

Timber Inventory and Valuation

386.38 acres

J. De La Santos Coy Survey, A-22

J.J. Medina Survey, A-360

J. Patterson Survey, A-444

R.A. Jordan Survey, A-308

Nacogdoches County, Texas

Prepared for:

Charlie Latimer

and

Jack Latimer

As of November 8, 2019

Prepared by:

Tim Flynt

Stewardship Forestry Services

519 Palmer Ivy Road

Huntington, Texas 75949

November 8, 2019

Charlie and Jack Latimer,

Re: Timber inventory and valuation on 386.38 acres in J. De La Santos Coy Survey, A-22, J.J. Medina Survey, A-360, J. Patterson Survey, A-444, and R.A. Jordan Survey, A-308 in Nacogdoches County, Texas.


Mr. Latimer:

As per your request, we have conducted a timber inventory and valuation on the above referenced property. My report is attached. My estimated timber value, as of November 8, 2019, is:

\$418,698.00

Thank you for the opportunity to provide these services. If you have any questions, or if we can provide further assistance, please contact me.

Respectfully,

A handwritten signature in blue ink, appearing to read "Tim Flynt".

Tim Flynt
Stewardship Forestry Services
Texas Accredited Forester #0093

Attachment
enclosure

Executive Summary

| | |
|------------------------|---|
| Subject property | 386.38 acres of timberland and pasture land in Nacogdoches County, Texas. Subject property is well-stocked with a variety of timber stands and cover types. |
| Location | West of FM 95, South of Garrison |
| Purpose | To estimate the volume and market value of the merchantable timber on the subject property |
| Estimated Timber Value | \$418,698.00 (\$1,083.64 per acre based on total acres) |
| Effective Date | November 8, 2019 |
| Prepared By | Tim Flynt, Stewardship Forestry Services |

Timber Inventory and Valuation

386.38 Acres

Purpose and Scope

This report summarizes the estimated merchantable timber volumes and values growing and standing on approximately 386.38 acres in J. De La Santos Coy Survey, A-22, J.J. Medina Survey, A-360, J. Patterson Survey, A-444, and the R.A. Jordan Survey, A-308 in Nacogdoches County Texas. Charlie And Jack Latimer engaged Stewardship Forestry Services (hereinafter sometimes referred to as “the timber appraisers”) to conduct the timber valuation and assess the timber component for potential purchase of the subject property. Timber appraisers mapped the timber stands by aerial imagery with verification by field reconnaissance. Acreages were estimated by ESRI’s ArcMap GIS software, based on stand lines overlaid on aerial imagery. A series of 71 variable radius timber inventory plot samples were taken in the field, systematically positioned across the various timber stands, to estimate the standing timber volumes and values by stand. Plot sample trees were tallied by species, timber product, and size class. Volumes and values were summarized by timber stand, species, product, and size class, as well as compiled for the whole tract.

Tract Description

The subject property is an irregularly shaped, unimproved tract in Nacogdoches County. The tract is surrounded by other non-industrial private landowners and institutional investor owned property. The tract is situated west of FM 95 approximately 4.5 miles south of Garrison. The tract is directly accessed by FM 95 and also by private road through Hancock Forest Management property. Roads within tract are limited and are unimproved woods roads. Topography is generally rolling terrain with upland sites and bottomland sites along Naconiche Creek and Wanders Creek that cross the property. Soils range from iron ore based sandy clay loam on the uplands to clay loam in the bottom. (See attached timber stand map and aerial imagery depicting the tract’s physical features and timber stands.)

Timber Description and Field Procedure

The subject property’s timber has been delineated into three merchantable timber stands to sample, ranging in cover type from plantations to natural stands of various stocking intensities. The table below lists the three merchantable stands along with areas that are non-forested.

| Stand | Timber Type | Acreage |
|--------------|--|----------------|
| 1 | Mature natural hardwood stand | 169 |
| 2 | ~1988 Pine plantation | 73 |
| 3 | ~2005 Pine plantation | 88 |
| NF | Non forested - Pasture, well pads, etc | 56 |
| | Total | 386 |

In November 2019, a systematic sample was taken using seventy-one (71), 15-BAF variable radius plot samples. Grid spacings on stand 1 yielded approximately one plot per 4 acres, grid spacings on stand 2 yielded approximately one plot per 5 acres, and grid spacings on stand 3 yielded approximately one plot per 6 acres. Plot trees were tallied by species, product, diameter at breast height (4.5' above ground), and merchantable height. A map of the sample plot locations is included in the appendix of this report. The sections below describe each merchantable timber stand sampled and summarize the results of the timber inventory. The associated tables show timber volume and value estimates for each of the merchantable delineated timber stands, by species, product, tonnage, and value. More detailed timber information by diameter and height class is included in the appendix of this report.

Stand 1: Mature Natural hardwood
169 timbered acres

This stand is a moderately well-stocked mature natural hardwood stand. The majority of the area is comprised of Naconiche and Wanders Creek bottoms. The table below summarizes the results of the timber inventory computed from the 42 sample plots taken in this stand.

| Product | Tons | Price/Ton | Value |
|-------------------------|---------------------------|-----------|----------------------|
| <i>Stand 1 - 169 Ac</i> | | | |
| Pine | | | |
| pulpwood | 317 | \$ 6.00 | \$ 1,902.00 |
| topwood | 274 | \$ 6.00 | \$ 1,644.00 |
| chip n saw | 52 | \$ 13.00 | \$ 676.00 |
| sawtimber | 913 | \$ 25.00 | \$ 22,825.00 |
| Total Pine | | | \$ 27,047.00 |
| Hardwood | | | |
| pulpwood | 4135 | \$ 7.00 | \$ 28,945.00 |
| sawtimber | 3991 | \$ 45.00 | \$ 179,595.00 |
| Total Hardwood | | | \$ 208,540.00 |
| | Total Timber Value | | \$ 235,587.00 |

Stand 2: ~1988 Plantation

73 timbered acres

This stand is a moderately well to well stocked loblolly plantation. Stand has been thinned multiple times. The table below summarizes the results of the timber inventory computed from the 15 sample plots taken in this stand.

| Product | Tons | Price/Ton | Value |
|------------------------|---------------------------|-----------|----------------------|
| <i>Stand 2 - 73 Ac</i> | | | |
| Pine | | | |
| pulpwood | 823 | \$ 6.00 | \$ 4,938.00 |
| topwood | 1254 | \$ 6.00 | \$ 7,524.00 |
| chip n saw | 385 | \$ 13.00 | \$ 5,005.00 |
| sawtimber | 4180 | \$ 25.00 | \$ 104,500.00 |
| Total Pine | | | \$ 121,967.00 |
| Hardwood | | | |
| pulpwood | 190 | \$ 7.00 | \$ 1,330.00 |
| sawtimber | 70 | \$ 45.00 | \$ 3,150.00 |
| Total Hardwood | | | \$ 4,480.00 |
| | Total Timber Value | | \$ 126,447.00 |

Stand 3: ~2005 Loblolly Plantation

88 timbered acres

This stand is a well-stocked, fast growing plantation. Stand has not been thinned and is ready for thinning now. The table below summarizes the results of the timber inventory computed from the 14 sample plots taken in this stand.

| Product | Tons | Price/Ton | Value |
|------------------------|---------------------------|-----------|---------------------|
| <i>Stand 3 - 88 Ac</i> | | | |
| Pine | | | |
| pulpwood | 9444 | \$ 6.00 | \$ 56,664.00 |
| | Total Timber Value | | \$ 56,664.00 |

Whole Tract Summary

386.38 total acres, 330 timbered acres

| Product | Tons | Price/Ton | Value |
|--------------------|---------------------------|-----------|----------------------|
| <i>Whole Tract</i> | | | |
| Pine | | | |
| pulpwood | 10584 | \$ 6.00 | \$ 63,504.00 |
| topwood | 1528 | \$ 6.00 | \$ 9,168.00 |
| chip n saw | 437 | \$ 13.00 | \$ 5,681.00 |
| sawtimber | 5093 | \$ 25.00 | \$ 127,325.00 |
| Total Pine | | | \$ 205,678.00 |
| Hardwood | | | |
| pulpwood | 4325 | \$ 7.00 | \$ 30,275.00 |
| sawtimber | 4061 | \$ 45.00 | \$ 182,745.00 |
| Total Hardwood | | | \$ 213,020.00 |
| | Total Timber Value | | \$ 418,698.00 |

The Appendix contains mapping and aerial imagery of the subject property. It also contains additional timber inventory details for each stand, including diameter distributions by stand, species, product, and size class. Be aware that these volumes and values are estimates only, based on the timber sample plots and current market pricing. The volumes and values stated herein do not represent a 100% tally of all the standing timber.

Calculated statistical variation was good, with an overall calculated sample error of the mean for total timber tonnage of +/- 8.3% at a 90% confidence level.

Timber markets fluctuate from time to time, based on mill inventories, finished product pricing, weather and ground conditions, and other market factors. The pricing used for this valuation was based on recent timber sales administered by the timber appraisers.



Tim Flynt

11/8/2019

Date