



*Your Woodlot Is Valuable —
Manage It Wisely*

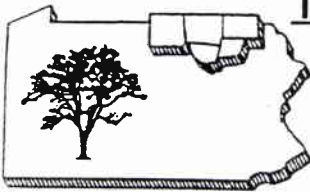
**DEER PARK LUMBER, INC.
WYOMING COUNTY
TUNKHANNOCK, PENNSYLVANIA**

- Located in the heart of the Endless Mountain Region of Northeastern Pennsylvania. Family owned second generation hardwood sawmill.
- Access to a vast renewable forest resource comprising red oak, cherry, sugar maple, red maple, ash, white oak and poplar.
- Direct employment – 82 full-time employees.
- Production: 20 million board feet of hardwood lumber and logs.
- Sales:
 - In 2006: \$26 million - 25% of lumber sales are export. This is expected to continue to grow.
 - Market kiln dried hardwood lumber products to domestic and international customers.
 - Raw material supply – logs originate from forests in Northeastern Pennsylvania and southern tier of New York State.
- Own and manage 15,000 acres of forest land.
- Lease/manage timber from private non-industrial forest landowners on additional 30,000 acres of forest land mostly in Northeastern Pennsylvania.
- Support efforts statewide to sustain and manage the forest resource and promote the state's forest industry.
- Partners in Sustainable Forestry Initiative of Pennsylvania.
- Continued access to and sustainability of the regions forest resource is key to short and long-term viability of Deer Park Lumber, Inc.

ECONOMIC IMPACT OF PENNSYLVANIA'S HARDWOODS INDUSTRY:

- The 12 county area of northeastern Pennsylvania is 69 percent forested. The forest products industry in the region has an annual production of over \$950 million and employs more than 6,100 individuals. The forest products industry has an annual economic impact of \$1.4 billion on the region's economy. (Penn State, 2005)
- The primary wood processors in northeastern Pennsylvania utilize approximately 98 million board feet of timber and pulpwood each year. Of this volume, 61 percent comes from privately-held forestland, 30 percent is imported from outside the state, and 9 percent comes from public lands - primarily State Forests and State Gamelands. (Penn State, 2005)
- The forest products industry in all of Pennsylvania accounts for the employment of about 91,000 Pennsylvanians and production of goods in excess of \$16 Billion annually. The total economic impact of the forest products industry to be over \$27.7 Billion annually. In the rural parts of northern and central Pennsylvania, the forest products industry accounts for as much as 5% of the total regional output and as much as 15% of the region's manufacturing output. (Penn State, 2007)
- Pennsylvania's forest products industry includes more than 2,600 establishments, employing over 82,000 Pennsylvanians. The forest products industry accounts for one of every nine manufacturing jobs in the state and about one of every seven manufacturing facilities in the state. More than 6,600 additional Pennsylvanians are self-employed or involved in other non-employer businesses engaged in the forest products industry. (PA Department of Labor, 2004; U.S. Census Bureau, 2002)
- All three sectors of the forest products industry (lumber and wood products; paper, and furniture and cabinetry) have been identified as "driver" industries in an analysis of the state's manufacturing economy. (Deloitte Consulting for DCED and the state's Industrial Resource Centers, 2004)
- Pennsylvania is ranked #1 the nation in the production of hardwood lumber and is a major the producer of hardwood millwork and flooring, cabinetry, wood pallets, and specialty papers. Pennsylvania also leads the nation in the volume of hardwood growing stock and in the export of hardwood lumber and wood products. (Pennsylvania Forest Products Association, 2006)
- In 2006, Pennsylvania's forest products companies provided the Commonwealth with over \$55 million in revenue from timber sales on State Forest and State Game lands. As part of their timber contracts, forest products companies also provide more than \$1 million annually in road and facility construction and upgrades on State Forests and Game lands. (Pennsylvania Forest Products Association, 2006)
- Pennsylvania's forest products industry accounts for nearly \$1 billion in exports annually. Exports in forest products increased nearly 11 percent from 2005 to 2006. (U.S. Census Foreign Trade Division, 2007)

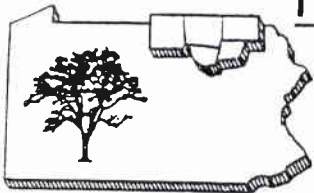
Northern Tier Hardwood Association



MISSION STATEMENT

To promote long-term economic development in the Northern Tier of Pennsylvania through intelligent forest management, careful expansion of secondary wood processing and improved manufacturing methods and regional hardwood promotion.

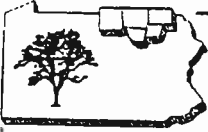
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GOALS AND OBJECTIVES

A. INTELLIGENT FOREST MANAGEMENT

1. To increase the amount of proper forest management by private forest landowners.
 - a. To utilize proper forest management plans and practices, with assistance from private and state foresters, to assure the optimum return on investment.
 - b. To serve as a clearinghouse for the identification and distribution of available materials which provide information on proper forest management practices to landowners.
 - c. To conduct and support education programs for landowners on proper forest management and the forest industry to assure an optimum return on their investment.
 - d. To serve as a catalyst between landowners and the forest industry to encourage and implement a partnership; to assure long-range attitude changes in developing proper forest management to assure the availability of our natural resource and increased added value of our end products.
 - e. To serve as a catalyst between landowners and our legislators, both at the state and federal level, and with governmental agencies to promote and encourage proper forest management.
 - f. To support youth educational efforts concerning forest management and the forest industry.
2. To encourage a maximum sustained yield on state-owned lands.
 - a. To determine the amount of harvesting currently being done on state-owned lands within the Northern Tier.
 - b. To promote through our legislators and the appropriate agencies increased staffing of forest professionals to assure proper forest management of our public forests.
 - c. To be allowed the opportunity for input into the management plans of the state forests in the Northern Tier and to offer recommendations to the Pennsylvania Bureau of Forestry, Pennsylvania Game Commission and the Pennsylvania Fish Commission regarding the harvesting of timber.
3. To assist the hardwood industry in realizing an optimal return on investment.
 - a. To encourage increased cooperation between industry and woodlot owners to assure optimum utilization of our natural resource with the maximum return on investment for the industry and the landowner.
 - b. Advocate appropriate regulations and requirements to assure a reasonable balance between the harvest and conservation of our natural resource.



- c. To disseminate information to the private industry on such topics as secondary processing, improved manufacturing methods, safety methods, best cutting methods, new rules and regulations, etc.
- d. To gather information from industry on wood consumption and yield by lumber grades and tree species.

B. SECONDARY PROCESSING

1. To encourage the increase of secondary processing by our existing wood manufacturers; to encourage and promote the development of secondary processing by entrepreneurs interested in developing manufacturing operations in the Northern Tier of Pennsylvania.
 - a. To disseminate information to existing industry members of possible new industries that could be compatible.
 - b. To inform wood manufacturers of possible financing for capital development and to coordinate through the Northern Tier Regional Planning and Development Commission and private lending institutions the financial packaging of available funding.
 - c. Serve as a catalyst to encourage the Commonwealth and the federal government to continue to provide and expand the availability of low-interest, long-term financing for capital improvements for modernization and expansion.
 - d. To serve as an advocate at the state and federal levels to encourage legislation advantageous to the forest industry in such areas as tax provisions, environmental and manufacturing regulations, etc.
 - e. To provide the industry with information of major events in the hardwood industry.
 - f. To sponsor and conduct workshops, seminars, public forums, etc. on secondary processing.

C. IMPROVED MANUFACTURING METHODS

1. To encourage the use of high-yield techniques and methods through:
 - a. the distribution of information related to these techniques to member primary processors, and
 - b. the encouragement of the use of proper equipment to better implement high yield techniques.