

Heartwood Forestland Fund V, LP

Fordyce Property

Executive Summary
The Forestland Group, LLC

I Description of Property

- i) 43,401 acres in Calhoun, Clark, Cleveland, Dallas, Drew, Grant, Hot Springs, Jefferson, and Union counties, Arkansas.
- ii) Acquired in 4Q05 from Plum Creek, who purchased from Georgia-Pacific.
- iii) Eight compartments: Northern compartments adjacent to Ouachita Mountains, southern compartments along the Moro Creek and Saline River.
- iv) Predominantly hardwood; tracts consist mostly of red oak, white oak and gum.
- v) Elevation ranges from 85 feet to 275 feet above sea level.

II Conservation Value

- i) There are no conservation easements on the Fordyce property.
- ii) High Conservation Value Forests: Currently, there are no areas identified on the Fordyce property as high conservation value forests.
- iii) Rare, Threatened or Endangered Species

**The following species' habitats are found in this area; however, after completion of a Phase I environmental assessment, no RTE species were located.*

Federal/State	Status	# of species
ANIMALS		
Federal	Threatened	2
Federal	Endangered	11
State	Threatened	8
State	Endangered	6
PLANTS		
Federal	Threatened	1
Federal	Endangered	14
State	Threatened	9
State	Endangered	10

- If an RTE issue arises, TFG will
 1. Manage as if the species is present until a survey is completed to verify presence of the species.
 2. If present, necessary modifications will be made to the harvest prescription (details included in the 10 year management plan).
 3. Conservation zones will be created.

- iv) Indigenous/Cultural issues: There are no areas recognized as belonging to indigenous peoples.

v) Third Party Certification

- Managed according to an accredited third party's principles and criteria
- Active Forest Management Chain of Custody Certificate
- Has a completed 10-year management plan
- Regular third party audits
- There are two COC certified paper mills and one COC certified softwood sawmill in the timber basin.

III Timber Resource

i) 41,318 acres forested; 1,075 acres non-forested

ii) Overall forest cover type proportions

<u>Forest Type</u>	<u>Acres</u>	<u>Proportion</u>
Hardwood	32,233	74.3%
Overflow Hardwood	1,032	2.4%
Pine Plantation	5,684	13.1%
Softwood	2,370	5.5%
Non Productive	1,075	2.5%
Open	1,007	2.3%
Total	43,401	

iii) Annual allowable cut: Approximately 3.3 mmbf/year Sawtimber and 6,100 cords Pulpwood

iv) Annual Growth: About 5.0 mmbf /year Sawtimber and 9,600 cords Pulpwood

v) Average Annual TFG Removals:

- Sawtimber: Approximately 2,500 Mbf, 50% of growth, for both hardwood and softwood.
- Pulpwood: 4,500 cords, 47% of growth, for hardwood and softwood.

IV Climatic and Biological Risks

i) Fire risk is low due to volume of hunting leases.

ii) Red Oak Borer is a minor threat.

iii) Southern Pine Beetle is moderate threat.

V HBU and Leases

i) An evaluation of real estate trends and markets across the property is underway; possibilities include streamside summer homes and recreational purposes.

ii) Most of the Fordyce property is leased for hunting and recreation.

VI Agreements and Contracts

i) Managed by Larson & McGowin, Inc. located in El Dorado, Arkansas.

ii) No timber supply agreements are in place on the Fordyce property.

VII Energy

i) TFG acquired no oil, gas, or coal resources rights with the property.

ii) No wind leases exist or are currently being negotiated on the Fordyce Property.