	263	33	104
21	21	56	_									21	38	34	18
22	38	125										38	97	47	28
23	52	147	17	63	70						_	35	52	21	32
24	32	89	16	42	40		·			·	·	16	30	25	17
25	0	0													
>25	26	114										26	76	35	38
total	15172	10426	7212	2921		3834	1974		1262	855		2865	3202		1473



EAST - Hardwood Stock & Stand Table

	Total H	ldwd	Hdwe	Hdwd PW Hdwd Sa		Sawlogs	Hdwd Tops
DBH	trees	tons	trees	tons	trees	tons	tons
5	1833	141	1833	141			
6	255	23	255	23			
7	1310	222	1310	222			
8	1576	382	1576	382			
9	566	156	566	156			
10	733	299	733	299			
11	0	0					
12	0	0					
13	271	222	217	154	54	49	19
14	47	39	47	39			
15	0	0					
16	36	59			36	34	25
17	0	0					
18	56	108	28	43	28	30	35
19	0	0					
>19	23	35	23	35			
total	6706	1686	6588	1494	118	113	79



SW

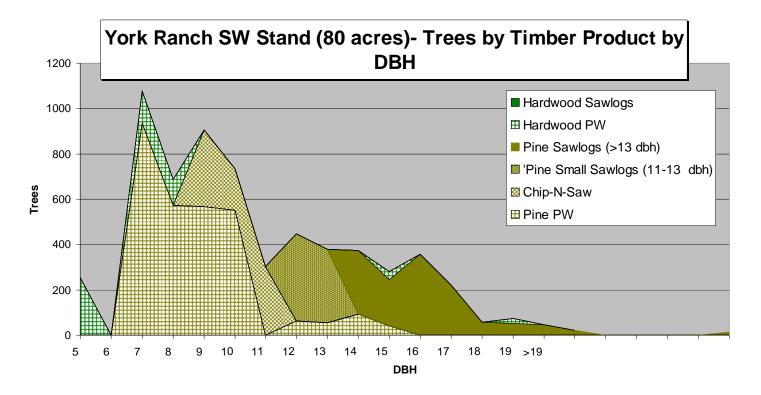
The timber in the southwestern corner of the property is somewhat better quality and socking than the eastern forest. The number of trees per acre is roughly the same but pine basal area is 26% higher, pine volume is 32% higher and average pine value per acre is 41% higher. The average tree in the SW stand is 11" dbh compared to 10.1" in the EAST stand.

York Ranc	h - SW Stand					
	80 acres	trees	basal area	tons	stumpage	avg dbh
Lobiolly	pine pulpwood	36.0	15.6		·	
	pine topwood			7.2	\$50.40	
	chip-n-saw	10.3	5.6	5.6	\$95.10	10.0
	pine small sawlogs (11-13")	8.8	7.5	6.3	\$175.40	12.5
	pine sawlogs (>13")	15.7	22.5	20.8	\$792.30	16.1
	total pine	70.8	51.2	54.7	\$1,217.10	11.0
Hardwood	hardwood pulpwood	16.3	4.4	2.9	\$11.60	6.4
	hardwood sawlogs					
	hardwood topwood					
	total hardwood	16.3	4.4	2.9	\$11.60	7.6
Total		87.1	55.6	57.6	\$1,228.70	10.2

York Ranc	h - SW Stand	tract total						
	80 acres	trees	basal area	tons	stumpage			
Lobiolly	pine pulpwood	2877	1250	1187	\$8,312			
	pine topwood			575	\$4,032			
	chip-n-saw	826	450	448	\$7,610			
	pine small sawlogs (11-13")	707	600	501	\$14,029			
	pine sawlogs (>13")	1252	1800	1668	\$63,382			
	total pine	5662	4100	4379	\$97,365			
Hardwood	hardwood pulpwood	1303	350	232	\$928			
	hardwood sawlogs							
	hardwood topwood							
	total hardwood	1303	350	232	\$928			
Total		6965 4450 4611 \$98,						

SW - Pine Stock & Stand Table

	Total	Pine		Pine PW	Pine PW		Chip-N-Saw Pine			Pine Small Logs (11-13" dbh)		Pine Sawlogs (>13" dbh)			Pine Tops
DBH	trees	tons	trees	tons	avg. total height	trees	tons	avg. total height	trees	tons	avg. log height	trees	tons	avg. log height	tons
5	0	0													
6	0	0													
7	935	207	935	207	42										
8	573	164	573	164	41										
9	906	390	566	237	51	340	139	63							14
10	733	382	550	284	52	183	98	54							0
11	303	211				303	211	61							0
12	446	354	64	42	40				382	242	40				70
13	379	383	54	63	77				325	259	44				61
14	375	481	94	127	78							281	310		44
15	245	347	41	63	75							204	223		61
16	356	563										356	432	41	131
17	222	406										222	318		88
18	57	117										57	90		27
19	51	125										51	104	52	21
20	46	118										46	86		32
21	21	64										21	52	52	12
22	0	0													
23	0	0													
24	0	0													
25	0	0													
>25	14	67										14	53	52	14
total	5662	4380	2877	1187		826	448		707	501		1252	1668		575



SW - Hardwood Stock & Stand Table

	Total H	ldwd	Hdwo	d PW	Hdwd S	Hdwd Tops	
DBH	trees	tons	trees	tons	trees	tons	tons
5	733	59	733	59			
6	255	24	255	24			
7	0	0					
8	143	36	143	36			
9	113	36	113	36			
10	0	0					
11	0	0					
12	0	0					
13	0	0					
14	0	0					
15	0	0					
16	36	33	36	33			
17	0	0					
18	0	0					
19	0	0					
>19	23	44	23	44			
total	1303	232	1303	232	0	0	0

