THE PRESERVATION GROUP

Walden Ridge Partners LLC
Timber Management Plan
March - 2016

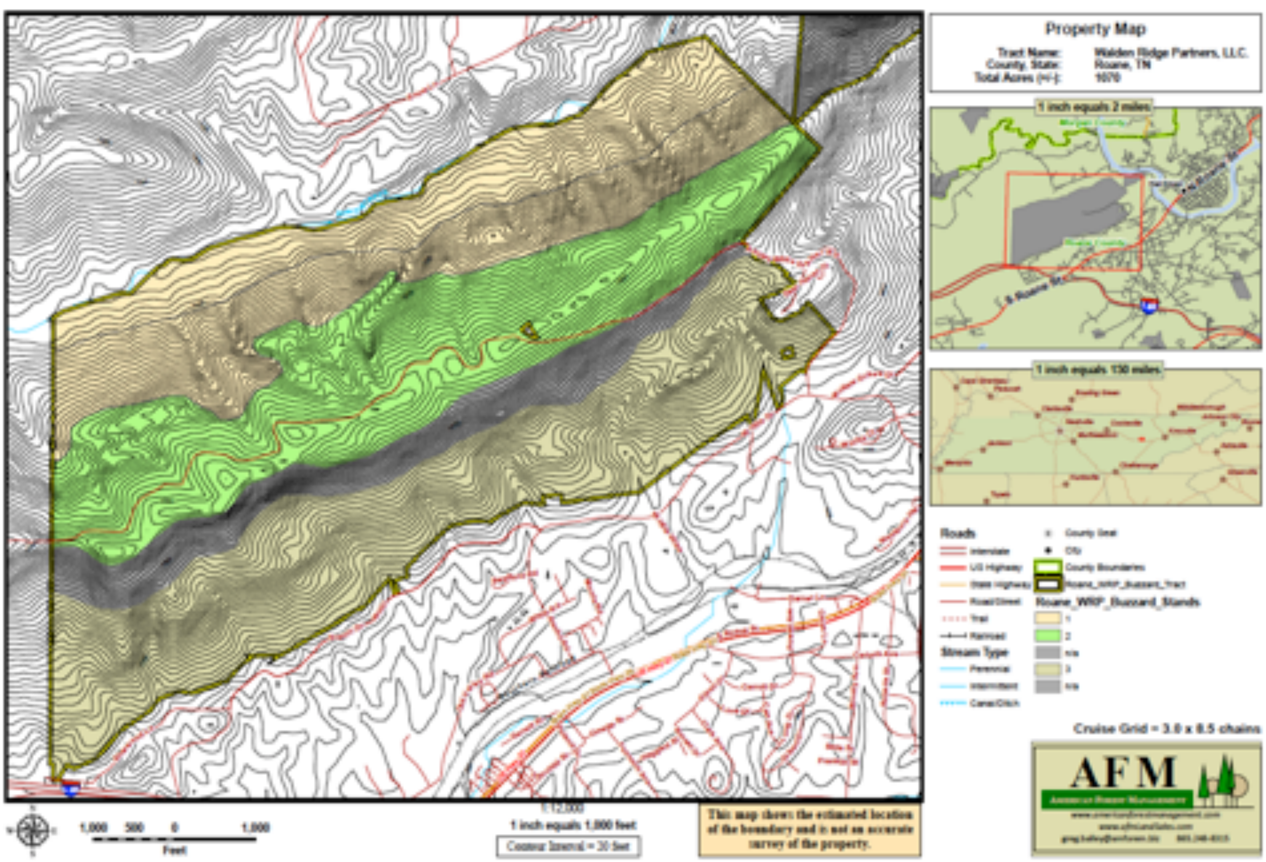
Timber Management Plan

Source: Jake Almond, American Forest Management

Executive Summary

Walden Ridge Partners LLC ("WRP") has requested American Forest Management ("AFM") provide a proposal to manage the timber assets of its 1,075 acre land parcel in Harriman, TN. Their services include an in-person, on-the-ground timber inventory analysis and valuation, a plan to extract value from the timber for varying objectives, sealed bidding for the logging contract, direct supervision of the logging process, and habitat protection and optimization recommendations. AFM has completed their site visits and tree count. This required setting out 350 separate plots, direct in-person tree counts and provides a 95% confidence level in the value +/-10%. The following pages summarize their recommendations. Also included are relevant contracts and company personnel information.

Property Map



Source: Jake Almond, American Forest Management

Extraction Plan

All three areas contain significant timber value. Area 1 is the steep and lower portions of the north aspect. WRP could do the heaviest cutting here with minimal impact to the real estate value. Area 2 is on top where the real estate value is the highest and some type of marked sale would do best here to maintain the aesthetic appeal of the area but also open up the views and attract wildlife. The area has some heavy fire damage (old) on the western side by the interstate. The sawtimber is patchy but there definitely is marketable quantities without negatively impacting real estate value. Area 3 is the Harriman side which is the most visible to the public but has less real estate value than area 2.

The timber value of the overall tract is well over $900,000. Clear cutting portions will enhance the long term value of the tract. AFM recommends bidding the three areas separately as soon as possible – within next two months. The plan for Area 1 allows a 2 year cutting period. The other two areas are planned for 18 month contracts. Longer term logging contracts command the highest prices. Keep in mind Area 1 can only be sold after the optimal ingress and egress points are arranged.

Residential value can be easily maintained if WRP follows a selective logging plan. The timber that remains may actually do better with the reduction in competition for water and sunlight and added value management. If property objectives change to focus purely on the timber value, the remaining value of the timber could be clear cut and provide an additional $500,000 timber revenue. This would create a dependable, recurring revenue stream for the future and actually improve the health of the forest.

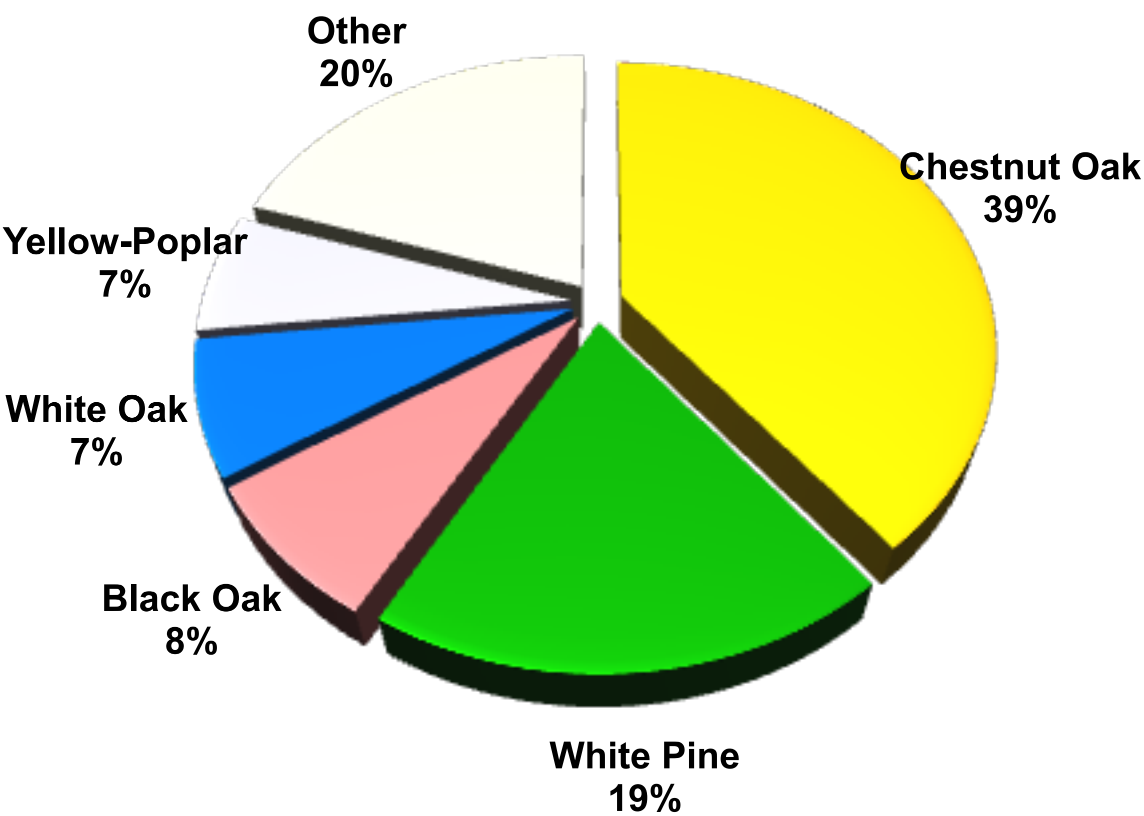
More specifically, a "residential cut" of the timber in Area 1 will likely generate $160,000.00 with the pine being a large component. Area 2 should generate a $100,000.00 and area 3, $130,000.00.

Sales costs will approximate 9-10% but include significant management efforts, and enable protecting the residual timber and assure the value is obtained at harvest. The road work to get to the top (that may be paid by the city of Harriman) are estimated to be $15,000.00-$20,000.00.

AFM recommends a sales contract that has a down payment of 10%, with an additional 40% after 6 months (encourages faster logging). These advances to be depleted as timber is cut. AFM will handle the accounting using contracts provided or with a seller contract. No permits should be needed except to set up entrances on the county roads. AFM will assist buyer to meet the Road Superintendent to set up any entrances needed.

Source: Jake Almond, American Forest Management

Forest Composition



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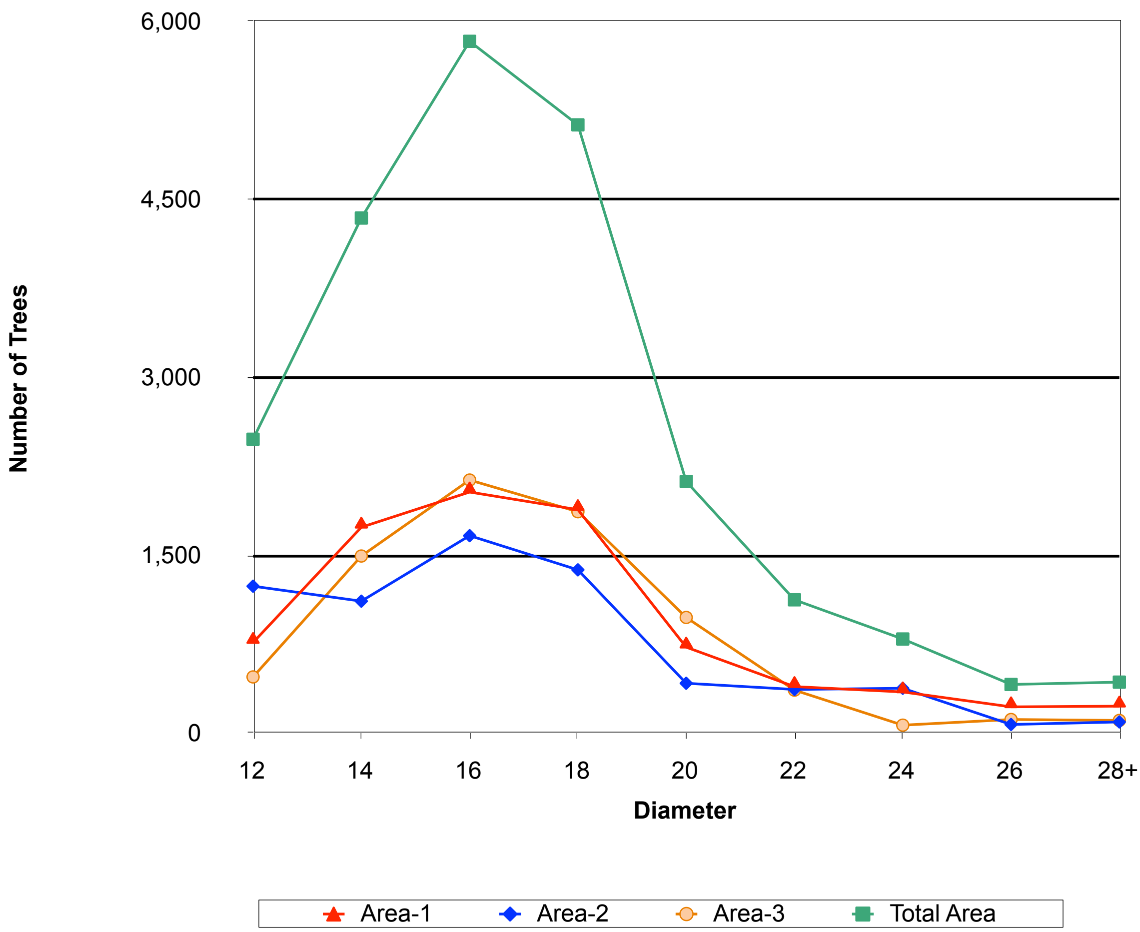

Timber Management Plan

Total Tract Timber Value

944 Acres	Number of Trees	Estimated Volume	Estimated Value ($/MBF)		Total Value
Hardwood Sawtimber (1)					
Red Oak	953	138,922	275		38,203
Black Oak	2,128	254,658	250		63,664
White Oak	1,956	247,281	350		86,548
Chestnut Oak	10,836	1,301,331	275		357,866
Scarlet Oak	341	74,697	200		14,939
Yellow-Poplar	1,043	221,868	175		38,827
White Ash	127	11,914	200		2,383
Sugar (Hard) Maple	51	2,426	325		788
Red (Soft) Maple	994	81,415	175		14,248
Black Cherry	129	9,635	250		2,409
Beech	21	6,090	125		761
Hickory	907	96,748	150		14,512
White Oak Stave	62	9,151	475		4,347
Birch	148	7,666	125		958
Sweetgum	58	10,362	125	`	
Tie Logs	610	27,043	125		3,380
Poplar Peelers	415	17,966	125		2,246
Total Hardwood	***20,778***	***2,519,170***		***$***	***646,080***
Pine Sawtimber (2)					
Hemlock	574	157,954	75		11,847
White Pine	1,276	632,742	100		63,274
Yellow Pine	39	8,739	75		655
Total Pine	***1,890***	***799,435***		***$***	***75,776***
Hardwood Pulpwood (3)					
Hard Hardwood	59,466	18,423	6.00		110,536
Soft Hardwood	23,299	5,502	6.00		33,010
Total	***82,765***	***23,924***		***$***	***143,545***
Pine Pulpwood Total (3)	***6,816***	***2,135***	***- 0***		***- 0***
Total Sawtimber	***22,667***	***3,318,604***		***$***	***721,856***
Total Pulpwood	***89,581***	***26,059***		***$***	***143,545***
Total Palletwood	***11,807***	***5,743***	***12***	***$***	***68,920***
			Sale Total	**$**	**934,321**

(1) Bd. Ft., Doyle FC 78

(2) Bd. Ft., Scribner FC 80

Source: Jake Almond, American Forest Management

Service and Sales Plan

AFM has recommended handling this sale as a pay as cut type of sale with bids taken for the various products and units.

The following is a list of services AFM will perform in administering our timber sales:

- Identify and paint timber sale boundary lines.
- Identify and flag streamside management zones to be protected from logging impacts and to ensure compliance with the State's Best Management Practices (BMPs).
- Perform a timber cruise with a target accuracy of +/-10% error at the 95% confidence level. Having an accurate estimate of timber included in the sale ensures us that we are getting paid what the timber is worth.
- Appraise the timber for sale.
- Send bid announcements to all potential buyers of the sale.
- Conduct the sealed bid opening.
- Prepare a timber contract or deed designed to protect your interests.
- Close the sale.
- Hold a $3000.00 Performance Bond in the AFM Timber Trust (Escrow) account.
- Inspect logging operations will be conducted weekly to ensure strict contract compliance. Most people that come away dissatisfied from a sale is largely due to inadequate logging supervision and unnecessary damage to the tract during logging.
- Implement AFM timber security system which tracks each load of timber once it has left our tract (see examples attached).
- Collect, inspect, and account for all proceeds generated from the sale.

Produce payments to the WRP on a monthly basis or other time period as desired.

Source: Jake Almond, American Forest Management

Timber Security

Prior to harvesting activity, Owner's Consultant, American Forest Management, Inc. (AFM) shall issue to the Buyer sequentially number serialized Load Tickets and Weekly Haul Sheets. Buyer shall use the Load Tickets and Weekly Haul Sheets to document the removal of all loads as described with this Exhibit B. Buyer shall acquire additional load tickets from AFM as necessary to fulfill the stipulations herein.

Load Tickets will be used by the Grantee in ascending numerical order and will be completed and assigned to each load when and where the load is created. The Load Tickets are two parts and can be torn in half on the perforation in the middle of the ticket. The top half of the ticket is stapled to the rear of the load. The bottom half of the ticket is to be carried by the truck driver and filled out identifying the sale and logger the load originated from. The scale ticket received at the market for the load shall be stapled to the ticket after delivery. The scale tickets or copy of the scale tickets, Load Tickets and Weekly Haul sheets will be delivered to AFM with the weekly settlements.

All loads will be recorded on the Weekly Haul Sheets in indelible ink immediately after being loaded and prior to any movement away from the loader. The Weekly Haul Sheet is to be kept on site and available for inspection by Seller or AFM at all times during ongoing harvest operations. Scale ticket number and net weight will be recorded on the Weekly Haul Sheet as soon as possible after the delivery of the load. With approval from AFM, Cutter may substitute the Weekly Haul Sheet with its own document as long as it includes, at minimum, the information on the Weekly Haul Sheet.

<u>All unused Load Tickets must be returned to AFM.</u>

<u>Failure to return or properly account for all Load Tickets will result in a penalty of $50.00 per Load Ticket deducted from the Cutter's performance bond deposit.</u>

<u>Failure to properly account for a load will result in the value of a load of the highest reasonable product value per this Timber Cutting Contract being deducted from the Cutter's performance bond deposit. Proper accounting procedures requires a minimum that:</u>

1. Load tickets are properly stapled to each load.
2. Scale tickets are provided for each load. Load Ticket sheets are attached to the scale ticket or Load Ticket numbers are recorded on the scale sheet.
3. All information, including the scale ticket number and Load Ticket number, are correctly recorded on the weekly haul sheet. Buyer shall make allowance for the absence of the scale ticket and weight on the weekly load sheet for loads in transit at the time of the cutoff for weekly settlements.

Source: Jake Almond, American Forest Management

Timber Security

American Forest Management, Inc.
103 Barrie Lane
Kingston, TN 37763
(865) 248-8315

Timber Security Register

(PRESS FIRMLY) Page ______ of ______

Contractor: ______________________ Owner/Seller: ______________________

Contract #: ______________________ Tract: ______________________

Date	Time	Load Tag Number	Product	Destination	Driver Name / Trailer Number	Scale Ticket Number

American Forest Management, Inc.
103 Barrie Lane
Kingston, Tennessee 37763
(865) 248-8315

TAG # 3402

Staple this tag to rear of load, driver side.
Tag must remain with load throughout transit.

American Forest Management, Inc.
103 Barrie Lane
Kingston, Tennessee 37763
(865) 248-8315

TAG # 3402

Sale ______________ Logger ______________

Instructions
Driver carry this tag and deliver to scale house for attachment to weight ticket. Return weight ticket and tag to loader-man for pick up by AFM forester.

Other Comments ______________________

Reprentative: ______________________
I certify the above information is true and correct to the best of my knowledge and belief.

White - AFM | Yellow - Owner/Seller | Pink - Cutter/Buyer

Almond, Jacob (Jake) F., Jr. – Vice President/Appalachian/Lake States Region Manager

B.S., Forestry, North Carolina State University
Registered Forester – NC; SC; WV
Licensed Real Estate Broker – KY; TN; WV
Certified Prescribed Burner – FL; SC
Past Board Member, Forest Landowners Association
Board Member, President, Tennessee Forestry Association
Association of Consulting Foresters
Society of American Foresters
South Carolina Forestry Association
North Carolina Forestry Association
Tennessee Forestry Association
FSC/SFI TN Certification
33 years experience

Bailey, Gregory (Greg) L. – Forester

B.S., Forestry, University of Tennessee
M.S., Forestry, University of Tennessee
Registered Forester – NC
Licensed Affiliate Broker – TN
Former Chair, East Tennessee Chapter - Society of American Foresters
Secretary, East Tennessee Chapter – Society of American Foresters
Tennessee Forestry Association
Former Board Member – Morgan County Forestry Development Association
Veteran – U.S. Army
22 years experience

Hamby, Nathan – Senior Forest Technician

31 years experience

Steele, Stuart- Senior Forest Technician

Licensed Affiliate Broker- TN
Surface Mining Reclamation- Degree from University of KY.
Surface mine reclamation inspector – ST. Of KY. Dept. of Surface Mining and Reclamation - 1 yr.
33 years experience

Booher, Kimberly S. - Administrative Specialist

AAS, Criminal Justice, Roane State
Licensed Affiliate Broker - TN
9 years experience

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Habitat Impact

WRP is to receive a summary of the benefits of certain types of timber harvesting for the enhancement of wildlife generally and song bird environment specifically. Enabling greater sunlight penetration of the forest and diversity of the terrain in terms of open space amid the forest canopy, has shown to be beneficial to diversity of both animal and plant types.

In that this area has not been logged for over 30 years in most areas, the opportunity to benchmark and analyze this aspect of land conservation needs to be explored.

Summary

Howington and Allen have worked together since late 2010 investigating dozens of land conservation opportunities. In the establishment of the Preservation Group in 2012, they formalized their partnership and commitment to preserving what matters most, green space and investor capital. This impact investment strategy provides competitive investment results while protecting important habitat and community viewscapes. The Preservation Group is a leader developing innovative strategies in support of the expanding impact investment market.

Founders

King Howington has specialized in the assemblage and acquisition of investment properties, commercial and development sites since 1971. He has extensive rezoning experience and his assemblage record includes the second largest mixed use land acquisition in Gwinnett County, Georgia. As a respected source of investment properties for domestic and foreign clients, King's investment strategies have produced excellent returns. During his career King has closed over $1 billion in real estate investments and completed over 60 rezonings.

King started in the real estate industry while he was attending the University of Georgia. Together with his family, he started Buckhead Brokers which became one of the leading residential brokerage firms in Atlanta. King's responsibility was for investment properties, land acquisition and brokerage. He soon developed significant domestic and international clients desiring his acquisition and development expertise. His knowledge and access to property owners is unsurpassed. After the market crash in 2008 King developed investment strategies harnessing fiscal incentives for conservation. He has advised and/or completed numerous transactions since then and is a recognized expert in the field. His negotiating experience and natural people skills uniquely enable Preservation Group's ability to deliver value for its investors.

King is 66, married, and has two children who each have advanced graduate degrees. He lives in Bishop, GA where his family owns and operates an equestrian facility.

Chris Allen has over 30 years of experience in investment strategy, management, structure, and operations in both public and private markets. Primarily working with private taxable investors and entities, he has consistently focused on after tax investment returns. After earning his MBA at Wharton in 1989, he was instrumental in investment management and development of two family offices with assets now in excess of $7 billion. He has deep experience in investment policy and strategy, alternative investments, and corporate finance.

Chris has worked closely with some of the greatest entrepreneurs of the last three decades. Since college he has worked in financial services or in private equity investment management. He was instrumental in the development of investment strategies that covered a variety of investment disciplines. In 2004 he personally secured over $1.3 billion in financing for acquiring wireless infrastructure. In 2009 Chris began his focus on impact investing and economically viable strategies that can benefit the planet.

Chris is 59, divorced and has two children. He lives in Atlanta, GA.

For more information please contact:

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king@thepreservationgroup.net

Chris G. Allen, Partner
404-895-7711
chris@thepreservationgroup.net

THE PRESERVATION GROUP
PRESERVING WHAT MATTERS MOST