

2/08

WARRANT 3672

	<u>DOYLE SCALE (BF)</u>	<u>DOYLE SCALE (MBF)</u>	<u>INTERNATIONAL 1/4" SCALE (MBF)</u>	<u>CONVERTED CCF VOL.</u>	<u>PERMIT CCF VOL.</u>
B. CHERRY	77,616	77.62	100.65	162.34	164.00
HARD MAPLE	3,546	3.55	4.60	7.42	8.00
SOFT MAPLE	12,856	12.86	16.67	26.89	31.00
		<u>94.03</u>	<u>121.92</u>		

VOLUME DIFFERENCES CAN ALMOST ALWAYS BE ATTRIBUTABLE TO THE DIFFERENT SCALING METHODS. DOYLE IS THE METHOD PREDOMINANTLY USED IN THIS AREA BY MILLS. THE DIFFERENCE BETWEEN DOYLE AND INTERNATIONAL IS APPROXIMATELY 30%. THE CONVERSION FACTOR USED HERE IS: DOYLE MBF X 1.2968 = INTERNATIONAL MBF. THE FOLLOWING CHART SHOWS WHAT HAPPENS WHEN THE PRICE ARTHUR SAYS WE SHOULD CHARGE HIM IS EXPANDED BY THE 1.2968.

	<u>ARTHUR'S PRICE</u>				<u>PERMIT CHARGES</u>
LOT 8	\$130,187	X	1.2968	=	\$168,826.50
WARRANT 3672	\$112,000	X	1.2968	=	\$145,241.60

$\$112,000 / 94.03 = \$1,191/\text{MBF} - \text{DOYLE}$      
  $\$132,168.26 / 121.92 = \$1,084/\text{MBF INTL}$   
 $\$107 \text{ DIFFERENCE}$   
File documentation