

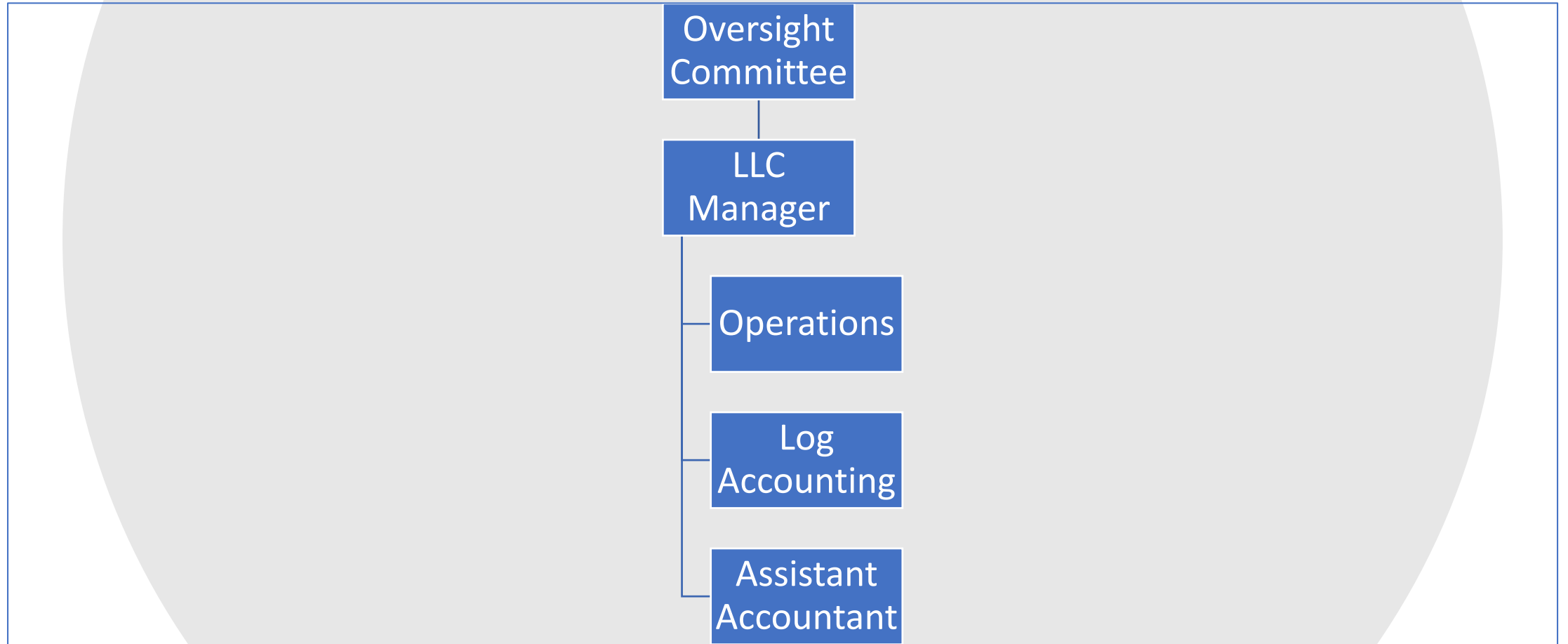
*Budget Projection for
Warm Springs Timber
Company, LLC
2021 to 2023*

Tribal Council September 2020

Mission

- The mission of Warm Springs Timber Company, LLC (WSTC) is to obtain the highest overall value for the Tribe's timber resources through careful harvesting, merchandising, and re-selling of the Tribe's timber while managing under the Tribe's IRMP

Employees



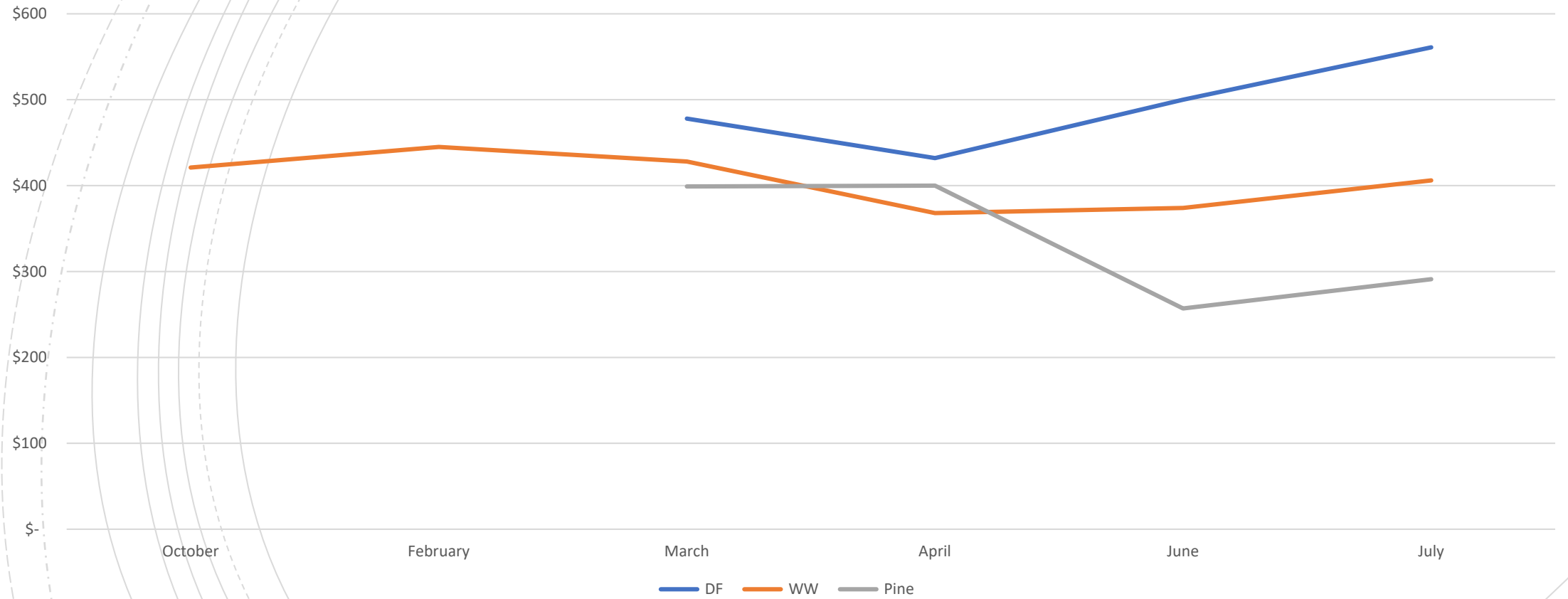
Contractors

- Four Tribal Loggers.
- Cable loggers are from off reservation.

Issues

- Covid-19
- Markets fluctuating
- Fire Salvage

2020 Market



Goals for 2021

Harvest

Harvest 27.4 million board feet

Pay

Pay Tribe \$3,272,262 in Stumpage before forestry management deduction.

Issue

Big issue: what will Fire Salvage due to the cut schedule.

- Burnt wood sells for less
- Pine is low priced in the market
- Burnt pine is difficult to sell

Budget Statement 2021

Warm Springs Timber Company									
Projected Financial Statements									
		Budget		Budget		Budget			
		12/31/21	\$/MBF	12/31/22	\$/MBF	12/31/23	\$/MBF		
MBF Processed									
Annual Allowable Cut		27,498		25,100		25,100			
Carryover		-		-		-			
Total MBF		27,498		25,100		25,100			
Revenue									
Annual Allowable Cut		\$ 11,549,160	\$ 420	\$ 10,918,500	\$ 435	\$ 11,295,000	\$ 450		
Carryover		-	\$ -	-	\$ -	-	\$ -		
Total Revenue		\$ 11,549,160	\$ 420	\$ 10,918,500	\$ 435	\$ 11,295,000	\$ 450		
CGS before Stumpage									
OBT		3,684,732	\$ 134	3,363,400	\$ 134	3,363,400	\$ 134		
Haul		3,024,780	\$ 110	2,761,000	\$ 110	2,761,000	\$ 110		
Slash		343,960	\$ 13	363,950	\$ 15	363,950	\$ 15		
Road Costs		412,470	\$ 15	376,500	\$ 15	376,500	\$ 15		
Scale		96,893	\$ 4	75,300	\$ 3	75,300	\$ 3		
Mainline		123,865	\$ 5	113,063	\$ 5	113,063	\$ 5		
Net CGS before Stumpage		7,686,700	\$ 280	7,053,213	\$ 281	7,053,213	\$ 281		
Net Margin before Stumpage		3,862,460	\$ 140	3,865,287	\$ 154	4,241,787	\$ 169		
15% Administrative Fee		579,369	15%	579,793	15%	636,268	15%		
Estimated True Up/Market Reserve		10,829	0%	223,294	6%	16,219	0%		
Net Administrative Fee		590,198	15%	803,087	\$ 0	652,487	\$ 0		
Stumpage before Forest Mgt Deduction		3,272,262	\$ 119	3,062,200	\$ 122	3,589,300	\$ 143		
Forest Mgt Deduction		229,058	\$ 8	214,354	\$ 9	251,251	\$ 10		
Net Stumpage		3,043,204	\$ 111	2,847,846	\$ 113	3,338,049	\$ 133		
Reconciliation of Net Loss to Admin Fee									
15% Administrative Fee		\$ 579,369		\$ 579,793		\$ 636,268			
Planned Administrative Costs		573,363		574,078		564,390			
Net Estimated Working Capital to WSTC		6,006		5,715		71,878			
Projected True Up/Market Reserve		\$ 10,829		\$ 223,294		\$ 16,219			

Stumpage flow

Year 2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
BF	3,330,000	2,497,500	0	0	0	3,663,000	4,642,000	4,554,000	4,985,300	3,315,900	510,300		27,498,000
Stumpage Total Dollars	\$ 396,270	\$ 297,203	\$ -	\$ -	\$ -	\$ 435,897	\$ 552,398	\$ 541,926	\$ 593,251	\$ 394,592	\$ 60,726	\$ -	\$ 3,272,262

Conclusion

Uncertainty of next years budget due to fire

A Major assumption is that markets will stabilize