

Heartwood Forestland Fund V, LP

Jelly Roll Property

Executive Summary
The Forestland Group, LLC

I Description of Property

- i) Composed of one compartment and one tract totaling 2,658 acres in Union County, Arkansas.
- ii) Acquired in 1Q06 from Calion Lumber Company.
- iii) Predominantly hardwood; tracts consist mostly of red oak, white oak and gum, as well as a significant component of older, large loblolly and shortleaf pine.
- iv) Entire property lies just west of the Ouachita River with an easily identifiable feature, Benjamin Lake, an old riverbed oxbow lake.

II Conservation Value

- i) There are no conservation easements on the Jelly Roll property.
- ii) High Conservation Value Forests: Currently, there are no areas identified on the Jelly Roll 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 Jelly Roll property.*
 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

III Timber Resource

- i) 2,600 acres forested; 58 acres non-productive
- ii) Overall forest cover type proportions

<u>Forest Type</u>	<u>Acres</u>	<u>Proportion</u>
Bottomland Hardwood	1,957	74%
Upland Pine Plantation	527	20%
Upland Natural Pine	116	4%
Non-Productive	58	2%
Non-Forested	0	0%
Total	2,658	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 Jelly Roll property is timberland.
- ii) The entire Jelly Roll 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 Jelly Roll 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 Jelly Roll Property.