

Executive Report

xxxx Timberland Acres - Hightop Timberlands, LLC

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www.arkansastimber.info

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Comprehensive Timberland Appraisal 2003

Product	Acres	Value	\$/Acre	10 years	15 years
				Annual IRR	Annual IRR
Loblolly Plantation 1 - 13 years	xx	\$ -	\$ -	0.0%	0.0%
Loblolly Plantation 15 - 27 years	xx	\$ -	\$ -	\$ -	\$ -
Natural Mixed Immature Timber	xx	\$ -	\$ -	\$ -	\$ -
Natural Mixed Mature Timber	xx	\$ -	\$ -	\$ -	\$ -
Land	xx	\$ -	\$ -	\$ -	\$ -
	xx	\$ -	\$ -	\$ -	\$ -

Note:

- 1) This 2003 Timberland Appraisal also includes 10 and 15 year projected returns.
- 2) 10 and 15 year internal rate of returns (IRR) represent growth and crossing product classes, but do not include appreciation or inflation.
- 3) For appreciation inclusion, to the above returns add 5% to plantations, 5% to timber products, and 2.5% to land.
- 4) Real estate enhancement was not considered in land evaluation, only conservative timberland values employed.
- 5) Return rates can be increased with supplemental land sales where enhanced real estate values apply.
- 6) Real estate taxes (\$2/acre/year) and hunting lease income (\$3.50/acre/year) are not included in analysis.
- 7) Hunting lease income of approximately \$3.50/acre/year (covers real estate tax) and assists in partial non-county road maintenance.
- 8) Forestry management expense of 10% of gross harvests calculated into analysis for plantation management.
- 9) Standard forestry 8% discount/reinvestment rate utilized.
- 10) High yield silviculture practices utilized in past and present Loblolly pine plantation management (sub-soiling, fertilization, thinning, etc.).
- 11) Thinning returns (dividends) and intermediate treatments (reinvestments) experienced annually in plantations.