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May 14, 2026

Next Generation Tree Farm LLC
16789 Brick Road
Granger, IN 46530

TIMBER APPRAISAL OF NEXT GENERATION TREE FARM LLC

This report will describe and appraise the value of the timber on the 78.5 acres property located in Section 17 of Jefferson Twp., Cass County, Michigan. The property has two tax parcel numbers with property tax numbers 14-030-008-102-03 and 14-030-008-102-40.

The property lies between Dailey Road and Library Road south of M-60 between Cassopolis and Niles, Michigan. There is a grass field and pole barn at the north end of the property. There is a woodland along Dailey Road, a walnut plantation in the center and east side, and a woodland in the northeast part of the property.

The 18 acre West Woods along Dailey Road has a higher than average walnut tree component which is the highest value tree species. There is an electric power line that runs north to south through the woods. There is an old house/barn foundation found along Dailey Road.

The East Woods is approximately 18 acres and is made up of mainly small diameter trees with some larger ones along the east edge of the woods.

The Black Walnut plantation is in the middle of the property and on east side of the property. This tree planting was established in 2008.

APPRAISAL PROCESS

Inventory: The inventory was conducted by Jeff Steinkraus, and Chris D'Hulster, foresters, on April 30, 2026. A one hundred percent inventory was completed of the larger trees in the east woods found mostly along the east edge of the area. A variable point sample inventory was done in the west woods with 18 sample points taken over that 18 acre section. Trees larger than 12 inches D.B.H. (Diameter at Breast Height measured 4.5 feet above the ground) are considered merchantable. Trees ranged in size from 12 inches to 40 inches DBH. Most of the volume is in the 20-22 inch size classes. Generally, trees 24 inches and larger are considered mature in this area. There are 60-70 trees in the 24 inch class and larger. No harvest has occurred in the last 20 years.

The East Woods is composed mainly of black cherry with some aspen, black oak, and red maple that are over 12 inches in diameter. Average diameter for the larger trees is 18 inches and ranges from 12-30 inches DBH. Most of the East Woods contain trees less than 12 inches in diameter a mix of black cherry, elm, aspen, mulberry, sumac, black walnut, and boxelder. Invasive species include privet, and Asian bush honeysuckle and tree of heaven.

Inventory for trees on the West Woods (18 acres) plus East Woods (18 acres)
Number of Trees by Species and Estimated Board Feet (Doyle Scale)

Species	No. of Trees		Estimated Bd. Feet (Doyle Scale)			East Woods	
	Total of Both Woods # of Trees	Bd. Ft.	West Woods trees/ac	total trees	Bd. ft.	# of Trees	Bd. Ft.
Black Walnut	326.8	70,202	18.1	325.8	70,047	1	155
Black Cherry	284	33,217	13	234	25,819	50	7,398
Black Locust	180	15,806	10	180	15,806		
Black Oak	32.2	6,589	1.4	25.2	5,570	7	1,019
Hackberry	62.2	4,239	3.4	61.2	4,096	1	143
Sugar Maple	64.8	3,270	3.6	64.8	3,270		
Bigtooth Aspen	12	1,681				12	1,681
Soft Maple	4	515		0		4	515
Hickory	1	57				1	57
Total	967	135,576	49.5	331.2	124,608	76	10,968

Black Walnut Tree Planting: There were approximately 4,500 black walnut trees planted in the spring of 2008. Approximately 90 percent of the trees survived. There were approximately 1,080 trees planted in the eastern plantation along Library Road based on 23 rows with 47 trees per rows not counting the 3 hybrid poplar rows. This area measures approximately 8 acres. The average diameter of the trees is 5.6 inches in diameter and ranges from 2.1 inches to 9.1 inches. Some are doing better than others with only a few open spots where the soil type probably is not suitable for walnut trees because it might be sandier than the other areas.

The larger center planting is approximately 20.5 acres. There are 40 long rows with 67 trees per row. There are 24 shorter rows with 28 trees per row and 3 partial rows on the east side. This area has approximately 3,420 trees that were planted in this section. Overall, there is an estimated 90 percent survival rate.

The black walnut trees would first have some value when they reach 12 inches D. B. H. which would be in approximately 12 more years for the larger trees. Since the larger trees are potentially the best trees or at least on the best soil, many of these will likely be kept to keep growing toward the veneer size of 18 inches if they have a clear trunk up to 8.5 feet minimum length. The 12 inch diameter trees would not be worth very much at that size, however, some trees might be able to be sold for thinning purposes if they are not good quality trees. The trees that are the best quality would typically be grown to a target diameter of 18-24 inches. At this time, the minimum diameter for veneer mills is 18 inches DBH, so the target of the best trees should be grown to at least 18 inches. There will need to be some thinning along the way for the trees to continue to grow at a

constant rate. The current average growth rate is 0.31 inch in diameter per year across the whole planting.

Valuation Process: The stumpage value is the value of all current merchantable trees as they stand on the property as if they were all sold at once. This value is also considered your timber basis at the time of the transfer of the land to a new owner. There is no current pulpwood value for trees less than 12 inches in diameter, nor for the treetops, so no pulpwood or firewood value was determined.

To determine the fair market stumpage value for the merchantable timber in these woods as of the May 14, 2026 appraisal date, we used the results from comparable bid sales conducted by Steinkraus Forest Management, LLC within the last 8 months. Tree species, quality, tree and woodland size, location, and logging accessibility were all factors considered when selecting a value per board foot. Please note that since this was a sample inventory, the exact number of tree species could be slightly different if one hundred percent of the trees were measured.

There were 7 sales that most closely matched this woods out of over 50 sales conducted in this time frame. They are listed on the next page.

Appraisal Summary: Based on the comparable sales and the timber inventory, I estimate that the **2026 stumpage value of the hardwood timber in the woods to be as follows:**

Estimated Board Feet volume in 2026, Doyle Scale	135,576 board feet
<u>Timber Value per Board Foot</u>	<u>\$1.67</u>
Total 2026 Hardwood Stumpage Value	\$226,412

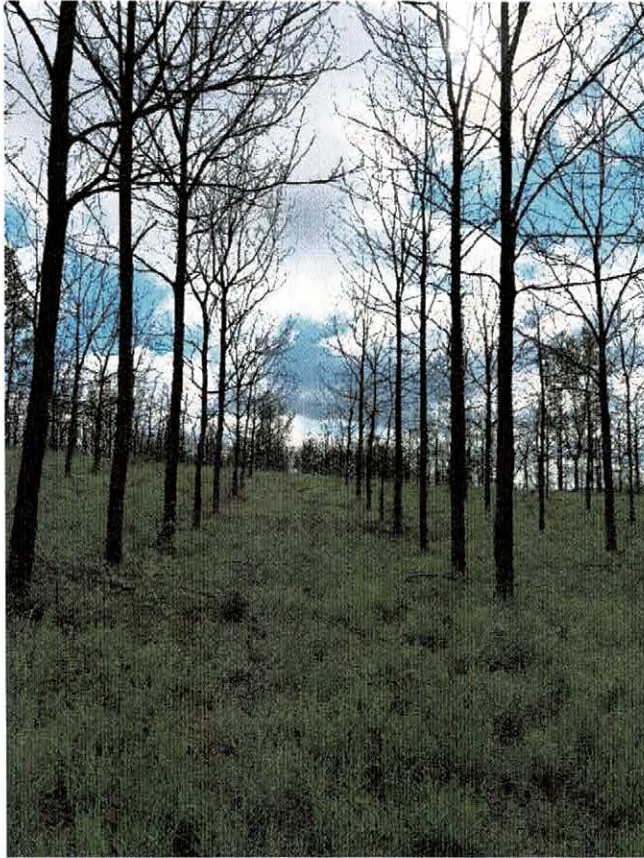
***Since none of the black walnut trees in the plantation can be currently cut and milled into lumber by a commercial mill, these 18 year old trees would have some investment potential to someone, but no current merchantable timber value.**

Recommendations: A selective harvest is recommended in the West Woods in the near future and could be as high as \$80,000 - \$100,000 depending on the owner's objectives and how many black walnut trees are harvested. There are 60-70 trees including 40-50 walnut trees in the 24 inch class and larger. Generally, trees 24 inches and larger, can be considered mature. Enough trees could be left to do another harvest in 10 years, and every 10 years thereafter if there are no storms or significant changes to the woods. In addition, some other species can be sold to improve the overall quality of the woods. Fall is typically the best time to sell with a harvest in the winter months. Some trees are mature to over-mature and ready to be harvested. The largest trees should be taken out as well some of the smaller trees if they have poor form or low value. The size of the harvest can vary based on your objectives. The trees should be marked for harvest by a forester based on your objectives, then put up for sealed bid type sale inviting reputable buyers to get the best price.

Since timber is considered long term capital gains after one year for many landowners, we recommend that the new owner waits for at least one year before selling trees to take advantage of the long term capital gains classification. More tax information is available at www.timbertax.org and be sure to talk with your accountant for your specific tax situation.

The black walnut trees in the plantation can continue to be pruned up to a minimum of 8.5 feet where they appear that they may have veneer potential. Veneer trees are not very common and it is unlikely that even with the best efforts that more than 5 percent to 10 percent of the population will

ever make veneer quality. At the current spacing, the first expected thinning will be at age 30 in 2038 and still may not contain saleable trees at that time. In 2048, there will likely be enough trees to do a commercial thinning harvest, leaving the best trees to continue to grow until approximately 2068 for an expected final harvest depending on the markets at that time and desires of the owner at that time.



Picture of the 2008 walnut tree plantation

If you have any questions concerning this appraisal, or need any assistance with the recommendations, please contact me at 269-228-0139.

Respectfully submitted,

Handwritten signature of Jeff Steinkraus.

Jeff Steinkraus
Steinkraus Forest Management, L.L.C

Comparable Timber Sales

Owner	County	Sale Date	Species, % of Total Volume	Species, % of Total Volume	Species, % of Total Volume	Average Value per board foot
Robinson	Cass	3-5-26	BLW 100	-	-	\$5.33
Wooden	Cass	1-30-26	BLW 41	WHO 29	BUO 23	\$5.25
Rynard	Cass	12-4-25	BLO 54	BLW 19	BLC 12	\$1.56
Lorhaff	Berrien	11-6-25	YEP 52	BLW 36	SUM 5	\$2.77
Steinkraus	Cass	10-15-25	BLW 60	YEP 25	REO 15	\$4.49
Graber	Cass	10-30-25	BLW 41	BLO 24	WHO 15	\$4.33
Sebert	LaPorte	10-30-25	BLW 41	WHO 29	BLO 23	\$2.29

Abbreviations:

BLW = Black Walnut

BLC = Black Cherry

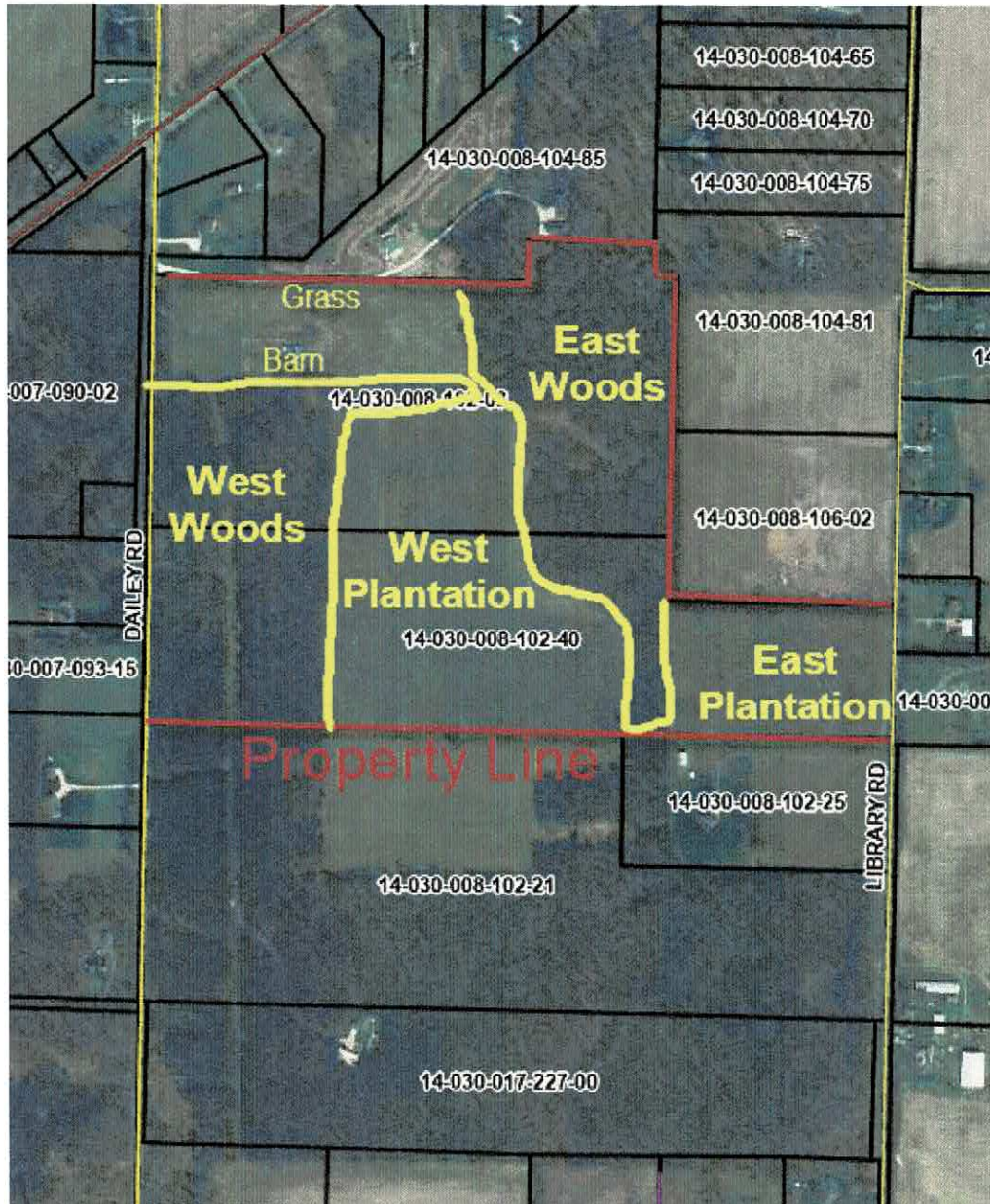
BLO = Black Oak

REO = Red Oak

SUM = Sugar Maple

YEP = (Yellow poplar) Tulip Poplar

Next Generation Tree Farm LLC
78.5 acres
Section 17 of Jefferson Township
Cass County, Michigan



↑
North

Appraiser's Certification

To the best of my knowledge and belief, all statements and information in this report are true and correct. No important facts have been intentionally withheld.

We have personally inspected timber with the sales used as comparable sales for appraisal analysis and verified the sale prices.

My fee for providing this appraisal is not contingent on the price reported.



Jeff Steinkraus ACF, CF
Steinkraus Forest Management, LLC

Statement of Assumptions
and
Limiting Conditions

1. No responsibility has been assumed for legal matters, nor title opinion rendered on this property or its timber in the appraisal. Liens and encumbrances have been disregarded in the appraisal. The saw timber has been appraised as though free of indebtedness.
2. Location of property lines and acreage were established from the best available information. No land surveying was contemplated or conducted during the appraisal project. Therefore, no responsibility is assumed for correct location of parcels or land area.
3. It is assumed that legal rights-of-way are in existence or can be obtained to all parcels included in this appraisal.
4. Although all information contained in this report is believed to be correct, no guarantee or assumption of liability regarding the information is intended.
5. Delivery of this report concludes this specific work assignment from the client requesting the appraisal.
6. Possession of this report does not include the right of publication. Its use is not intended for any other purpose than those of the client requesting the appraisal without written consent of the appraiser, and in any event, only in its entirety. If values in this report are used in making appraisals by a combination of values produced by other persons, then this appraisal becomes invalid.
7. Estimate of volumes and value made by FORESTER in the course of performance under the terms of this agreement are the result of statistical samplings made in accordance with industry standards and with a variety of confidence levels depending upon what is agreed to between OWNER and FORESTER. Due to the variances and accuracy level inherent in sampling techniques, any volumes or values stated by FORESTER are intended to be only estimates, based upon FORESTER'S sampling, and are expressly declared by FORESTER not to be precise statements and expected outcomes. Therefore OWNER expressly agrees and understands that any volumes or values stated by FORESTER may or may not be the volumes or values actually obtained through the performance of this Agreement by the parties hereto.