

Heartwood Forestland Fund VI, LP

Denison Property

Executive Summary
The Forestland Group, LLC

I Description of Property

- i) Totals 1,070 acres located approximately 5 air miles southwest of Rison, Arkansas; bordering the Saline River.
- ii) Acquired in 4Q07 from the Denison family, who managed the property primarily for timber production.
- iii) Denison Property is all overflow bottomland hardwood with natural hardwood timber. Located on the upper end of the Saline River, which creates well-drained soil conditions, which in turn produces excellent high-grade hardwoods.
- iv) Unique quality to the property is Grays Lake, a well-known oxbow lake that crosses the north line onto the property.

II Conservation Value

- i) There are no conservation easements on the Denison property.
- ii) High Conservation Value Forests: Currently, there are no areas identified on the Denison property as high conservation value forests.
- iii) Rare, Threatened or Endangered Species
**Arkansas Natural Heritage has not identified any locations or potential locations of Rare, Threatened or Endangered species on the Denison property. However, there are three areas identified as potential habitat of two endangered species just outside of the property boundaries.*
 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 with a completed 10-year management plan and Regular third party audits

III Timber Resource

- i) 1,043 acres forested; 27 acres non-productive
- ii) Overall forest cover type proportions

<u>Forest Type</u>	<u>Acres</u>	<u>Proportion</u>
Mature Bottomland Hdwd	258	24%
Young pre-merch Bottomland Hdwd	785	73%
Water Feature	27	3%
Total	1,070	100%

IV Climatic and Biological Risks

- i) Historical weather damage is limited to wind throw from strong summer storms. This damage has been limited to small areas with merchantable volumes large enough for salvage and not enough damage to alter stand designations or management objectives.
- ii) Risk from fire is low due to being mostly bottomland hardwood and due to the property being entirely leased to hunting and recreational clubs.
- iii) Southern Pine Beetle is moderate threat in the upland pine stands but not of immediate concern. Red Oak Borer has been a problem in northern Arkansas but there have been no outbreaks in southern Arkansas.

V HBU and Leases

- i) The highest and best use of the Denison property is timberland.
- ii) The entire Denison 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 Denison 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 Denison Property.