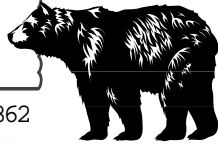




Happy Thanksgiving
From The Staff
at Bear Creek Lumber!



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TIMBERLINE

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Longtime customers know that Bear Creek is a snowy place in winter. After a long summer of hard work, bears hibernate and Bear Creek Lumber modifies its work schedule, giving employees a chance to vacation, have a little more time with their family and, above all, keep warm. While our basic hours of operation will stay the same, we change to split shifts and a smaller staff. We will be closed November 23rd and 24th as well as December 22nd, 25th, and 29th. We resume fulltime operations on January 2nd of 2001. We usually are also closed for Martin Luther King Day January 15th and Presidents weekend February 19th. Winter Hours are 8 AM until 4 PM as opposed to summer hours of 7:30 AM until 4:30 PM. This far north, that means our gates are open as long as there is light.



More About What's @ Bear Creek Salvaged/Recycled Wood

Its a little known fact that Bear Creek Lumber first began as a salvage wood operation. Owner Cloud Bannick used to spend his free time tearing down unwanted barns and outbuildings to salvage the lumber products and resell as barn boards. He slowly branched into new lumber and overtime, new products became the dominant part of the inventory. However, a growing market for salvaged wood has brought him back to selling whatever he can find available. Materials may come from old schools, warehouses, mills and barns. Because of the nature of salvage, you get limited quantities of each product but often BCL can find just the product a customer needs to finish a project. If you have a customer or project need that calls for using old, recycled/salvage materials, give us a call.

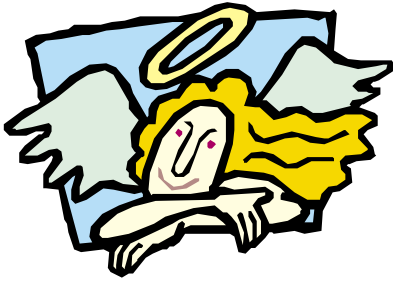


Certified Wood Products

Many builders and consumers are concerned about the environmental damage of logging and timber harvest. Some large retail stores are switching over to wood products derived from certifiable environmentally friendly and sustainable sources. The pressure from this market has lead many of Bear Creek Lumber's suppliers to get certification. Bear Creek has always been able to offer certified wood (as long as the certification process existed) but the good news to those that care, there is more available than ever. There are four agencies that offer certification: the Forest Stewardship Council (FSC), the Canadian Standards Association (CSA), the International Standards Association (ISO) and the Sustainable Forestry Initiative (SFI). It is estimated that 20% of all wood produced meets one of these association's standards. Although they do not yet have a universal standard, consumers can rest assured that these organizations do insure the products that they certify meet "green" goals.

Custom Hewn Timbers

Timber frame builders have always found a good source of timbers at Bear Creek Lumber. However, a new milling operation next door allows us to offer not only custom cut beams and timbers but also notched and hewn timbers that are cut by computer run machinery to exacting specifications. Round wood is also available! Give us a call if any of the above products are in your plans!



Good Gift Giving

Not everyone knows what they want to do with their wealth when they have it. The moral dilemma is whether you can make a difference by charitable giving, either in the here and now, or as a bequest after your death.

A few organizations are offering to make the decision a little easier for you. They have distinctly different goals but ultimately they do well by doing good. The first is **Habitat for Humanity**. This worldwide organization uses the power of people to provide affordable homes. This becoming increasingly difficult as land prices soar worldwide (see story on accompanying page). If you would like to help, their phone number is (800) HABITAT or www.habitat.org/hw/ The organization was recently named among the top homebuilders in international rankings.

A home isn't much of a help if the family inside has no food. This is a great time of year to donate to **your local food bank**. You can donate time, money, organize a food drive, donate stock or make a payroll deduction as a monthly gift. Whatever you do will be worth the trouble!

Another organization worth helping is the **Methow Conservancy**. This group is quietly setting up conservation easements throughout the Methow Valley, one of the most intact songbird habitats in North America. The area is also home to a variety of endangered species including the lynx, grizzly bear, bald eagles, peregrine falcons, the controversial chinook salmon and steelhead trout. The group hopes to preserve the undisturbed open space as much as possible for future wildlife needs. Contact them at conserve@methow.com or call (509) 996-2870 if you would like to help.

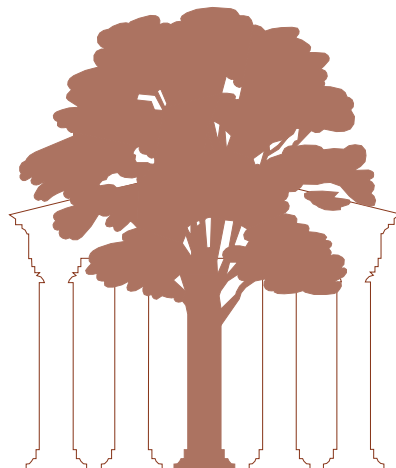
Logging For Sustainability

The emphasis on sustainable forestry is not revolutionary. Most foresters have employed such standards. Only in the go-go 1980's did the balance get out of whack when Wall St. bought up many timber companies and substituted quarterly profits for sensible forestry plans.

Companies, whether corporately held or family run, are singing a different tune in the year 2000. Weyerhaeuser became the first large corporation to institute a habitat conservation plan (HCP), while other companies such as Collins Pine of Chester, CA have been cutting for a sustainable harvest since they began in 1941. On Collins tree farm, the amount of timber is static: as much is growing today as was growing in 1941 when they started. They only log as much as they grow per year. This in fact was the Forest Service credo until the Reagan years when exporting logs (in an attempt to help the trade deficit) became a higher value.

Other efforts at sustainability that are being made include the Healthy Forests, Healthy Communities Partnership (HFHC) . This Oregon group is a collaborative network designed to support responsible forestry practices in the rural Northwest by marketing products from small communities that are using sustainable practices. Most of the products they work with come from thinning operations that yield small diameter wood products, which historically have had a low economic value. However, these products, grown in overgrown forest stands, have fine grain and are dimensionally stable, making them ideally suited for such products as flooring, furniture and millwork. The group estimates there are 40 million acres of this type of forestland in the West that need restoration harvests done. Many communities could benefit from these harvests.

Once such effort is The Forest Stewardship Project of Okanogan County. With a four man crew, this group thins and harvest small diameter trees with a low impact method, using a small tractor that has 80% less impact on the land. The goal is to minimize watershed damage, promote biodiversity and reduce fire danger while supporting the wood products industry. The only problem the group runs into are the die-hard fundamentalist environmentalists who object to any economic value being placed on the wood products. They would prefer that the wood is not used at all for profit and have actively held up the process of sales. Okanogan County is 50% forested and has one of the highest unemployment rates in the nation. The county is under increasing pressure from federal agencies such as the National Fish and Marine Services (NFMS) to instigate a HCP for its forests. Okanogan County has one of the most pristine habitats left in the United States. The hope of this group is to find a way to help the county's economy, use forest friendly techniques and create a marketable product that overcomes environmentalist fears that a successful product will be the ruin of the program. If you would like to know more about this program, log on to stewardship@methow.com.



National Wood Campaign

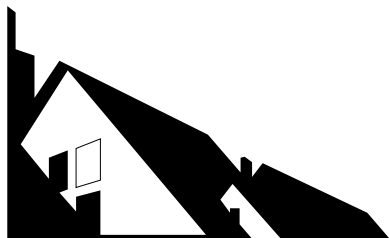
In an effort to do for wood what milk mustaches have done for milk, the timber industry is hiring the same PR firm to promote the value of wood as a sustainable (and environmentally correct) building product (Got wood?) The industry has never before coordinated such an effort (lagging far behind its opposition) but hopes to have the message out on TV by December or January. The program is being funded by both manufacturers and wholesalers of wood products.

Industry News

Housing starts cooled off earlier in the summer but came back in August with a 5% gain in single family construction. That offset a 16% drop in multifamily housing. Analysts said lower mortgage rates (as well as confidence that the Federal Reserve would not further raise rates) and a low backlog of unsold houses boosted the single-family count. The number of starts still trails last year's numbers by 8% but the forecast was for a good fall season. Home ownership is still growing, having reached 67.2%.

Who is the fairest of all realtor Web sites? According to Media Matrix in New York City, Realtor.com has had the most visits with over two million in June. Homestore.com, Homeadvisor.com and Homefair.com all had a sizeable number of hits as well.

Composite lumber prices sank through the summer to the lowest average monthly level since November 1992. The composite includes all wood products and species, with the biggest drops in stud grade and other lower grade materials. Southern pine has been especially discounted. Upper grade lumber prices have remained high throughout and have even seen shortages , further putting pressure on prices.



Selling To Seniors

Selling to the senior market is increasingly profitable. As the population gets older , more people are looking at retirement communities with varying degrees of assisted living. What are the top amenities they seek? According to *Builder* magazine, the top sellers have manned gate houses, a major amenity such as a clubhouse, lots of open space and walking trails, a resort/country club approach and most important, reasonable HOA fees and taxes.



desirable neighborhoods. Many workers simply can't afford to think about having a home near where they work. In an effort to help, the city council wants to increase the sales tax to raise money for more affordable subsidize housing for workers who earn less than 60% of the median area income.

The price of land is even having an effect on Habitat For Humanity's efforts. Early in the development of their program, land was still relatively easy to find and buy for their multi-lot housing projects. Now the dilemma is finding any land at all. With populations increasing worldwide, there is less land for development as homes and farms compete for space. In urban situations, the organization works with cities who have dilapidated housing and are working at rejuvenating old neighborhoods. Often this involves restoring sites that have toxic problems or other constraints. In Poland, the problem was trees. Houses could not be developed if they removed trees (huge fines were levied for any tree removal) . The group worked with the he city in coming up with any action plan to replant trees (saving as many as was possible) so the housing project could proceed. Habitat is looking for a few good donors to help. If you have property you would like to donate or sell at a very good price,

If A Houses Were More Like A Computer

- Every time you wanted to improve your home, you would have to buy a new one.
- Often when trying to perform a simple task, like turning on a hall light, you would be informed that you had performed an illegal function and your entire house would shut down.
- When you flushed a toilet, it would ask you, " Are you sure you want to permanently delete this?"
- Every time visitors came, you would have to run a virus check on them.
- If you wanted to sell your house after only two years, it would be worth about one-tenth of what you paid for it.

From *iHouse* magazine
Sept. 2000

Affordable Habitat

The boom times of the end of the century has made home ownership possible for more people than ever. Yet for many folks, home ownership is not an affordable option. In a nationwide federal study , New Jersey was ranked as the least affordable state, with workers needing to earn \$16.68 per hour in order to afford even apartment rental. The average wage in the US is \$16.17 per hour.

Growth management in many states is sending home prices through the roof. In Colorado, the city of Boulder instituted permit caps in the early 1990's Ten years later, the average older home sells for \$250,000. And only in the less

contact them at (800) HABITAT.



Make Publicity

Work For You

Want to toot your horn this winter? A new book by authors Deborah and Emily Johnson outlines how to be your own publicist. The authors urge builders to think of themselves not as the subject of a story but as a source for one (encouraging more people to come to their door to hear their story). Their how-to explains what a news release is, how to write one, how to get it into print and also how to budget your efforts. The book is "The Builder's Publicity Builder" and can be found through Taylor Young Associates (www.taylorjohnson.com).

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