

Heartwood Forestland Fund VI, LP

Chicago Mill Property

Executive Summary
The Forestland Group, LLC

I Description of Property

- i) 12,265 acres in eleven tracts in Coahoma County, Mississippi and Lee, Arkansas, Phillips, Desha and Chicot Counties, Arkansas.
- ii) Acquired in 1Q08 from Chicago Mill Company LLC.
- iii) Entire property located in the Mississippi Alluvial Valley.
- iv) Predominantly natural riverfront hardwood; tracts consist mostly Cottonwood-Willow.

II Conservation Value

- i) There are no conservation easements on the Chicago Mill property.
- ii) High Conservation Value Forests:
 - All of the HCVF areas are located in Compartment 2; all of stands 11 and 20 and parts of stands 16, 17, 18 and 19.
 - The HCVF areas are those where a Bald Eagle's nest has been located and a buffer area is maintained.
- 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 actually located. (For a complete list, please see the completed Ten-Year Management Plan.)*

There are 46 animals listed on the National Heritage RTE list and 18 plants.

- There is a bald Eagle Nest Buffer zone on compartment two (2).
 - 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 a reputable 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 certified chain of custody mills near the Chicago Mill property. Anderson-Tully Lumber Company is a sawmill located in Vicksburg, MS and Clearwater is a pulpmill located in Arkansas City, AR

III Timber Resource

- i) 10,852 acres forested; 1,413 acres non-forested
- ii) Overall forest cover type proportions

<u>Forest Type</u>	<u>Acres</u>	<u>Proportion</u>
Riverfront Hardwood	7,254	59%
Cottonwood	2,079	12%
Willow	965	17%
Cypress	326	3%
Sweetgum/Red Oak	228	2%
Non-timbered	1,413	11%
Total	12,265	100%

- iii) Annual allowable cut (AAC):

Years 1-5: AAC (ST) = 7,720 MBF/year
AAC (PW) = 32,629 tons/year

Years 6-10: AAC (ST) = 2,894 MBF/year
AAC (PW) = 11,694 tons/year

- iv) Annual Growth: 4.7% Sawtimber, 4% Pulpwood for the first five (5) years, then 5.9% Sawtimber and 5% Pulpwood.

IV Climatic and Biological Risks

- i) Fire is not a significant risk for the Angelo Burnham Property.
- ii) The last significant ice storm was in 1994, which affected compartments 2 and 3.
- iii) Historical damage from pests has been minimal.
- iv) Currently, there are no risks from insects and disease. If this status should change, TFG will develop a plan for control of the pest or disease.

V HBU and Leases

- i) While the highest and best use of the Chicago Mill property is timberland, TFG will continue to evaluate the property for potential HBU markets.
- ii) The entire Chicago Mill property is leased for hunting and recreation.

VI Agreements and Contracts

- i) Managed by Anderson-Tully Timber Company, located in Lake Village, Arkansas.
- ii) There are no timber supply agreements on the Chicago Mill 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 Chicago Mill Property.