

Re: Carbon Credit Tracts (3-15) Clarification & Questions

Ryan Johns

To: Reaves Ward

On Apr 9, 2026, at 4:09 PM, Reaves Ward <reaves@woltz.com> wrote:

Hi Ryan,

We have been working through the details regarding tracts 3–15 (those subject to the Carbon Credit program) and are beginning to receive a number of questions from prospective bidders. To ensure we are providing accurate information, we would like to outline our current understanding along with a few questions for your confirmation and input.

I've attached a map showing the tracts with the carbon credit-producing areas overlaid for reference.

1. Our understanding is that all tracts will produce some amount of income except tracts 10, 12, 14, and 15 (see attached map). Is that correct?

Yes

2. The amount of income produced is based on the acreage within the credit-producing area shown on the overlay in the attached map. Correct? Also, how is the number of credits produced determined, and who is responsible for making that determination?

Everything is determined by calculation formulas in the cap and trade program

3. Historically, the credit-producing areas have generated approximately 2 credits per acre. Correct?

Yes on average it has been 2 credits per acre

4. The historical value per credit been approximately \$15 per credit. Correct?

No, it has been under that and can change from year to year

5. Is the income typically paid out annually? We understand that no payments have been made since 2023—can you clarify why payments have not been issued for 2024 and 2025?

Payments are determined once every clears the California cap and trade review. This process time frame is supposed to be annual but they can take as long as they want. It has been taking longer than year.

6. Please provide details of the last two payments issued to Triple H Real Estate LLC.

Payments are determined by the agreement that is in place

7. Although tracts 10, 12, 14, and 15 do not produce credits, these tracts are still subject to the restrictions outlined in the Timber Deed your attorney provided?

All Timber is restricted

8. Hoops' attorney need to provide an agreement conveying Triple H's income interests to the new property owners?

Yes

9. The Timber Deed/Carbon Credit Program does not impact someone's ability to build on the property, provided the construction does not occur within the credit producing area or require any trees to be removed. Correct?

Our only claim is to the timber.

Thanks again for your attention and assistance. We want to ensure we are providing clear and accurate information to the bidders at the auction.

Best regards,
Reaves Ward

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