



February 1, 2010

Dear Potential Mitigation Buyer,

The Pineywoods Mitigation Bank (PMB) is the result of six years of cooperation between The Conservation Fund (TCF) and GMO Renewable Resources (GMO). The Conservation Fund is one of the most reputable and creative conservation groups in the country. GMO is one of the largest timberland investment managers in the world with natural resource investments located in the United States, New Zealand, Uruguay, Australia, Chile, and Costa Rica.

The PMB is fully permitted with the US Army Corps of Engineers, and it is currently the largest wetland mitigation bank in Texas, and one of the largest in the United States. The PMB is strategically located between Dallas and Houston along the Neches River in a region where major public and private development projects are underway. The Bank is a 19,000 acre contiguous block of valuable habitat in the middle of the Neches River basin and provides a corridor between the Davy Crocket and the Angelina National Forests. It is unusual because of its large size and the concentration of sensitive wetland habitat on 13,000 acres. Please review our website at [www.pineywoods.com](http://www.pineywoods.com) for additional information.

GMO/The Conservation Fund is in the initial stages of marketing the wetland mitigation credits and sales have been made to several projects in the region. GMO and TCF; however, are looking to sell the PMB as a whole to a buyer who can fully focus on the monetization of the \$85 million in potential credit value. We estimate that if these credits are sold as they become available (see attached PMB Cash-flow Spreadsheet), the net present value of these credits using an 18% discount rate is about \$40 million.

The estimated cash-flows include our best projections of the costs associated with operating the bank. Most of these projected costs represent our historic operating budgets, so they are not technically projections but actual operational expenses. We invite questions regarding the magnitude and nature of these ongoing obligations.

Finally, TCF and GMO have spent considerable time and capital (\$2 million plus) over the last five years extracting all of the permitting and execution risk out of this project. Any risk premium associated with the PMB should be limited to the challenge of estimating credit absorption rates.

All vehicular access points on the PMB are locked and gated. The property will be shown by appointment only. All inquires should be directed to Christina Petersen (413)-256-8818. To receive a detailed prospectus, please execute the Confidentiality Agreement and email to [pmbinfo@amforem.biz](mailto:pmbinfo@amforem.biz) or fax to 704.527.1245.

We look forward to your questions.

Sincerely,

A handwritten signature in black ink that reads "Christina Petersen". The signature is written in a cursive, flowing style.

Christina Petersen