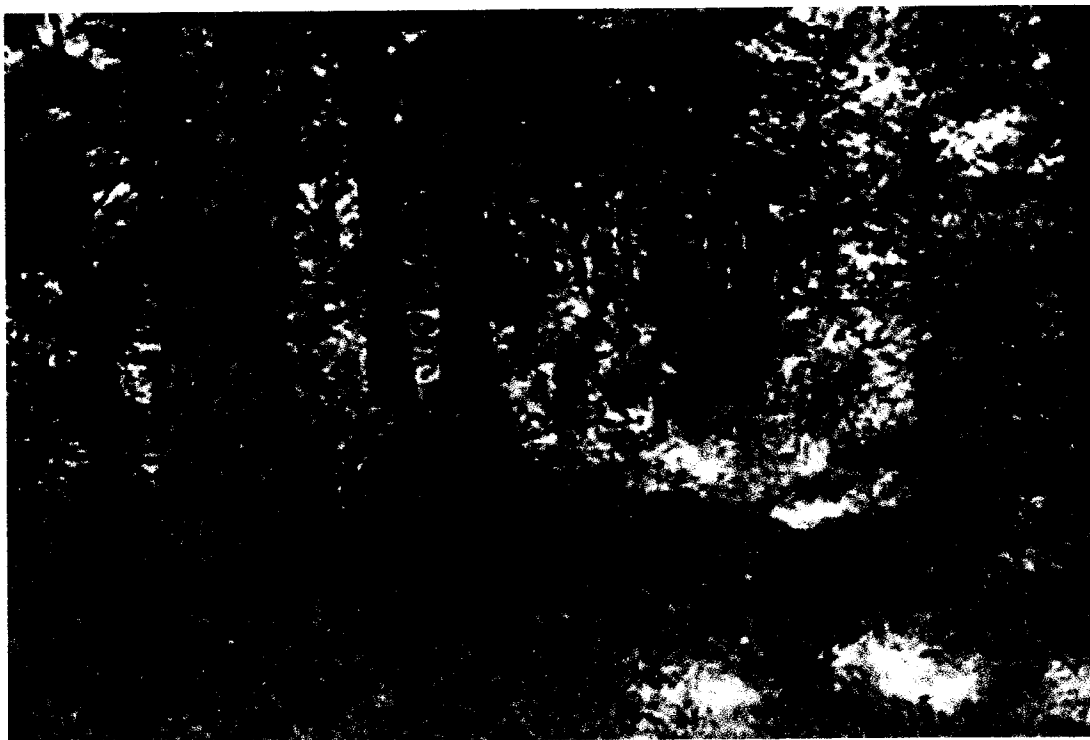


# fountain forestry

**TIMBER APPRAISAL REPORT**

**MeadWestvaco Tract #15**

**ENGLE ROAD, LEWIS COUNTY, KENTUCKY**



**EFFECTIVE DATE OF APPRAISAL: APRIL 22, 2005**

**PREPARED FOR: WOLTZ & ASSOCIATES, INC**

**PREPARED BY: FOUNTAIN FORESTRY, INC.**

**APRIL 22, 2005**

**Services for Private, Public, and Corporate Landowners Worldwide**

Fountain Forestry Incorporated is a wholly owned subsidiary of **fountains plc**, a company quoted on the Alternative Investment Market of the London Stock Exchange.

## **INTRODUCTION**

### ***Purpose***

The purpose of this timber appraisal is to determine the total capital value of the standing timber resources of April 22, 2005. Capital timber value is the full market value of all the timber as it stands reflecting all relevant access and operating considerations, but without regard to market saturation or time required for harvest.

### ***Property Description***

The MeadWestvaco Tract #15 is located on the waters of Engle Road, near Concord, Lewis County, Kentucky. The tract is accessed by Engle and Crooked Creek Road. The terrain is gently sloping to steep. The soils are generally well drained. Site quality tends to be good.

Engle Road and Crooked Creek Road provide good access to timber removal. The roads are well-maintained gravel. A map of the property may be found in the Appendix.

### ***Timber Description***

The forest is dominated by Yellow Poplar, Ash, White Oak, Red Oak, and Sugar Maple, along with other species as associates. The quality of the timber on the 431-acre tract is generally average to good. It appears that the eastern portion of the tract was harvested 10 to 15 years ago.

## **DETERMINING VOLUMES**

The Property was inventoried on April 20, 2005. The data was processed using a computer program called Twodog. Cruise design was a 8 x 8 chain grid. A total of 67 plots were taken at an average of 6.4 acres per plot.

At a 95% confidence interval the inventory resulted in a standard error for all sawlog volumes of  $\pm 15\%$ . This standard error is within industry standards for evaluating timber volumes on a forest tract such as the MeadWestvaco Tract. In compiling data, the statistical accuracy of different grades is questionable, and therefore the final volume categories reflect only sawlogs and pulpwood. However, the data on the different grades is useful in setting value.

The inventory utilized a 10 factor prism. All trees were measured in two inch diameter increments at breast height (4.5 feet above the ground). Merchantable forest products were tallied in 16 foot lengths for all trees sixteen inches in diameter and greater.

# MeadWestvaco Property

## Timber Valuation

Prepared By

FOUNTAIN FORESTRY INCORPORATED

Lewis County, Kentucky  
April 22, 2005

431 Acres  
375 Comm. Acres

Species	Volume MBF/TONS	Unit Price Range			Total Value Likely
		Low	High	Likely	
<b>Sawtimber - MBF (Doyle)</b>					
Black Cherry	6	350.00	800.00	400.00	2,400
Black Oak	62	150.00	335.00	310.00	19,100
Black Walnut	25	250.00	700.00	550.00	13,600
Chestnut Oak	6	150.00	350.00	300.00	1,800
Hickory	85	100.00	135.00	125.00	10,600
Pine	10	50.00	100.00	50.00	500
Red Oak	221	200.00	450.00	350.00	77,500
Scarlet Oak	24	100.00	210.00	155.00	3,700
Sugar Maple	285	200.00	550.00	350.00	99,900
Sycamore	23	75.00	125.00	100.00	2,300
White Oak	248	135.00	400.00	325.00	80,500
Yellow Poplar	521	90.00	160.00	145.00	75,500
White Ash	276	140.00	300.00	225.00	62,100
Eastern Red Cedar	28	105.00	200.00	140.00	3,900
Other Hardwood	18	60.00	100.00	75.00	1,300
Basswood	6	90.00	150.00	130.00	800
<b>Pulpwood - Tons</b>					
Hard Hardwood	69	1.50	2.50	2.00	100
<b>Totals</b>					
Sawtimber Total	1,842 MBF				\$455,500
Sawtimber Per Acre	4.274 MBF				\$1,057
Sawtimber Per Comm. Acre	4.912 MBF				\$1,215
Pulpwood Total	69 Tons				\$100
Pulpwood Per Acre	0.2 Tons				\$0
Pulpwood Per Comm. Acre	0.2 Tons				\$0
		Total Per Acre			\$1,057

Total Value	Low	High	Likely
		\$356,000	\$525,000

BASED ON APR 20, 2005 INVENTORY CRUISE BY FOUNTAIN FORESTRY

The volumes and values reflect estimated total capital value of merchantable timber.

The volumes and values are not a liquidation value.

Prices are averages for the area and are adjusted to reflect, access, quality and operability of the site.

# MeadWestvaco Property

## Timber Valuation

Prepared By

FOUNTAIN FORESTRY INCORPORATED

Lewis County, Kentucky  
April 22, 2005

431 Acres  
375 Comm. Acres

Species	Volume MBF/TONS	Unit Price Range			Total Value Likely
		Low	High	Likely	
<b>Sawtimber - MBF (Int 1/4")</b>					
Black Cherry	10				
Black Oak	76				
Black Walnut	35				
Chestnut Oak	10				
Hickory	116				
Pine	15				
Red Oak	278				
Scarlet Oak	29				
Sugar Maple	402				
Sycamore	34				
White Oak	328				
Yellow Poplar	692				
White Ash	368				
Eastern Red Cedar	40				
Other Hardwood	22				
Basswood	9				
<b>Pulpwood - Tons</b>					
Hard Hardwood	69				
<b>Totals</b>					
Sawtimber Total	2,462 MBF				
Sawtimber Per Acre	5.713 MBF				
Sawtimber Per Comm. Acre	6.566 MBF				
Pulpwood Total	69 Tons				
Pulpwood Per Acre	0.2 Tons				
Pulpwood Per Comm. Acre	0.2 Tons				
<b>Total Per Acre</b>					

Total Value	Unit Price Range		Likely
	Low	High	

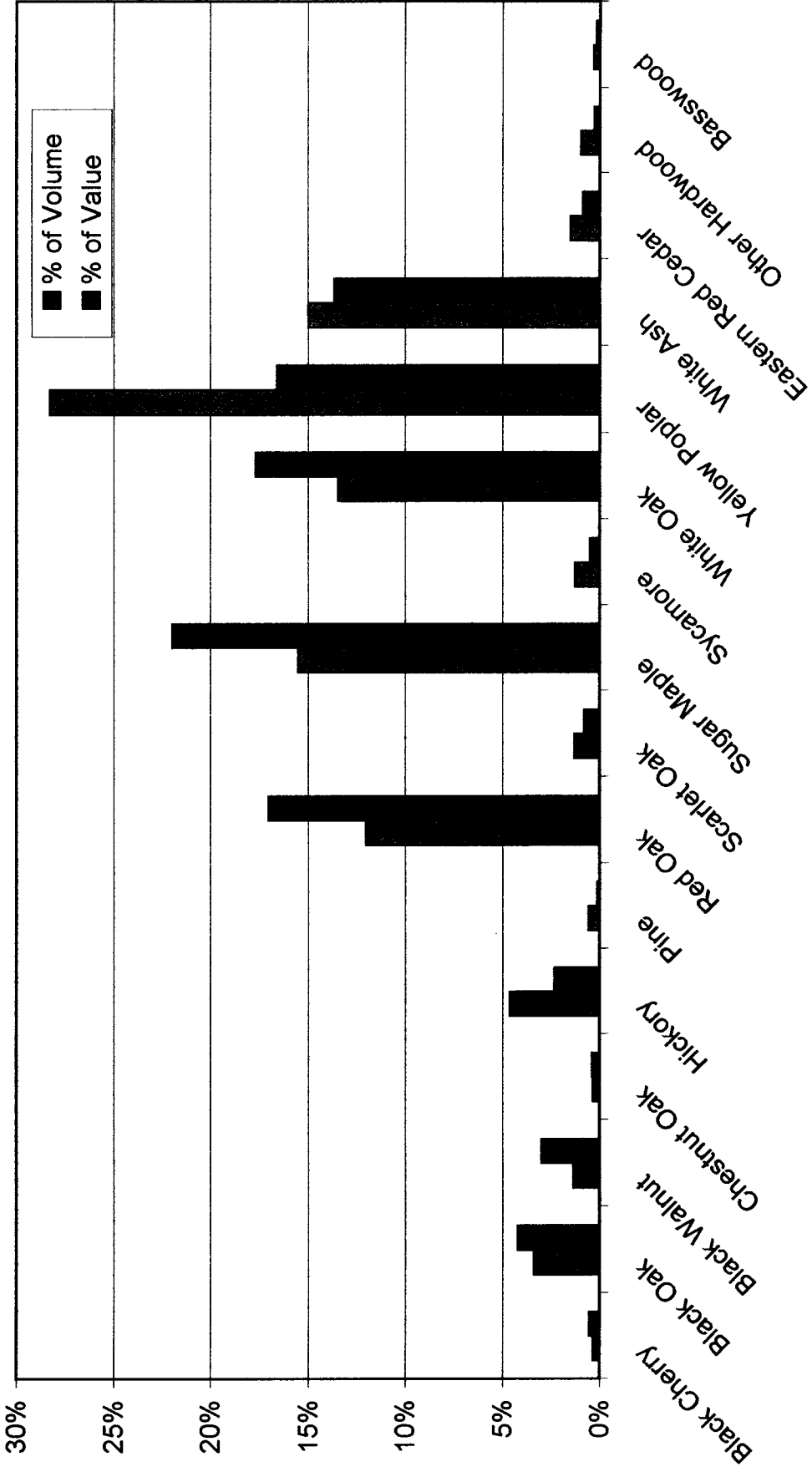
BASED ON APR 20, 2005 INVENTORY CRUISE BY FOUNTAIN FORESTRY

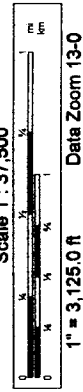
The volumes and values reflect estimated total capital value of merchantable timber.

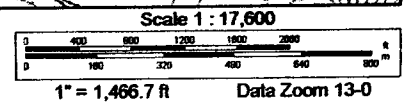
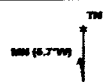
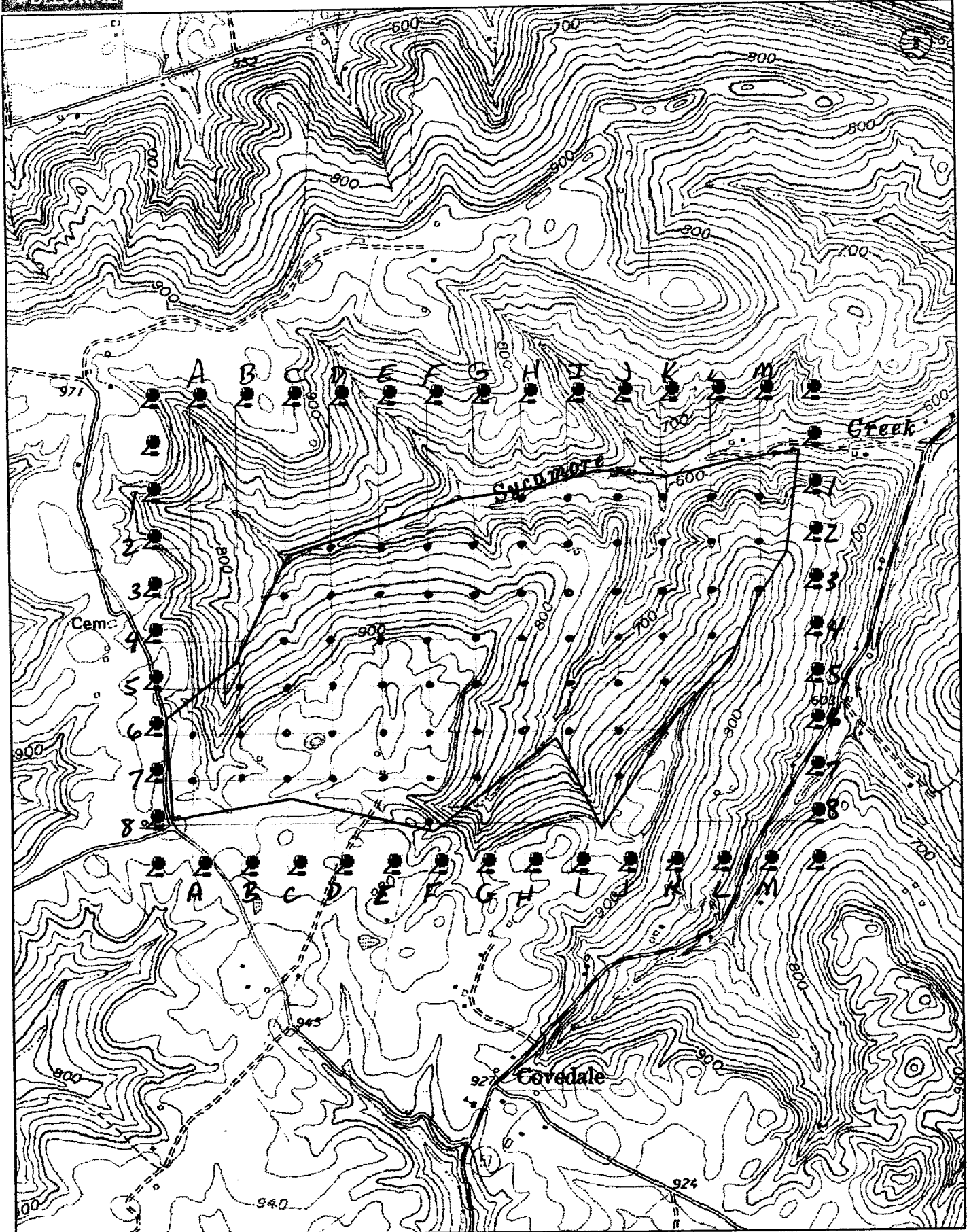
The volumes and values are not a liquidation value.

Prices are averages for the area and are adjusted to reflect, access, quality and operability of the site.

# SAWLOG VOLUME/VALUE CHART







**Stand: # Trees, Volume 1, Volume 2 , Total  
By Product and Species**

**Stand Number: 1**

Area (acres): 431.0

**Stand ID: MeadWestvaco**

<b>Product Group</b>			
<b>Product</b>	<b># Trees</b>	<b>Volume 1</b>	<b>Volume 2</b>
<i>Species--Volume Table 1/2</i>			
<b>Grade One Saw</b>	<b>#</b>	<b>MBF</b>	<b>MBF</b>
Northern Red Oak--Doyle 78/Inter 78	381.0	143.8	175.5
Black Oak--Doyle 78/Inter 78	116.8	50.4	59.6
White Oak--Doyle 78/Inter 78	632.6	169.5	220.6
Chestnut Oak--Doyle 78/Inter 78	46.1	6.1	9.7
Black Walnut--Doyle 78/Inter 78	72.8	14.7	21.4
Yellow-Poplar--Doyle80/Inter80	1,361.4	390.5	512.4
Sugar Maple--Doyle 78/Inter 78	335.9	51.4	72.8
Ash--Doyle 78/Inter 78	628.1	155.7	203.8
Scarlet Oak--Doyle 78/Inter 78	20.5	7.6	9.0
<b>Grade Two Saw</b>	<b>#</b>	<b>MBF</b>	<b>MBF</b>
Northern Red Oak--Doyle 78/Inter 78	399.4	72.7	97.7
Black Oak--Doyle 78/Inter 78	82.5	11.3	16.8
White Oak--Doyle 78/Inter 78	428.6	58.8	82.2
Black Walnut--Doyle 78/Inter 78	61.1	10.1	13.5
Yellow-Poplar--Doyle80/Inter80	505.6	117.0	160.2
Basswood--Doyle80/Inter80	46.1	5.8	8.8
Sugar Maple--Doyle 78/Inter 78	1,182.4	164.5	233.7
Ash--Doyle 78/Inter 78	564.3	83.9	117.5
Black Cherry--Doyle 78/Inter 78	46.1	6.1	9.7
Scarlet Oak--Doyle 78/Inter 78	44.8	16.0	19.6
<b>Grade Three Saw</b>	<b>#</b>	<b>MBF</b>	<b>MBF</b>
Northern Red Oak--Inter 78/Inter 78	46.1	4.9	4.9
White Oak--Doyle 78/Inter 78	132.0	19.4	25.5
Yellow-Poplar--Doyle80/Inter80	82.5	13.2	19.2
Sugar Maple--Doyle 78/Inter 78	458.1	69.5	95.4
Ash--Doyle 78/Inter 78	183.5	36.2	46.3
<b>Sawtimber</b>	<b>#</b>	<b>MBF</b>	<b>MBF</b>
Hickory--Doyle 78/Inter 78	450.3	84.5	115.6
Beech--Doyle 78/Inter 78	74.3	15.8	19.2
White Pine--Doyle 78/Inter 78	46.1	5.3	8.3
Virginia Pine--Doyle 78/Inter 78	36.4	4.8	6.7
Sycamore--Doyle 78/Inter 78	155.3	23.3	33.7
Mixed Softwood--Doyle 78/Inter 78	204.1	27.5	40.1
Mixed Hardwood--Doyle 78/Inter 78	46.1	1.8	2.8
<b>Total</b>	<b>8,870.6</b>	<b>1,842.0</b>	<b>2,462.2</b>



**Stand: # Trees, Volumes 1 & 2, Total  
By DBH, Product and Species**

**Stand Number: 1**  
**Stand ID: MeadWestvaco**

Area (acres): 431.0

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**Product Group**

Product Species--Volume1/2 Tables	DBH <i>inches</i>	# Trees	Volume 1	Volume 2
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**Grade One Saw**

		#	MBF	MBF
Northern Red Oak--Doyle 78/Inter 78	18.0	109.2	21.7	31.4
	20.0	59.0	15.4	20.6
	22.0	97.5	30.5	38.5
	24.0	20.5	8.9	10.7
	26.0	17.4	10.8	12.6
	28.0	15.0	9.8	11.0
	30.0	39.3	25.6	27.9
	32.0	23.0	21.2	22.7
QuadMean/Subtotals	22.9	381.0	143.8	175.5
Black Oak--Doyle 78/Inter 78	24.0	81.9	31.6	37.8
	26.0	34.9	18.8	21.8
QuadMean/Subtotals	24.6	116.8	50.4	59.6
White Oak--Doyle 78/Inter 78	16.0	138.2	16.0	24.9
	18.0	36.4	6.9	10.0
	20.0	235.9	58.1	77.2
	22.0	146.2	49.1	61.8
	24.0	41.0	17.7	21.4
	26.0	34.9	21.6	25.3
QuadMean/Subtotals	20.3	632.6	169.5	220.6
Chestnut Oak--Doyle 78/Inter 78	16.0	46.1	6.1	9.7
QuadMean/Subtotals	16.0	46.1	6.1	9.7
Black Walnut--Doyle 78/Inter 78	18.0	72.8	14.7	21.4
QuadMean/Subtotals	18.0	72.8	14.7	21.4

**Stand: # Trees, Volumes 1 & 2, Total  
By DBH, Product and Species**

**Stand Number: 1**  
**Stand ID: MeadWestvaco**

Area (acres): 431.0

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**Product Group**

<b>Product</b> Species--Volume1/2 Tables	<b>DBH</b> <i>inches</i>	<b># Trees</b>	<b>Volume 1</b>	<b>Volume 2</b>
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**Grade One Saw**

Yellow-Poplar--Doyle80/Inter80

	<b>#</b>	<b>MBF</b>	<b>MBF</b>
16.0	276.4	38.7	60.1
18.0	254.8	59.0	84.8
20.0	324.3	89.5	117.8
22.0	365.5	135.3	168.6
24.0	122.9	63.0	75.5
26.0	17.4	4.9	5.5

<b>QuadMean/Subtotals</b>	20.0	1,361.4	390.5	512.4
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Sugar Maple--Doyle 78/Inter 78

16.0	138.2	14.0	21.5
18.0	109.2	18.9	26.9
20.0	88.5	18.6	24.4

<b>QuadMean/Subtotals</b>	17.8	335.9	51.4	72.8
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Ash--Doyle 78/Inter 78

16.0	138.2	13.0	19.8
18.0	145.6	24.8	35.4
20.0	147.4	36.9	49.2
22.0	97.5	33.5	42.3
24.0	81.9	38.0	46.2
26.0	17.4	9.4	10.9

<b>QuadMean/Subtotals</b>	19.9	628.1	155.7	203.8
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Scarlet Oak--Doyle 78/Inter 78

24.0	20.5	7.6	9.0
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<b>QuadMean/Subtotals</b>	24.0	20.5	7.6	9.0
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**Stand: # Trees, Volumes 1 & 2, Total  
By DBH, Product and Species**

**Stand Number: 1**  
**Stand ID: MeadWestvaco**

Area (acres): 431.0

**Product Group**

<b>Product Species--Volume1/2 Tables</b>	<b>DBH inches</b>	<b># Trees</b>	<b>Volume 1</b>	<b>Volume 2</b>
<b>Grade Two Saw</b>		<b>#</b>	<b>MBF</b>	<b>MBF</b>
Northern Red Oak--Doyle 78/Inter 78	16.0	184.3	20.4	31.5
	18.0	145.6	23.4	33.3
	22.0	24.4	7.2	9.0
	24.0	20.5	6.0	7.1
	30.0	13.1	6.8	7.3
	32.0	11.5	8.9	9.5
<b>QuadMean/Subtotals</b>	<b>18.8</b>	<b>399.4</b>	<b>72.7</b>	<b>97.7</b>
Black Oak--Doyle 78/Inter 78	16.0	46.1	5.3	8.3
	18.0	36.4	6.0	8.5
<b>QuadMean/Subtotals</b>	<b>16.9</b>	<b>82.5</b>	<b>11.3</b>	<b>16.8</b>
White Oak--Doyle 78/Inter 78	16.0	184.3	19.8	30.8
	18.0	145.6	22.5	31.9
	20.0	29.5	2.4	2.7
	22.0	48.7	8.1	9.7
	24.0	20.5	6.0	7.1
<b>QuadMean/Subtotals</b>	<b>18.2</b>	<b>428.6</b>	<b>58.8</b>	<b>82.2</b>
Black Walnut--Doyle 78/Inter 78	16.0	46.1	5.3	8.3
	28.0	15.0	4.8	5.2
<b>QuadMean/Subtotals</b>	<b>19.6</b>	<b>61.1</b>	<b>10.1</b>	<b>13.5</b>
Yellow-Poplar--Doyle80/Inter80	16.0	184.3	28.0	44.1
	18.0	182.0	40.3	57.6
	20.0	59.0	11.4	14.6
	22.0	24.4	7.7	9.4
	24.0	41.0	19.1	22.8
	28.0	15.0	10.5	11.7
<b>QuadMean/Subtotals</b>	<b>18.7</b>	<b>505.6</b>	<b>117.0</b>	<b>160.2</b>

**Stand: # Trees, Volumes 1 & 2, Total  
By DBH, Product and Species**

**Stand Number: 1**  
**Stand ID: MeadWestvaco**

Area (acres): 431.0

**Product Group**

<b>Product Species--Volume1/2 Tables</b>	<b>DBH inches</b>	<b># Trees</b>	<b>Volume 1</b>	<b>Volume 2</b>
<b>Grade Two Saw</b>				
		<b>#</b>	<b>MBF</b>	<b>MBF</b>
Basswood--Doyle80/Inter80	16.0	46.1	5.8	8.8
QuadMean/Subtotals	16.0	46.1	5.8	8.8
Sugar Maple--Doyle 78/Inter 78	16.0	645.0	67.2	103.5
	18.0	291.2	45.2	64.0
	20.0	176.9	30.5	39.5
	22.0	48.7	15.6	19.5
	24.0	20.5	6.0	7.1
QuadMean/Subtotals	17.6	1,182.4	164.5	233.7
Ash--Doyle 78/Inter 78	16.0	276.4	26.7	40.9
	18.0	182.0	25.0	35.1
	20.0	88.5	24.1	32.3
	26.0	17.4	8.0	9.2
QuadMean/Subtotals	17.7	564.3	83.9	117.5
Black Cherry--Doyle 78/Inter 78	16.0	46.1	6.1	9.7
QuadMean/Subtotals	16.0	46.1	6.1	9.7
Scarlet Oak--Doyle 78/Inter 78	22.0	24.4	8.4	10.6
	24.0	20.5	7.6	9.0
QuadMean/Subtotals	22.9	44.8	16.0	19.6

**Stand: # Trees, Volumes 1 & 2, Total  
By DBH, Product and Species**

**Stand Number: 1**  
**Stand ID: MeadWestvaco**

Area (acres): 431.0

**Product Group**

<b>Product Species--Volume1/2 Tables</b>	<b>DBH inches</b>	<b># Trees</b>	<b>Volume 1</b>	<b>Volume 2</b>
<b>Grade Three Saw</b>				
		<b>#</b>	<b>MBF</b>	<b>MBF</b>
Northern Red Oak--Inter 78/Inter 78	16.0	46.1	4.9	4.9
QuadMean/Subtotals	16.0	46.1	4.9	4.9
White Oak--Doyle 78/Inter 78	16.0	46.1	5.3	8.3
	18.0	72.8	7.3	9.9
	30.0	13.1	6.8	7.3
QuadMean/Subtotals	18.9	132.0	19.4	25.5
Yellow-Poplar--Doyle80/Inter80	16.0	46.1	4.7	7.0
	18.0	36.4	8.5	12.2
QuadMean/Subtotals	16.9	82.5	13.2	19.2
Sugar Maple--Doyle 78/Inter 78	16.0	184.3	17.6	27.3
	18.0	182.0	27.3	38.6
	20.0	29.5	2.4	2.7
	22.0	24.4	8.4	10.6
	24.0	20.5	7.6	9.0
	26.0	17.4	6.3	7.2
QuadMean/Subtotals	18.3	458.1	69.5	95.4
Ash--Doyle 78/Inter 78	16.0	92.1	10.7	16.6
	18.0	36.4	2.2	2.5
	22.0	24.4	8.4	10.6
	26.0	17.4	6.3	7.2
	30.0	13.1	8.6	9.4
QuadMean/Subtotals	19.6	183.5	36.2	46.3

**Stand: # Trees, Volumes 1 & 2, Total  
By DBH, Product and Species**

**Stand Number: 1**  
**Stand ID: MeadWestvaco**

Area (acres): 431.0

<b>Product Group</b>	<b>DBH inches</b>	<b># Trees</b>	<b>Volume 1</b>	<b>Volume 2</b>
<b>Product Species--Volume1/2 Tables</b>				
<b>Sawtimber</b>		<b>#</b>	<b>MBF</b>	<b>MBF</b>
Hickory--Doyle 78/Inter 78	16.0	184.3	17.3	26.4
	18.0	145.6	26.7	38.4
	20.0	59.0	16.5	22.1
	24.0	61.4	24.0	28.8
<b>QuadMean/Subtotals</b>	18.5	450.3	84.5	115.6
Beech--Doyle 78/Inter 78	20.0	29.5	4.0	5.0
	22.0	24.4	4.2	5.1
	24.0	20.5	7.6	9.0
<b>QuadMean/Subtotals</b>	21.8	74.3	15.8	19.2
White Pine--Doyle 78/Inter 78	16.0	46.1	5.3	8.3
<b>QuadMean/Subtotals</b>	16.0	46.1	5.3	8.3
Virginia Pine--Doyle 78/Inter 78	18.0	36.4	4.8	6.7
<b>QuadMean/Subtotals</b>	18.0	36.4	4.8	6.7
Sycamore--Doyle 78/Inter 78	16.0	46.1	5.3	8.3
	18.0	109.2	17.9	25.4
<b>QuadMean/Subtotals</b>	17.4	155.3	23.3	33.7
Mixed Softwood--Doyle 78/Inter 78	16.0	138.2	15.0	23.2
	18.0	36.4	4.8	6.7
	20.0	29.5	7.7	10.3
<b>QuadMean/Subtotals</b>	17.0	204.1	27.5	40.1
Mixed Hardwood--Doyle 78/Inter 78	16.0	46.1	1.8	2.8
<b>QuadMean/Subtotals</b>	16.0	46.1	1.8	2.8
<b>Product Group Total</b>	<b>19.0</b>	<b>8,870.6</b>	<b>1,842.0</b>	<b>2,462.2</b>