Preliminary Business Plan
Outline for Mediation
November 15, 2007
Redacted Draft 4.1b

AlixPartners

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This report is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by AlixPartners and Phil Tedder.

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The basic business proposition

- Re-integrate Scopac and Palco into a single entity
- Sell town, power plant and other non-core assets
- Operate the enterprise to deal with two fundamental constraints
  - Realistic projections of log harvests by species and diameter
  - Company buys or sells logs as needed to maintain stable & capable single shift production at sawmill
    - › Two shift operation has proven non-viable due to weak market prices combined with insufficient volume of logs at economically attractive prices
- Recapitalize the business taking into account inevitable cyclicality of future cash flows around variations in lumber pricing to take advantage of operating efficiencies

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Summary benefits of changes

- Optimized, stable overall production system that is well-matched to the realities of probable harvest volumes, species, diameters and changing market demands & pricing
- Simpler, leaner organization and mill operated in line with industry standards
- Predictable, sustainable operation of an important center of economic activity in the region
- Stabilized source of supply to RW lumber market benefits customers
- Expected to take 9-12 months to achieve these run-rate results

Summary EBITDA of combined entity

(mm)	2008	2009	2010	2011	2012
Revenue*	$120.0	$119.8	$120.2	$118.4	$117.2
EBITDAR	57.4	57.6	56.9	58.9	60.4
Pre-tax Free Cash Flow	56.9	57.3	56.8	56.6	58.6

Source: Palco Integrated Model – 12.xls
**Note: Includes revenues from Power Plant; net EBITDA impact is $0*

Estimated run-rate income statement (no ramp up)

Income Statement						
Revenue	2007	2008	2009	2010	2011	2012
Wood Products	$ 113,942	$ 107,057	$ 107,638	$ 108,176	$ 106,400	$ 105,179
Power Plant	9,057	10,800	10,800	12,000	12,000	12,000
Town	2,928	2,136	1,399	-	-	-
Other	-	-	-	-	-	-
Total Revenue	$ 125,927	$ 119,993	$ 119,837	$ 120,176	$ 118,400	$ 117,179
Pro-Forma Operating Expenses						
Mill & Power Plant COGS	97,441	30,880	28,670	26,743	26,375	25,704
Town COGS	10,712	1,440	625	-	-	-
3rd Party Purchased Logs		8,893	13,374	17,039	13,562	11,466
Scopac OpEx		7,202	6,896	6,863	6,918	6,964
Palco OpEx (excl. SG&A)	2,192	10,089	9,663	9,663	9,663	9,663
SG&A (at Palco)	13,870	4,061	3,000	3,000	3,000	3,000
Total Operating Expenses	$ 124,215	$ 62,566	$ 62,228	$ 63,308	$ 59,517	$ 56,796
Combined EBITDAR	**$ 1,712**	**$ 57,427**	**$ 57,609**	**$ 56,869**	**$ 58,883**	**$ 60,383**

Estimated run-rate cash flow (no ramp up)

Cash Flow	2007	2008	2009	2010	2011	2012
Cash from Operations						
Net Income	$ (123,741)	$ 55,450	$ 57,605	$ 56,869	$ 58,883	$ 60,383
Depreciation	18,951	-	-	-	-	-
Noncash Interest		-	-	-	-	-
Cash Interest		1,966	-	-	-	-
Gains on Sales of Assets	(886)	-	-	-	-	-
Other		11	4	-	-	-
Changes in:						
Receivables		(1,819)	19	(42)	219	150
Inventories		1,910	2,125	1,853	355	645
Accounts Payables		1,416	(65)	208	(729)	(523)
Other		-	-	-	-	-
Cash from Operations		$ 58,934	$ 59,689	$ 58,887	$ 58,727	$ 60,655
Cash from Investing						
Gross Proceeds from Asset Sales		15	43	18	-	-
Cost of Asset Sales		(11)	(4)	-	-	-
CapEx		(2,031)	(2,425)	(2,126)	(2,100)	(2,050)
Cash from Investing	$ -	$ (2,027)	$ (2,386)	$ (2,109)	$ (2,100)	$ (2,050)
Free Cash Flow:		***$ 56,907***	***$ 57,303***	***$ 56,779***	***$ 56,627***	***$ 58,605***

EBITDA rough estimate bridge – 2006A to 2008 run-rate

	2006 Actual	2008 RR Projected	Variance	Primary Explanation
2006 Scopac EBITDA	42.4			
2006 Palco EBITDA	(38.4)			
2006 Combined EBITDA	4.0	57.5	53.5	
Revenue Items				
Lumber	121.1	104.5	(16.6)	Single shift operation, year round
Logs sold to market	4.0	0.1	(3.9)	Sell only surplus Doug fir logs
Woodchips	2.8	2.4	(0.4)	Reduced output, so reduced residuals
Power plant	8.5	10.8	2.3	Higher electricity prices
Town	3.4	2.1	(1.3)	Just starting conversion/sale of town
	139.8	119.9	(19.9)	Reduced overall output
Production Costs (net of $62.2 million intercompany sales from Scopac to Palco)				
Logging & Woodhandling (estimated for 2006)	36.5	18.9	(17.6)	Reduce volumes; tighter mgmt
3rd Party Logs (estimated for 2006)	24.2	8.9	(15.3)	Reduced volumes; buy only to fill single shift mill
Scopac COGS/Taxes (estimated for 2006)	12.0	7.2	(4.8)	Reduced volumes and staffing
Palco OpEx (estimated for 2006)	33.9	10.1	(23.8)	Reduced staffing, volumes, mix, increased thruput
	106.6	45.1	61.5	Reduced volumes, staffing, improved throughput
Power Plant Operating Expenses	14.0	12.0	2.0	Reduced hours of operation and staffing
SG&A				
2006 Palco	10.9			
2006 Scopac	4.2			
Combined SG&A Costs	15.1	4.1	11.0	Simpler business model, reduced legal costs
Other unexplained			1.1	Miscellaneous

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Key assumptions driving the financial model

- Harvest assumptions – volumes, species, diameters
- Single shift operation – buying or selling logs as needed to balance lumber output to harvest
- Right-size administrative and production staffing
- Key capital needed to improve overall productivity
- Doug fir lumber prices revert to historic mean over 2 years
- Note: we haven't had time to build a ramp up to full benefit, so 2008 results should be viewed as run-rate results

Capital spending plan – next 12 months

2008 CapEx	Amount	Increase In Efficiency	Cost Reductions	
Safety	$ 65,000	NO	Yes/Sticker Machine	Fall Protection and Sticker Recovery System.
			reduced manpower	Necessary identified items to meet Labor & Industry safety upgrades.
				(Could cause sawmill to be shut down for safety reasons.)
Power Plant	$ 888,000	NO	Yes/More efficient	Emissions requirement, final purchase of heelboom equipment.
			and continued	Scheduled 5-year Maintaenance overhauls for turbines.
			operations	Provide additional output to PG&E.
				(Could cause power plant to shutdown and no option for PG&E.)
Sawmill	$ 250,000	NO	Yes/More efficient	Required hydraulics and air compresors for merchandiser upgrade and/or new headrig upgrade.
			more throughput	**(Current merchandiser is underpowered for optimal throughput.)**
Filing Room	$ 78,000	YES	Yes/Stellite	Babbit pot is required to vent outdoors.
		Reduced	triangular tips	Circle saw side grinder update.
		Kerf	will decrease down	Triangular tip stellite tipper for longer and cheaper use than stellite wire.
			time and saw change.	**(Babbit vent is an air requirment, new grinder will hold teeth longer,**
				stellite wire is old technology and should use uniform triangular teeth.)
Future Needs (PT Estimate)	$ 750,000	YES	Yes/Will allow 3-axis	DLI 3-axis rotation for small log line.
		Longitudinal	optimal solution	Paving for log storage/reduces log handling costs.
		Optimization		**(Will increase volume recovery and reduce log handling costs.)**
TOTAL 2008	$ 2,031,000			

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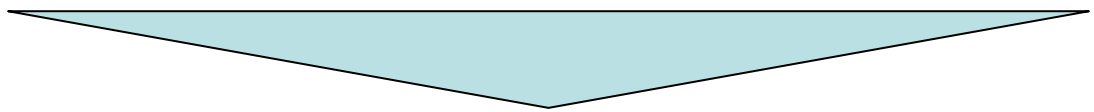
Impact of a 5% change in key assumptions

A 5% change in:	Annual EBITDA impact of about:
• Harvest levels	confidential
• Harvest costs	$0.2 mm
• % of large diameter RW logs	$0.6 mm
• Lumber pricing	$5.2 mm
• Lumber production	$4.1 mm
• Staffing levels	$0.4 mm



Not surprisingly, the biggest sensitivities are to lumber pricing, production and log harvest levels

Source: AlixPartners estimates

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Changes from current situation - operations

- Integrate long-term harvest and sawmill planning to maximize synergistic benefits
- Outsource non-core functions and sell idled equipment
- Issue multi-tract harvest contracts to reduce costs and change compensation scheme to ensure optimal log preparation
- Levelize harvesting activities and inventory logs in the bush to be transported to mill during approved transport periods; change THP preparation process to support field inventorying of logs
- Install targeted capital improvements (three dimensional, two direction head rig; improved re-saw operations; tray sorter; etc.)
- Produce single species at one time rather than historical two-species operations
- Reduce staffing at sawmill, consistent with industry standards and mill capabilities
- Air-dry all RW lumber that is to be kiln-dried for a period of 3-4 months to reduce kiln drying costs

Changes from current situation – operations (cont.)

- Establish production metrics based on total economic value created, in addition to throughput and recovery
- Substantially reduce Doug fir lumber production
- Substantially reduce open-market log purchases
- Flex working capital tied up in inventory to optimize trade-off between carry costs and lumber pricing
- Selective paving of air-dry yards to improve quality and price recovery
- Selective paving of log yard to reduce heavy equipment maintenance
- Outsource maintenance of heavy equipment

Changes from current situation – administration

- Review management needs under new configuration of the business
- Establish normal governance process – regulate requests from outside parties in company operation through the Board
- Install modern, simple IT platform and financial management system to produce timely and accurate reports, product line profitability – including a “dashboard” of most important metrics to allow rapid response to business conditions
- Simplify organizational structure to leaner overall staffing
- Reduce timberland staffing to fit forward harvest model
- Outsource remaining prescription development

Changes from current situation – admin. (cont.)

- Eliminate G&A staffing redundancies
- Dramatically scale back employee vehicle program
- Eliminate legal and advisory costs not specifically related to the turnaround program or operation of the base business
- Develop & implement capital evaluation and budgeting process
- Produce and publicize environmental stewardship reports to diminish influence of NGOs
- Close museum or modify to emphasize environmental responsibility

Changes from current situation - market

- Reduce range of product line to standard mix of products and re-gear production planning around replenishment of these standard products
- Establish firm pricing policies and require CEO approvals for deviations from these policies
- Motivate sales department to sell lumber into the highest and best uses - turn away large volume business that don't meet pricing objectives
- Properly price custom orders that might interrupt an otherwise stable production process so that Palco fully recovers the costs of production, plus a premium for the disruption

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Primary risks to be managed in this plan

- RW and DF lumber pricing
- Ability to satisfy state & federal requirements on harvests with reduced staffing
- Ability to achieve productivity benefits from implementation of efficiency initiatives
- Continued, or additional, interference by NGO's into timber harvest activities
- Extended downturn in building market

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Next steps

- Continue to develop model to reflect input of constituents
- Mediation 11/26-28

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Approach to building financial model

General Comments

- The model does not at this point take into consideration the capital structure, financing expenditures, income taxes, or restructuring expenses
- This model makes the following general assumptions:
  - For combined entity, ScoPac and Palco are considered merged as of January 1, 2008
  - No constraints on working capital for either company
  - The headcount of the merged ScoPac and Palco is based on estimates from Mr. Phil Tedder and Mr. Rick LaMont – sawmilling and forest industry experts, respectively, retained by Marathon
  - The merged company will end all existing agreements between ScoPac and Palco
- This model includes some estimates and projections provided by Phil Tedder and based on his prior experience and industry norms. Information provided by Phil Tedder includes the following on an annual basis from 2008 through 2012:
  - ScoPac projected timber harvest volume by species and size
  - ScoPac projected number of acres harvested requiring reforestation
  - ScoPac log sale prices per mbf
  - ScoPac estimated cost of operations

Approach to building financial model (cont.)

General Comments (continued)

- Information provided by Phil Tedder includes the following on an annual basis from 2008 through 2012 (continued):
  - Palco estimated cost of one shift operations
  - Palco estimated COGS and other capitalized costs
  - Palco capital expenditures
  - Palco overrun / recovery rates by species and log size
  - Palco lumber produced by species and from log size
  - Palco lumber sale prices by species and value from log size
  - Palco residual sales
- Estimates for the revenue and cost of the Palco power plant and town were assumed from the Project Sequoia Restructuring Model September 30, 2007

Approach to building financial model (cont.)

Harvest Comments

- Timber Harvest Plans
  - Phil Tedder and Rick La Mont provided the projected timberland harvest. Their projections were calculated by their "Woodstock Linear Programming Model" and "RPI WinCrz, cruise compiler." These proprietary mechanisms to calculate timber harvest have not been reviewed by AlixPartners. The data sources for the mechanisms are:
    - PALCO stand list XLS (online), one record per stand, acres, species volume, strata call
    - PALCO GIS data, stand list by availability (harvest)
    - PALCO Stand Tables, by strata tree list for all cruised stands take (Data calculated by Hamen, Jensen and Wallen (HWJ), a forest consultant for PALCO which conducted a cruise of the property in 2001-2002 (the last period of measure by strata). The stand tables are the compiled tree list (cruise) from the field data collection. PALCO does not keep track of their data on a stand basis, but instead tracks on a strata basis (grouping of tree data by like-kind attributes). Palco maintains their GIS info on each stand but since they performed the cruise by strata and not by stand, they do not have accurate cruise by stand data.
    - Volume is calculated from the HJW cruise which Palco has been updating with growth "estimates" since the cruise. Phil Tedder and Rick La Mont consider Palco's methodology to be outdated and not up to current industry standard. Current industry standard is to GIS map each stand and then cruise each stand so that there is a unique estimate for every stand.

Approach to building financial model (cont.)

Harvest Comments (continued)

- Harvest Estimate Process:
  - Area inputs were derived from the GIS layers by overlaying the stand boundaries with the harvest prescriptions (from PALCO). This created a list of stands based on if they were available for harvest; no-harvest, no-restriction, limited by basal area, or limited by other.
  - Volume inputs were developed from the stand list which specified the volume per acre by species group on each stand. Each individual stand is forecasted separately within the Woodstock model. (A stand is a group of trees occupying a given area and sufficiently uniform in species composition, age, structure, site quality, and condition so as to be distinguishable from the forest on adjoining areas.)
  - Yield data (forecasted growth and yield) was developed from empirical data, Washington DNR equations, and stand level adjustments. Yield curves were developed from Redwood, Douglas fir and Hardwood forest types.
  - Model instructions were based on discussions with PALCO staff and on the professional opinions of Phil Tedder and Rick La Mont. These assumptions include the minimum harvest ages, as well as stocking and yield instructions for the regenerated stands.

Approach to building financial model (cont.)

Harvest Comments (continued)

- Harvest Estimate Process (continued):
  - The harvest model objective is maximum net present value based on SBE log values at a 7% discount rate.
  - The scenario in the financial model provides maximum even flow of total volume harvest from the property. Harvesting occurs only on “no restriction” areas.
- Post Processing:
  - Based on the harvest forecast results, a list of stand harvest by year is generated. To develop the DIB (diameter inside bark) level data, the stand list is combined with the stand table data by strata. The stand list is converted into a list of acres harvested by strata and then a weighted tree list is generated for each time period. The tree list data is entered into the cruise compiler and a log stock table (logs by DIB class) is generated from each tree list. The volume is generated for 16 foot logs Scribner scale. The log stock table was summarized into three DIB classes for Redwood and Douglas fir.

Approach to building financial model (cont.)

Harvest Comments (continued)

- Harvest Driven Expenses
  - Regeneration / Silviculture expenses are related to renewing tree cover, and controlling the establishment, growth, composition, health, and quality of forests. Regeneration / Silviculture expense is estimated at $450 per acre harvested
  - Acres harvested are provided by the Timber Harvest Plan calculation
  - Logging/Handling expenses are estimated at $10 per mbf harvested
  - In the event Palco ceases to exist, the model provides for a scenario where additional hauling costs for lumber sold are currently estimated to be $75 per mbf and may be adjusted.

Approach to building financial model (cont.)

Lumber Comments

- Revenue
  - Model assumes that merged company will sell a static volume of lumber by species based on an estimated optimal lumber output of 120 mmbf for a one shift operation; static volume is managed by purchasing Redwood logs from 3rd parties and selling Douglas fir logs. Lumber output assumption of 120 mmbf per year is based on 3rd party information and professional experience by Phil Tedder. 120 mmbf output places Palco in approximately the upper middle ranking of similar sawmills according to The Beck Group study
  - Palco Douglas fir lumber sale prices are based on actual average 2007 random lengths prices and may be adjusted
  - Redwood prices are estimated by Palco VP of Sales Kevin Paldino and agreed to Phil Tedder as to their accuracy. Prices and may be adjusted
  - Revenue is calculated by multiplying the estimated prices in each DIB class with lumber output by DIB class (lumber output is calculated by multiplying the log volume input by DIB class with the overrun factors provided by Phil Tedder)
  - Palco residual sales are estimated to be $20 per mbf produced and may be adjusted. Residuals are byproducts such as bark and sawdust

Approach to building financial model (cont.)

Lumber Comments (continued)

- Revenue (continued)
  - The revenue only reflects lumber produced from logs harvested or purchased during the period and does not account for existing inventory or associated costs.
  - Douglas fir lumber prices are assumed to increase by 4% above existing assumptions (1% cost + 3% inflation) starting in 2009 and thereafter and may change
  - Redwood log and lumber prices do not currently assume and increases above existing prices but may be adjusted.
  - The merged scenario assumes power plant and town revenue from Project Sequoia Restructuring Model September 30, 2007
- Purchased Log Input
  - Purchased log volume represents a quantity of logs purchased from 3rd parties from the open market at SBE price and may be adjusted. Purchase of redwood logs is based on the total lumber output to equal 120 mmbf
- Lumber Output
  - Lumber produced is capped at 120 mmbf per year based on one shift operation.
  - Log volume consumed is calculated based on an estimated percentages for small large, medium and small redwood lumber output and the overrun rate to produce 120 mmbf per year
  - Overrun rates incrementally increase by a factor of 1% each year from 2008 to 2012 based on assumed improvements due to capital expenditures, increased quality control, better operational processes, etc.

Approach to building financial model (cont.)

Combined Company Comments (continued)

- Headcount Driven Expenses
  - Estimated headcount driver in the financial model is based on one shift operation and assumptions are based on a combination of the Western Wood Products Association, 2001 Statistical Yearbook Data and The Beck Group study for 2005 that compares PALCO against 10 other companies. In addition, Phil Tedder's industry and operational experience contributed to the final estimated headcount needs and pay rates. Transition from pre-optimized headcount to optimized operation is estimated to occur over [TBD]. Currently the model assumes a transition period of 1 quarter
  - Payroll Taxes are calculated at 7.5% of Salaries and Wages
  - Group Insurance is estimated at $500 per employee per month
  - Worker's Compensation is estimated at $3,000 per employee per year
  - Unemployment tax is estimated at $500 per employee per month
- Expenses Estimated at a Fixed Rate
- Industrial Insurance is estimated at $90,000 per year and may be adjusted
- Supplies is estimated at $84,000 per year and may be adjusted
- Travel is estimated at $120,000 per year and may be adjusted
- Professional services other is estimated at $900,000 per year and may be adjusted
- Printing and Binding is estimated at $30,000 per year and may be adjusted
- Road Maintenance/Engineering is estimated at $2,400,000 per year and may be adjusted

Approach to building financial model (cont.)

Combined Company Comments (continued)

- Other Expenses Not Driven by Volume or Other Factors
  - Transition from pre-optimized operations to optimized operations is estimated to occur over a transition period of 1 quarter.
- COGS Only
  - Workers Compensation Insurance is estimated at $300,000 per year
  - Repairs & Maintenance is estimated at $1,800,000 per year
  - Utilities Electric, water, garbage is estimated at $90,000 per year without regard to the power plant (co-generation plant)
  - Outside Contractors - Scaling, Inspection, Security is estimated at $300,000 per year
  - Lease Expenses is estimated at $500,000 per year
  - Merged company assumed a ratable reduction in logging and wood handling costs for all logs from $250 per mbf in 2008 to $200 per mbf in 2012 due to better management of total process
  - Assumes power plant and town expense from Project Sequoia Restructuring Model September 30, 2007
- SG&A Only
  - Industrial Insurance is estimated at $300,000 per year
  - Professional Services Other is estimated at $420,000 per year
  - Printing and Binding is estimated at $4,000 per year
  - Insurance - Prop/Cas,life,other is estimated at $95,000 per year

Approach to building financial model (cont.)

Combined Company Comments (continued)

- COGS and SG&A
  - Computer, Phone, Network at $30,000 for COGS and $14,000 for SG&A per year
  - Supplies is estimated at $2,400,000 for COGS and $60,000 for SG&A per year
  - Travel is estimated at $60,000 for COGS and $48,000 for SG&A per year
- Capital Expenditure
  - Annual estimated capital expenditure is based on information provided by Palco. With the data provided by Palco and industry experience, Phil Tedder has assumed annual CAPEX spend for years in the model.

Snapshots from model – summary results

	Annual					As % of Total Wood Products Revenues					As % of Total Revenues				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
C. PALCO and SCOPAC Combine						**As % of Total Wood Products Revenues**					**As % of Total Revenues**				
Revenues															
Redwood Lumber	$ 103,131,241	$ 102,035,984	$ 100,945,818	$ 99,860,709	$ 98,780,620	96.3%	94.8%	93.3%	93.9%	93.9%	86.1%	89.0%	91.4%	90.0%	89.3%
Douglas Fir Lumber	1,405,443	1,456,969	1,510,403	1,565,814	1,623,277	1.3%	1.4%	1.4%	1.5%	1.5%	1.2%	1.3%	1.4%	1.4%	1.5%
Sales of DF and WW Logs	120,773	1,745,177	3,320,165	2,573,399	2,374,846	0.1%	1.6%	3.1%	2.4%	2.3%	0.1%	1.5%	3.0%	2.3%	2.1%
Residual Sales	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2.2%	2.2%	2.2%	2.3%	2.3%	2.0%	2.1%	2.2%	2.2%	2.2%
Total	**$ 107,057,457**	**$ 107,638,131**	**$ 108,176,387**	**$ 106,399,922**	**$ 105,178,743**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**89.4%**	**93.9%**	**98.0%**	**95.9%**	**95.1%**
Powerplant	$ 10,800,000	$ 10,800,000	$ 12,000,000	$ 12,000,000	$ 12,000,000						9.0%	9.4%	10.9%	10.8%	10.8%
Town	2,136,000	1,399,000	-	-	-						1.8%	1.2%	0.0%	0.0%	0.0%
Grand Total Revenues	**$ 119,993,457**	**$ 119,837,131**	**$ 120,176,387**	**$ 118,399,922**	**$ 117,178,743**						**100.2%**	**104.5%**	**108.9%**	**106.7%**	**105.9%**
CoGS															
Mill & Power Plant COGS	$ 30,880,271	$ 28,669,970	$ 26,743,228	$ 26,374,542	$ 25,703,656	28.8%	26.6%	24.7%	24.8%	24.4%	25.8%	25.0%	24.2%	23.8%	23.2%
3rd Party Purchased Logs	8,892,986	13,373,782	17,039,269	13,562,278	11,465,896	8.3%	12.4%	15.8%	12.7%	10.9%	7.4%	11.7%	15.4%	12.2%	10.4%
SCOPAC	7,202,316	6,896,387	6,862,697	6,917,786	6,964,017	6.7%	6.4%	6.3%	6.5%	6.6%	6.0%	6.0%	6.2%	6.2%	6.3%
Other COGS	10,089,367	9,662,544	9,662,544	9,662,544	9,662,544	9.4%	9.0%	8.9%	9.1%	9.2%	8.4%	8.4%	8.8%	8.7%	8.7%
Total	**$ 57,064,940**	**$ 58,602,684**	**$ 60,307,738**	**$ 56,517,150**	**$ 53,796,113**	**53.3%**	**54.4%**	**55.7%**	**53.1%**	**51.1%**	**47.7%**	**51.1%**	**54.6%**	**50.9%**	**48.6%**
Town	1,440,000	625,000	-	-	-						1.2%	0.5%	0.0%	0.0%	0.0%
Grand Total COGS	**$ 58,504,940**	**$ 59,227,684**	**$ 60,307,738**	**$ 56,517,150**	**$ 53,796,113**						**48.9%**	**51.7%**	**54.6%**	**50.9%**	**48.6%**
SG&A	$ 4,061,088	$ 2,999,975	$ 2,999,975	$ 2,999,975	$ 2,999,975	3.8%	2.8%	2.8%	2.8%	2.9%	3.4%	2.6%	2.7%	2.7%	2.7%
EBITDAR	**$ 57,427,429**	**$ 57,609,472**	**$ 56,868,673**	**$ 58,882,797**	**$ 60,382,654**	**53.6%**	**53.5%**	**52.6%**	**55.3%**	**57.4%**	**48.0%**	**50.2%**	**51.5%**	**53.0%**	**54.6%**
CAPEX	$ 2,031,000	$ 2,425,000	$ 2,126,000	$ 2,100,000	$ 2,050,000	1.9%	2.3%	2.0%	2.0%	1.9%	1.7%	2.1%	1.9%	1.9%	1.9%
Lumber Produced (mbf)						**Production Mix %**									
Redwood	115,000	115,000	115,000	115,000	115,000	95.8%	95.8%	95.8%	95.8%	95.8%					
Douglas Fir	5,000	5,000	5,000	5,000	5,000	4.2%	4.2%	4.2%	4.2%	4.2%					
	120,000	120,000	120,000	120,000	120,000	100%	100%	100%	100%	100%					

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