

October 21, 2026

RE: Farm Capital Allocation and Excess Nutrient Deduction Projection

Dear Prospective Buyer:

As part of Peoples Company's commitment to providing comprehensive information to prospective buyers, we have engaged Pinion, LLC ("Pinion") to prepare tax-related analyses for the Warren County, IL farmland being offered at auction on November 17, 2026 (the "Property"). Pinion has prepared a Farm Capital Allocation Report and an Excess Nutrient Deduction Projection. Both reports are available for your review on our website.

Agricultural land acquisitions can present tax planning opportunities that may meaningfully reduce a buyer's effective acquisition cost. Peoples Company engaged Pinion to help prospective buyers understand the potential tax benefits associated with the Property, including depreciation of identifiable assets, such as existing drainage tile and other qualifying improvements, and the potential deduction of excess soil nutrients. This type of analysis can be an important component of a buyer's overall investment evaluation.

Because each buyer's tax position, purchase price, and acquisition structure will differ, prospective buyers are encouraged to engage Pinion directly to obtain an individualized analysis tailored to their specific acquisition terms, tax situation, and objectives. Pinion's team can refine the projections presented in the attached reports to reflect a buyer's anticipated purchase price, entity structure, and other relevant considerations.

Pinion can be reached at **(217) 768-4930**.

Neither Peoples Company nor Seller represents or warrants the accuracy or completeness of the attached reports prepared by Pinion. The reports were prepared for informational purposes only and do not constitute legal or tax advice. All projections rely on publicly available data, statistical models, and estimates; actual results may vary based on purchase price, date of acquisition, soil sampling, the buyer's specific tax situation, and applicable tax laws and regulations. Prospective buyers should conduct their own independent investigation and consult their own tax and legal advisors.

We appreciate your interest in the Property and trust these materials will be a helpful resource as you evaluate this opportunity. Please do not hesitate to contact us with any questions regarding the Property.

Sincerely,

Peoples Company
Eric Sarff & Matt Myers
Listing Agents



Farm Capital Allocation: Tilton East

Land Acquisition Price (Gross)
Acreage
Date of Acquisition
State of Acquisition
Bonus Depreciation Conformity

\$	1,418,820
	83.46
	12/17/2026
	IL
	No

Allocation to Identifiable Assets	Allocable Value	2026	2027	2028	Available Bonus
<u>5yr Property</u>					
<u>7yr Property</u>					
<u>10yr Property</u>					
<u>15yr Property</u>					
Capital Improvements	130,000	6,500			123,500
<u>20yr Property</u>					
<u>27.5yr Property</u>					
<u>39yr Property</u>					
Allocable Fair Values	-	6,500	-	-	123,500

Predicted Soil Nutrient Value

Estimated Deduction	****	\$ 90,732.00
Value Attributed to Depletable Resources		-
Cost Basis of Land		<u>\$ 1,328,088.00</u>

Projection Powered by DataFarm
See attached DataFarm Detail

Bonus Depreciation Available (In Excess of MACRS)

123,500.00

	2026	2027	2028
Total (Estimated) Depreciation/Depletion Deductions	220,732	-	-

Footnotes:

***Disclaimer:** This chart and its examples do not constitute professional tax advice and should not be relied upon when making financial decisions, including any decision as to whether or not to purchase land. The tax chart above is provided for illustrative and promotional purposes only using non-verified information that may be estimated or inaccurate. You may not rely on the figures in this example. Further, you may not qualify for all deductions, credits, or adjustments depicted in this example, and certain calculations may not apply to you even if the underlying information is correct. Some calculations or deductions require third party analysis or calculation by independent parties. Actual results may vary based on multiple factors, such as location and the applicable purchase date. Tax rules and regulations are subject to frequent change. Please consult a qualified tax advisor regarding your specific situation. Pinion, LLC may be able to provide you with similar tax or consulting advice related to a specific transaction, but any such advice will only be pursuant to the terms and conditions of a signed service agreement with Pinion, LLC, and any actual tax calculations will depend third party data your specific facts and circumstances.

*** This report does not constitute, nor is certified to be, a cost segregation report. Pinion, LLC recommends a cost segregation report.

Bonus Depreciation Summary

EXAMPLE

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	Excess Bonus over regular MACRS	Elect out:
5yr	-	No
7yr	-	No
10yr	-	No
15yr	123,500	No
20yr	-	No



Pinion Land Advisory Projects - Capital Improvements

	Project 1	Project 2	Project 3	Total
Material & Labor	130,000			130,000
Overhead				-
Equipment Lease				-
Professional Fees				-
Other				-
Gross Cost	130,000	-	-	130,000
Less: USDA/Other Financial Assistance	-	-	-	-
Net Cost	130,000	-	-	130,000

Assuming Cash Payment, Not Attributed to Purchase Price of Property

Water Depletion

	Well 1	Well 2	Well 3	Total
Value (\$) Attributed to Resource				-
Distance to Bedrock (ft)				-
Depth to Water (ft)				-
Feet Available	-	-	-	-
Cost Depletion (per ft)	-	-	-	-
Current Drop in Water Level (ft)				-
Total Cost Depletion for Current Year	-	-	-	-
Proration (Based on Date Acquired)	3.84%	3.84%	3.84%	3.84%
Total Cost Depletion	-	-	-	-

Note: Depletion is subject to actual usage of resources - deduction values are not guaranteed.

Mineral Rights Depletion

Estimated Annual Production Revenue	\$ -
Less: Estimated Annual Production Tax	-
Less: Percentage Depletion	-
Annual Cash Flow from Mineral Rights	-

Estimated Federal & State Income Tax Savings

Marginal Federal Tax Rate	24%	32%	35%
Estimated Federal Tax Savings	52,976	70,634	77,256
Illinois State Tax Rate	4.95%	4.95%	4.95%
Estimated State Tax Savings	4,813	4,813	4,813
Estimated Tax Savings - Year 1	\$ 57,789	\$ 75,447	\$ 82,069

After-Tax Cost of Acquisition	1,491,031	1,473,373	1,466,751
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***Taking Into Account Pinion Land Advisory Projects

For questions related to Pinion services, please contact us at (217) 768-4930

Footnotes:

** Estimated Tax Savings are computed using multiple estimates, including estimated Marginal Tax Rates. Marginal Tax Rates vary depending on quantity of income, classification of income, and may other different factors. Please consult your tax advisor.

*** This report does not constitute, nor is certified to be, a cost segregation report. Pinion, LLC recommends a cost segregation report.

**** This report projects excess nutrients and the related potential nutrient value. For Farm Capital Allocation (FCA) purposes, Pinion may implement a systematic reduction to the excess nutrient amount reflected in the calculation when the projected nutrient value exceeds a percentage of the property's tax basis that Pinion determines to be prudent and supportable. As a result, the nutrient projection report and FCA calculations may differ.

Predicted Excess Nutrients — Deduction Report

Tilton East

81.6 acres · 10/6/2026

PROJECTED IMMEDIATE* DEDUCTION

\$90,732

Deductible in year of acquisition if elected

* Immediate = Predicted Excess Nutrients, deductible in year of acquisition · Amortized = Predicted Excess Nutrient Exhaustion Period, spread over the recovery period

Per-Nutrient Excess Summary

Each nutrient's contribution to the deductible total. Full detail on the following pages.

NUTRIENT	PPM EXCESS	LBS/AC EXCESS	EXCESS VALUE
P	29.2	389 P205	\$32,352
K	94.1	658 K20	\$23,163
Ca	674.9	3,935 Ca	\$20,242
Mg	229.0	1,335 Mg	\$14,975
TOTAL			\$90,732



Per-Nutrient Breakout — Landscape

Landscape detail — 12 columns per nutrient

Tilton East

81.6 acres · 10/6/2026

NUTRIENT	BASELINE PPM	THRESHOLD	AVG CEC	PPM EXCESS	LBS/AC EXCESS	LBS PRODUCT/AC	\$/LB	GROSS \$/AC	EXCESS \$/AC	IN FIELD \$	EXHAUSTION
P	49.2 ppm	20.0 ppm	24.7	29.2	389 P205	748 MAP	\$1.00	\$1,262	\$396	\$32,352	7.0 yr
K	244.1 ppm	150.0 ppm	24.7	94.1	658 K20	1,097 Potash	\$0.42	\$1,196	\$284	\$23,163	11.2 yr
Ca	3,359.7 ppm	2,684.8 ppm	24.7	674.9	3,935 Ca	3,935 Ca	\$0.06	\$1,175	\$248	\$20,242	344.2 yr
Mg	551.6 ppm	322.7 ppm	24.7	229.0	1,335 Mg	1,335 Mg	\$0.13	\$418	\$184	\$14,975	114.7 yr
TOTAL	—	—	—	—	—	—	—	\$4,051	\$1,112	\$90,732	—

Carrier products and divisors follow Pinion reference: Urea / MAP / Potash for N/P/K; Solubor for B; chelates for Fe / Mn / Cu / Zn; Ca and Mg shown as raw elemental lbs.



Per-Nutrient Breakout — Portrait

Portrait split-row layout

Tilton East

81.6 acres · 10/6/2026

NUTRIENT	BASELINE PPM	THRESHOLD	CEC	PPM EXCESS	LBS/AC	LBS PRODUCT
P	49.2 ppm	20.0 ppm	24.7	29.2	389 P205	748 MAP
	\$/LB	GROSS \$/AC	EXCESS \$/AC	IN FIELD \$		EXHAUSTION
	\$1.00	\$1,262	\$396	\$32,352		7.0 yr
K	244.1 ppm	150.0 ppm	24.7	94.1	658 K20	1,097 Potash
	\$/LB	GROSS \$/AC	EXCESS \$/AC	IN FIELD \$		EXHAUSTION
	\$0.42	\$1,196	\$284	\$23,163		11.2 yr
Ca	3,359.7 ppm	2,684.8 ppm	24.7	674.9	3,935 Ca	3,935 Ca
	\$/LB	GROSS \$/AC	EXCESS \$/AC	IN FIELD \$		EXHAUSTION
	\$0.06	\$1,175	\$248	\$20,242		344.2 yr
Mg	551.6 ppm	322.7 ppm	24.7	229.0	1,335 Mg	1,335 Mg
	\$/LB	GROSS \$/AC	EXCESS \$/AC	IN FIELD \$		EXHAUSTION
	\$0.13	\$418	\$184	\$14,975		114.7 yr
TOTAL	—	—	—	—	—	—
	—	GROSS \$	EXCESS \$/AC	IN FIELD \$		—
		\$4,051	\$1,112	\$90,732		

Show Your Work

Tilton East

81.6 acres · 10/6/2026

Show Your Work — Immediate Deduction

End-to-end provenance + per-nutrient math · computed 10/6/2026

THE PIPELINE — END TO END

#	WHAT	SOURCE	VALUE (THIS PARCEL)
1	Field boundary	KML/GeoJSON upload · geodesic acreage · FCC Census state/county	81.6 ac · IL
2	Soil profile	USDA NRCS SSURGO, intersected with boundary	dominant texture: fine-silty
3	Crop rotation	USDA CDL · CDL pixel at parcel centroid	corn 50% · soybeans 50%
4	Crop yields	USDA NASS county-level · Olympic-10 avg (RMA T-yield)	corn (grain) 218.9 bu/ac · soybeans (grain) 63.5 bu/ac
5	Nutrient thresholds	State extension publication set	illinois_agronomy_handbook_ch8
6	Crop removal coefficients	lbs nutrient removed per bushel (same publication)	iastate_pm1688
7	Input prices	USDA AMS / state extension price reports	Ca \$0.06/lb · Cu \$4.00/lb · K \$0.42/lb · Mg \$0.13/lb
8	Per-nutrient computation	baseline ppm – threshold → lbs → \$ value → exhaustion	see Per-Nutrient Math (below)
9	Treatment decision	binary election per Pinion methodology — every nutrient takes the page's election; 15-yr straight-line recovery when amortized	All nutrients elected immediate
10	Headline value	Σ across all nutrients	\$90,732 immediate deduction

PER-NUTRIENT MATH — SINGLE ROW PER NUTRIENT, FORMULA IN THE HEADER

NUTRIENT	BASELINE – THR = PPM EXCESS	× PPM→LBS FACTOR → LBS/AC	× ACRES → LBS IN FIELD	× \$/LB	\$ IN FIELD
Ca	3,359.7 – 2,684.8 = 674.9	× 5.83 = 3,935 Ca	× 82 = 321,047	\$0.06	\$20,242
Cu [†]	1.1 – 0.6 = 0.5	× 5.83 = 3 Cu	× 82 = 238	— Below confidence floor	
K	244.1 – 150.0 = 94.1	× 5.83 × 1.20 = 658 K ₂ O	× 82 = 53,731	\$0.42	\$23,163
Mg	551.6 – 322.7 = 229.0	× 5.83 = 1,335 Mg	× 82 = 108,917	\$0.13	\$14,975
P	49.2 – 20.0 = 29.2	× 5.83 × 2.29 = 389 P ₂ O ₅	× 82 = 31,756	\$1.00	\$32,352
Σ IMMEDIATE*					\$90,732

[†] Micronutrient (Mn / Fe / Cu) — modeled with lower confidence than the primary nutrients; flag for agronomist review before filing.

* Immediate = Predicted Excess Nutrients, deductible in year of acquisition · Amortized = Predicted Excess Nutrient Exhaustion Period, spread over the recovery period

Constants, sources, and disclaimers consolidated on the **Sources & Methods** page (last page of this report).

Sources & Methods

Tilton East

81.6 acres · 10/6/2026

Authoritative provenance for the projections in this report. All sources are USDA-published, public domain (17 U.S.C. §105).

1 — DATA SOURCES

SOURCE	ROLE IN THIS REPORT
USDA NRCS SSURGO	Soil chemistry baselines (pH, CEC, OM, texture, drainage, taxonomy)
USDA CDL	Crop history at parcel centroid (rotation derivation)
USDA NASS	County-level yields (Olympic-10 average, RMA T-yield methodology)
USDA RMA	Insurance reference prices, T-yield methodology
USDA AMS	Material / input price reports
USGS 3DEP	Terrain (slope, aspect, TWI) for tier-3 reference
NOAA / ACIS	Frost-date climatology
NCSS / KSSL	Soil characterization laboratory reference data

2 — CALCULATION METHODS

STEP	FORMULA / RULE
Baseline analysis	SSURGO horizon profile → ML baseline ppm per nutrient (USDA NRCS, public domain)
Excess ppm	baseline ppm – threshold ppm; threshold from state extension publication
ppm → lbs/acre	× 5.83 lbs/ppm (6" furrow slice industry standard)
Oxide ratios	$P \times 2.29 = P_2O_5$, $K \times 1.20 = K_2O$ (stoichiometric)
lbs in field	lbs/acre × parcel acres
\$ value	lbs in field × carrier-product \$/lb (regional input-price snapshot)
Annual removal	NASS yield (Olympic-10 avg) × removal coefficient (state extension publication)
Weighted exhaustion	excess lbs/acre ÷ annual removal lbs/acre · rotation-weighted across crops
Materiality floor	nutrients with modeled excess < 1 ppm are evaluated and shown but not booked (SSURGO precision limit)
Amortization	per-nutrient annual deduction = excess value ÷ true exhaustion years (front-loaded to the soil's actual loss rate, matching Pinion spreadsheet). Total claim capped at recovery period × annual loss when exhaustion exceeds recovery window.
Recovery period	15-yr straight-line (standard recovery set: 10 / 15 / 20 / 25 yrs; configurable per parcel)
Election framing	binary — every nutrient takes the page election (Pinion methodology), not per-nutrient mixed treatment

3 — AUTHORITY PUBLICATIONS

Threshold values, build rates, and crop removal coefficients are sourced from the state agricultural extension publications below. The publication that resolved for THIS parcel is listed under "Engine provenance" — others in the list show our authority pool.

- ISU PM-1688
- SDSU iGrow Corn — Ch. 29
- UA MP197-Ch5

4 — ENGINE PROVENANCE (THIS PARCEL)

Engine version	0.1.0
Publication set	illinois_agronomy_handbook_ch8
Crop removal source	iastate_pm1688
Computed	10/6/2026

5 — DISCLAIMERS

Public domain attribution. USDA NRCS (SSURGO), USGS (3DEP), USDA NASS, CDL, NOAA / ACIS, USDA RMA, USDA AMS, and NCSS / KSSL data are U.S. Government works, public domain under 17 U.S.C. §105. Provided "as is" without warranty.

No federal endorsement. Use of these data sources does not imply endorsement by USDA, USGS, NOAA, or any federal agency.

Not a substitute for laboratory sampling. This report is a projection derived from publicly-available soil-survey data and statistical models. Exact deduction figures require a qualified agronomist soil sample. Use this report for planning and CPA-review purposes; book deductions against documented sample results.

Materiality floor. Nutrients with modeled excess below 1 ppm are evaluated and shown for transparency but their dollar value is not booked toward the headline deduction. The floor reflects the precision limit of the SSURGO baseline and is replaced per-nutrient when an actual lab sample is on file.

RECOMMENDED NEXT STEP

Contact our partner **Heartland Soil Services** to validate this projection with on-site sampling — the strongest evidence a CPA can pair with the analysis in this report.

OUR PARTNER



www.heartlandsoilservices.com