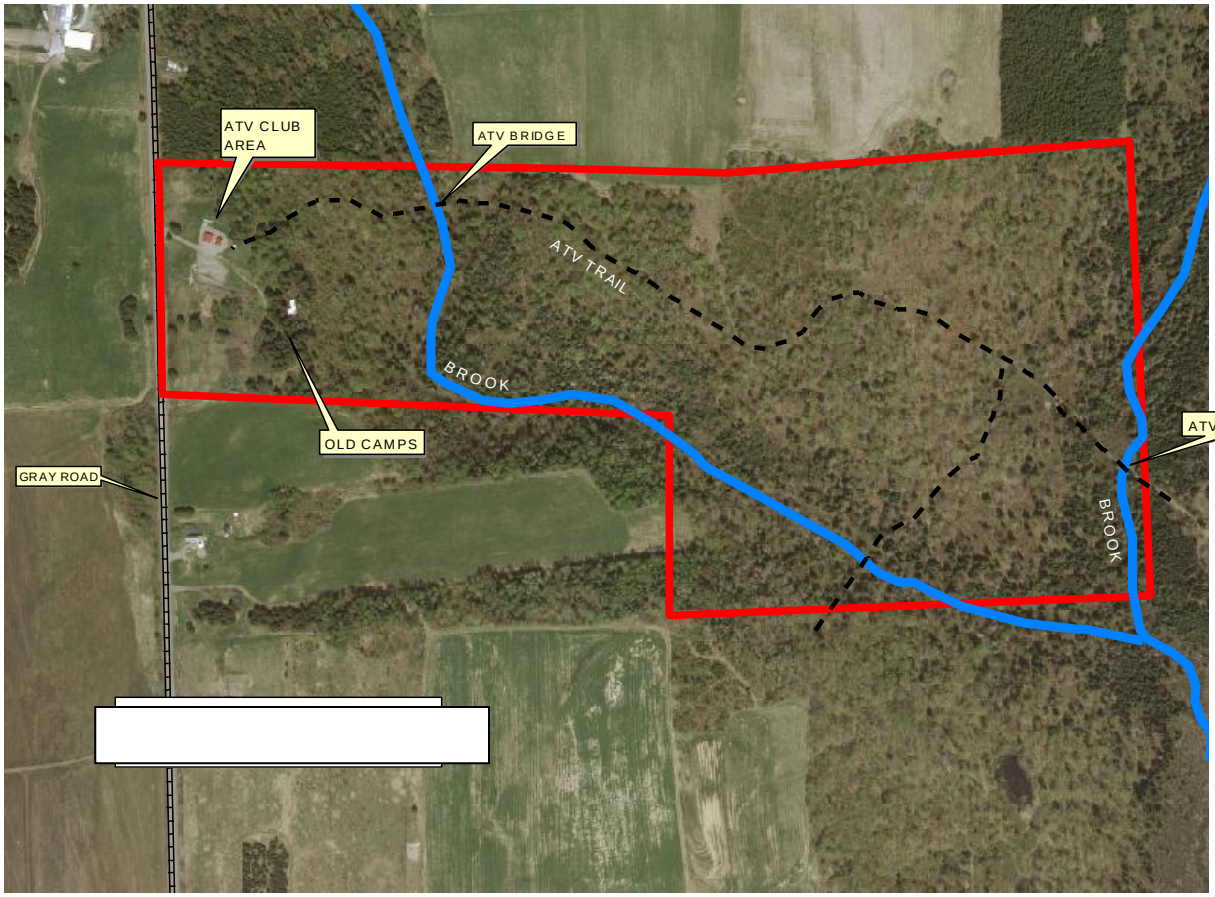
TIMBER VOLUME AND VALUE APPRAISAL

PREPARED FOR THE PROPERTY OF:



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Map prepared by: David A. Irving
Maine licensed forester #3249
Map prepared using data available from Maine Office of GIS
Map prepared on May 25, 2007
Map IS NOT a legal survey - for appraisal puroposes only

STATEMENT OF INDEMNITY

Timber volume and value estimates made in the following document are the result of a statistically valid forest inventory conducted by a Maine licensed professional forester. The inventory was compiled using statistical standards set forth by the Woodswise program which is administered by the Maine Forest Service. It should be acknowledged that the timber volumes and values are still only estimates based on a sample and may vary depending on the confidence interval.

Maps are provided as part of this report to visually exhibit property features and timber stand types. Maps are not presented or to be used as a legal survey.

Prepared by David A Irving, Maine Licensed Professional Forester #3249
Prepared on May 25, 2007

LANDOWNER OBJECTIVE

The purpose of this report is to provide an appraisal of the volume and value of the timber resources currently growing on the 62-acre (58 acres of forest) property located in Maine.

GENERAL PROPERTY DESCRIPTION

- The property encompasses 62 total acres. Four (4) acres are open areas and fifty-eight (58) acres are forested.
- Two brooks are located within the property and most likely contain brook trout populations.
- Several structures are located on the property.
- Labeled as "OLD CAMPS" on the maps is defined on the site as "Camp Wink". The area where the old camps are located was considered as forested as part of this timber appraisal report.
- Labeled as "ATV CLUB AREA" are structures owned by the local ATV Club.

PROPERTY BOUNDARY LINES

- The westerly side of the property abuts the publicly owned and maintained Gray Road. A portion of both the northerly and southerly property boundary lines are shared with fields. All other property lines abut forest land owned by other private individuals.
- Property lines are in poor condition. Evidence of the lines was identified along most of the perimeter; however, lines are thickly brushed and old paint blazes are sometimes difficult to find.
- It is recommended all lines are brushed, blazed, and painted prior to the implementation of forest management activities.

FORESTLAND DESCRIPTION

- **Access:** The forest has good trail access but poor road access.
  - The ATV Club has built and maintained a trail system which originates at the ATV Club Area and bisects the forest, leaving it two points; one along the east perimeter, and the second along the south perimeter. Two ATV bridges have been installed for the purpose of providing ATV access across the brooks.
  - If ATV use is permitted to continue on the forest, it is strongly recommended that a third bridge is installed at the brook crossing near the southerly property boundary. The current crossing is creating an environmental hazard to aquatic wildlife habitat.
  - Regular vehicle road access to the forestland is poor. A driveway enters the property from the Gray Road but only provides efficient access to less than 20% of the forest. In order to use this driveway as a wood landing site for most of the remainder of the forest, a skidder crossing must be established across the westerly brook. Skidder bridge installation and use is a costly endeavor but would be necessary to remove the timber products in an environmentally sound manner.
- **Stocking:** The forest is moderately stocked with current marketable timber and/or regenerating tree species. Most areas of the forest were harvested during an extensive harvest operation approximately in 1991. The southwesterly portion of the forest was harvested again more recently 2-4 years ago. These harvests have significantly reduced marketable timber quality. However, in doing so, the harvests have spurred a flush of seedling and sapling growth throughout the property.
- **Health:** The harvest activity evidently targeted trees of better health and vigor, as a significant amount of the current standing timber is now of poor health and form.
- **Site Quality:** The forest has overall very good site quality, as most of the area is located on an upland, well-drained site. However, poorer site conditions (high water table) exist along the easterly and southerly portions of the forest, approximately where the floodplains of the brooks are located.

FOREST INVENTORY

The forest was inventoried on May 14, 2007 using randomly located variable radius sample points. A 10 BAF prism was used to determine each tree's inclusion to point. Tree species, Diameter at Breast Height (DBH), and Tree Grade were assessed for each tree. ***FlexInv***, a forest inventory computer program, was used to calculate the stand and species data. The results are summarized within the tables in the following sections of is report. The following table presents the general forest inventory data such as tree size, stocking and volume. It also provides the statistical accuracy of the sampling procedure.

TABLE 1. GENERAL FOREST INVENTORY RESULTS OF THE PROPERTY

STAND	ACRES	INVENTORY SAMPLE POINTS	AVERAGE TREE DBH (INCHES)	BASAL AREA PER ACRE	TREES PER ACRE	GROSS CORDS PER STAND
1	1.8	3	10.8	167	263	99
2	13.8	5	9.1	48	106	229
3	11.7	6	10.6	78	128	287
4	26.7	8	8.6	94	235	834
5	4	2	9.4	70	145	91
TOTAL	**58**	**24**				**1540 TOTAL CORDS**
						(26.6 CORDS PER ACRE)
STANDARD ERROR				5.06	25.67	97.77
95% CONFIDENCE INTERVAL HALF-WIDTH				12.85%	29.55%	12.96%
90% CONFIDENCE INTERVAL HALF-WIDTH				10.68%	24.56%	10.77%
85% CONFIDENCE INTERVAL HALF-WIDTH				9.30%	21.37%	9.38%
80% CONFIDENCE INTERVAL HALF-WIDTH				8.25%	18.96%	8.32%
75% CONFIDENCE INTERVAL HALF-WIDTH				7.38%	16.97%	7.45%
70% CONFIDENCE INTERVAL HALF-WIDTH				6.64%	15.26%	6.69%

MAPS

Maps are provided for geographic reference to property lines, roads, trails, and timber stands. The maps were prepared using from GPS data collected by *BTMFM,* public domain information from the Maine Office of GIS, and USGS topographic maps. ***Maps are not presented or to be used as a legal survey***.

Three types of maps are included with this report:

1. **Base Map**
2. **Forest Type Map**

TIMBER VOLUMES AND VALUE

The following tables provide the stand level timber volume and respective value if it is harvested today.

Referring to the following table, the Immediate Harvest Stumpage Value, (value of timber if harvested today, after logging and trucking costs are deducted from the mill value), is estimated to be $36,479.

STAND	ACRES	HARDWOOD (MAPLE & BIRCH)				SOFTWOOD (SPRUCE & FIR)				CEDAR		POPLAR (ASPEN)		TOTAL TIMBER VALUE
		PULP WOOD CORDS	PULPWOOD STUMPAGE VALUE	SAWLOG MBF	SAWLOG STUMPAGE VALUE	PULP WOOD CORDS	PULPWOOD STUMPAGE VALUE	SAWLOG MBF	SAWLOG STUMPAGE VALUE	TOTAL CORDS	LANDRUN STUMPAGE VALUE	TOTAL CORDS	LANDRUN STUMPAGE VALUE	
1	1.8	1	$ 13	0	$ -	37	$ 926	20	$ 2,749	0	$ -	12	$ 271	**$ 3,959**
2	13.8	212	$ 2,124	0	$ -	17	$ 418	0	$ -	0	$ -	0	$ -	**$ 2,542**
3	11.7	75	$ 753	10	$ 1,943	98	$ 2,444	2	$ 317	74	$ 1,840	15	$ 354	**$ 7,650**
4	26.7	582	$ 5,821	55	$ 11,067	118	$ 2,960	9	$ 1,314	0	$ -	0	$ -	**$ 21,162**
5	4	73	$ 735	0	$ -	17	$ 431	0	$ -	0	$ -	0	$ -	**$ 1,165**
TOTAL	58	945	$ 9,445	65	$ 13,010	287	$ 7,179	31	$ 4,379	74	$ 1,840	27	$ 625	**$ 36,479**

STUMPAGE VALUE = (NET VALUE THAT WOULD BE REALIZED AFTER LOGGING & TRUCKING COSTS ARE DEDUCTED FROM THE STANDING TIMBER VALUE)

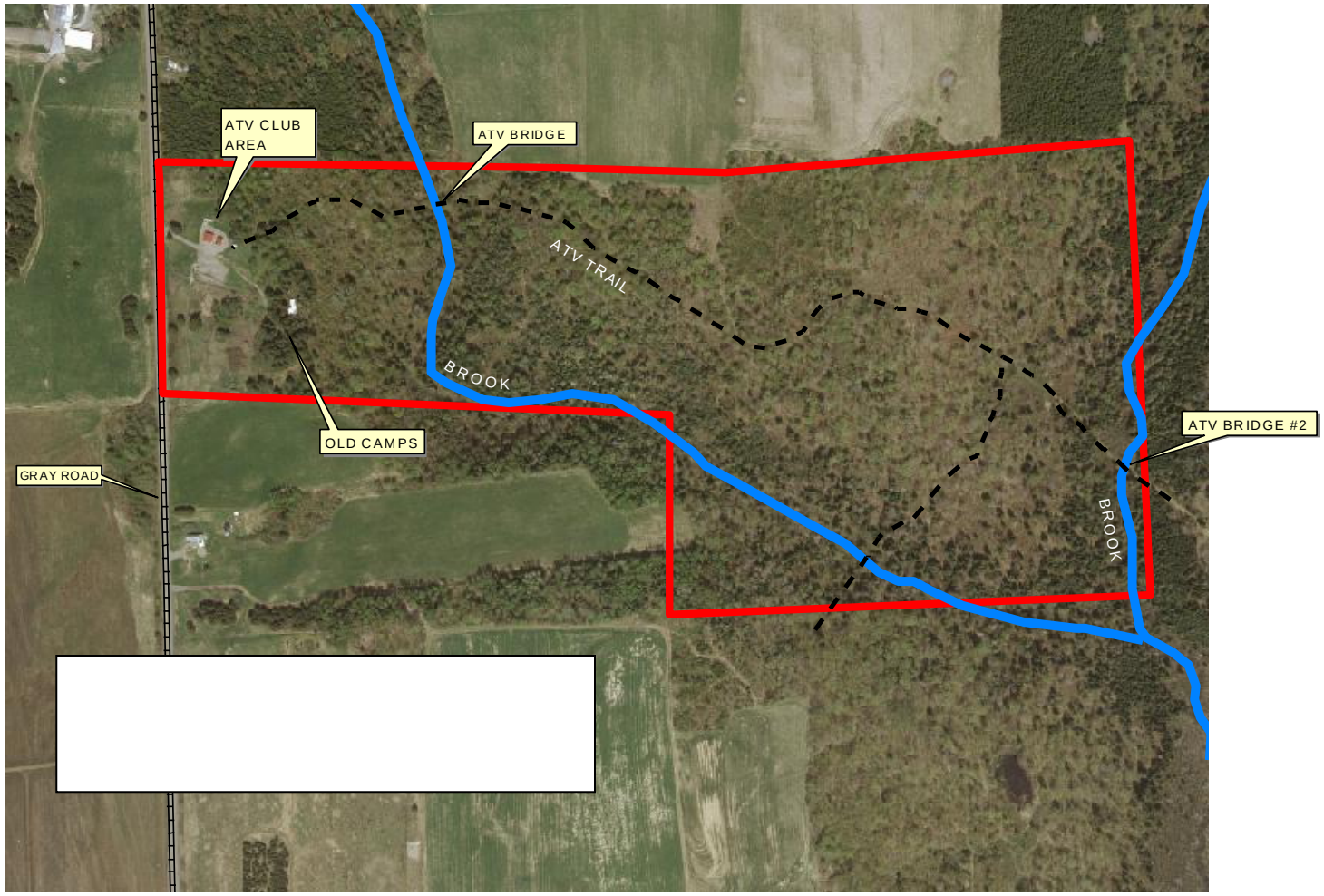
STUMPAGE RATES USED:			
	HARDWOOD PULPWOOD	$ 10.00	PER CORD
	HARDWOOD SAWLOG	$ 200.00	PER MBF
	SOFTWOOD PULPWOOD	$ 25.00	PER CORD
	SOFTWOOD SAWLOG	$ 140.00	PER MBF
	CEDAR LANDRUN	$ 25.00	PER CORD
	POPLAR LANDRUN	$ 23.00	PER CORD

The following assumptions were made which affected the stumpage rats used in this analysis:

1. Hardwood Pulp Stumpage Rate was discounted 20% due to the difficult access to the timber resource. Referring to Page 2 of this Report, a logger would need to install a skidder bridge across the westerly brook on the property. This discounted stumpage price reflects the cost (approx. $2500) to do this.
2. Hardwood SawLog Stumpage Rate used was an average of all grades and species.

LAND EXPECTATION VALUE

The Land Expectation Value (LEV) was calculated to provide a basis for decision-making process of maintaining ownership of this forest. The LEV takes into account the current value of merchantable timber on the forest and current ownership/management costs to come up with a value which may be used to compare other investments. Using the assumption of managing the forest in its current condition, harvesting it every 12 years to a maximum rotation age of 60, the **LEV has been calculated to be $5.90 per acre per year** (or $342 per year). This essentially is the amount, in today's dollars, which the forestland will be paying you.



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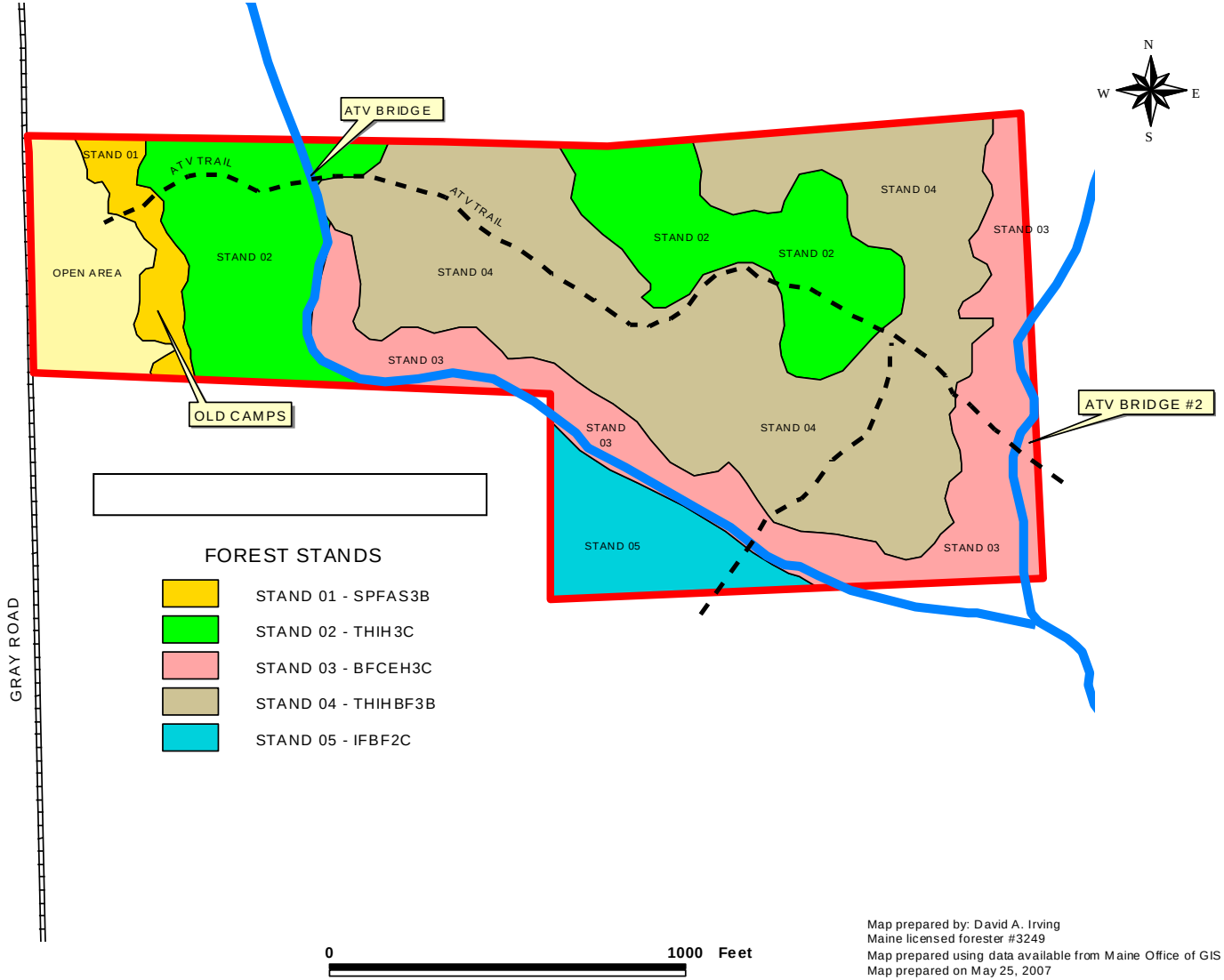

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