RESTORING RESILIENCE

Emerging Markets for Landowners: The Role of Nature-Based Solutions

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The changing economics of land ownership

Your land may be doing more than you realize:

- Mineral/Royalty Income
- Agricultural or Timber value
- Hunting/Recreation Leases
- Development
- Conservation/Stewardship
- Water, habitat, carbon, and other environmental outcomes

- One parcel can potentially support multiple economic uses over time

Some of these uses can coexist. Some compete. And some create the conditions for other revenue.



What do we mean by “nature-based solutions”?

- Infrastructure that can cleanse water, enhance wildlife, buffer storms, and sequester carbon
  - Restored streams & wetlands
  - Forests and afforestation
  - Native grasslands
  - Stormwater systems
  - Floodplain restoration
  - Habitat development
  - Water-quality / quantity systems
  - Carbon, Biodiversity, and emerging ecosystem markets

This presentation will focus on nature-based solutions in terms of a landowner “value stack”



ABOUT RES

The RES Story

PEOPLE +PLACE, COMPLEX DELIVERY

Who is RES?

RES is restoring a resilient earth for a modern world, project by project.

Integrated ecological restoration: from strategy through long-term stewardship. Founded in 2007, inspired by the notion that restoration can be a win/win for both business and the environment.

WHAT SETS RES APART

National scale

The nation's largest ecological restoration company, built to address complex environmental challenges.

Integrated delivery

One team connects planning, permitting, design, construction, restoration and stakeholder coordination.

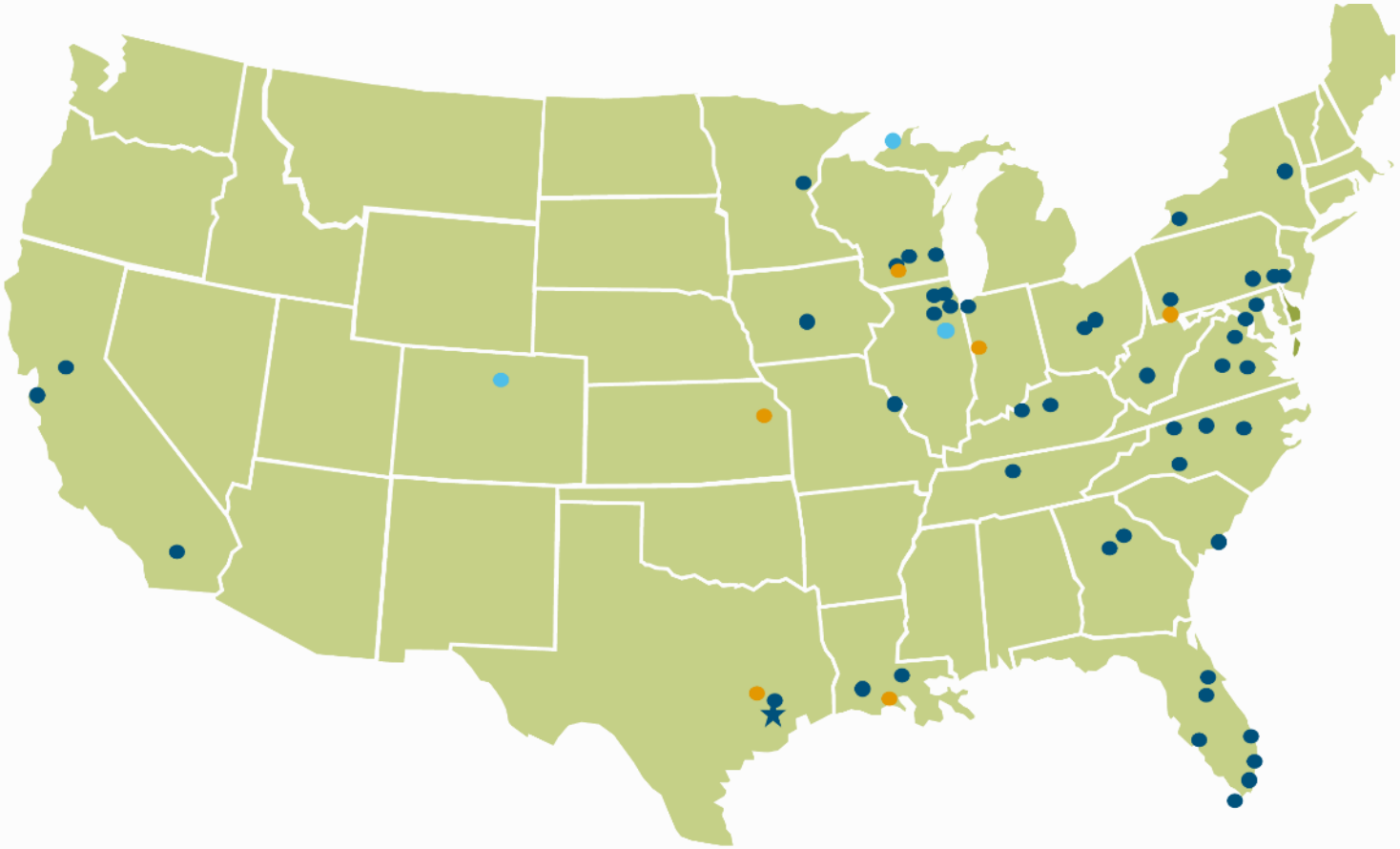
Long-term accountability

Innovative ecological problem solvers dedicated to being long-term stewards of the earth.



SCALE & REACH

Nationwide delivery, local expertise



900+

dedicated staff nationwide

>2x

the size of the next largest environmental mitigation provider

6x

Environmental Business Journal winner

#72

ENR Top 200 Environmental Firms

RES delivers nature positive site solutions at scale, with the speed, certainty and compliance that infrastructure schedules demand.

★ RES Houston headquarters

● RES owned nursery

● Regional office — 40+ operational hubs

● RES presence

SERVICE INTEGRATED

RES service integration wheel

INTEGRATED PROJECT LIFECYCLE

Understand & Objectives → Assess & Prioritize → Plan & Permit → Design & Engineer → Build & Restore → Monitor & Decide

SEVEN SERVICE CATEGORIES

WATER RESOURCES

Protect and enhance water quality, supply, hydrology and watershed function.

ENGINEERING & LAND

Lead the integration of nature-based and traditional infrastructure with strategic land solutions.

COMPLIANCE & RISK

Navigate regulations, reduce risk and meet compliance requirements with confidence.

RESTORATION & STEWARDSHIP

Implement restoration and stewardship strategies that deliver lasting benefits.



EARTH SYSTEMS

Assess and manage soils, geology, geomorphology, and natural processes.

ECOLOGICAL RESOURCES

Understand and protect habitats, species and natural communities that sustain ecosystems.

DIGITAL DECISION SUPPORT

Data, analytics, modeling and visualization tools that inform better decisions.

Landowner value stack

Traditional Land Uses

Oil & gas, agriculture, timber, development

Restoration & Compliance

Reclamation, stream/wetland restoration, stormwater, habitat restoration

Environmental Markets

Stream/wetland mitigation credits, habitat/species credits, carbon

Emerging Markets

Biodiversity, ecosystem services, water quality/quantity

Long-term Value & Stewardship

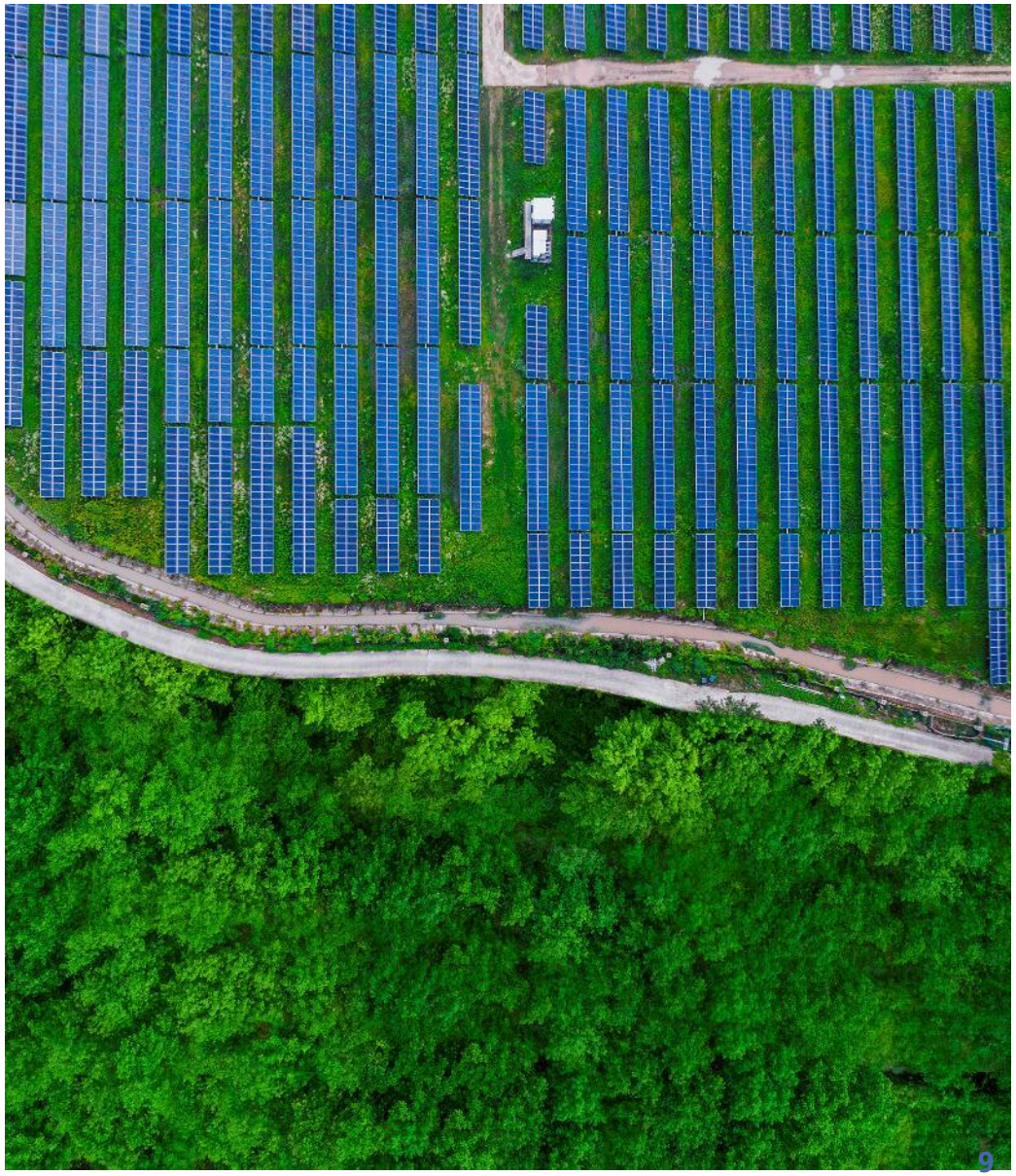
Monitoring, maintenance, vegetation management, ecological performance

What we traditionally monetize

- Oil & gas / mineral royalties
- Agriculture
- Timber
- Hunting / recreation
- Leasing

- Increasingly Important Uses
  - Solar
  - Energy Infrastructure
  - Technology
  - Nature-based solutions

Development pressure itself can create environmental demand.



Value doesn't always mean a new land use

- Sometimes the best opportunity is simply making an existing use more productive
  - Regenerative agriculture → healthier soils, potentially improved farm economics + environmental revenue
  - Habitat improvements → better hunting/recreation experience → higher lease value
  - Forest Management → increased growth & less mortality → sustainable marketing → increased timber sale value**



Hardwood Lumber Markets: A Changing Landscape (Jan 2025 – Nov 2026)

Hardwood markets are volatile, and as we know, pricing for species does not move together



Hardwood Profitability: Small Changes, Big Consequences

- Hardwood sawmill profitability is highly sensitive to changes in lumber prices, log costs, and operating expenses.
- Recent research shows that even a 0.1 percent change in log cost, operating cost, or lumber prices will have statistically significant impacts on profitability
- Market changes of 2.5% or more can materially change which logs are economically viable to process.



WHITE OAK 1 COMMON LUMBER PRICE : -27%



DIESEL NATIONAL RETAIL PRICE : +77%

Illustrative Economics	Before	After
Product revenue	$1000	$900
Costs & margins	$700	$750
Available for log purchase	$300	$150

Hardwood Revenue Generation over a Rotation

Scenario

- 6000 Board Feet / Acre
- $500 for stumpage
- $3000 gross harvest revenue / acre
- 40-year rotation
    - $75/acre/year

Can’t all be White Oak…



Hardwood Revenue Generation over a Rotation

Real Scenario

- 4000 Board Feet / Acre
- $225 for stumpage
- $900 gross harvest revenue / acre
- 20-year rotation
    - $45/acre/year

Can't all be White Oak…



We are looking at opportunities that generate >$40 / acre annually through alternative uses

Bottom line: It may not take much alternative income to compete with the foreseeable long-term average revenue from timber. REALLY need to concentrate on hardwood products in the region!

Back to Traditional Income – Sometimes the asset is there!

It just hasn't been assigned an economic use…

- Water resources (unimpaired and impaired)
- Underutilized / stranded acreage
- Existing wetlands
- Forest resources
- Previously impacted/disturbed land
  - Historically
    - Liability → treatment cost
  - Potentially
    - Impaired resource → treatment → industrial user



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Long-term Value & Stewardship

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Creates value when there is an obligation

Someone has an obligation → land can be part of the solution → restoration has economic value.

- Oil & Gas
  - Reclamation / well-pad closure
- Mining
  - Reclamation / bond release
- Development
  - Site stabilization / stormwater / veg requirements
- Infrastructure
  - Construction restoration / reveg / compliance

The landowner is being paid because the project solves a problem, reduces a liability, or satisfies an obligation



Restoration can turn liability into value

Ringwood Mines Remediation | New Jersey

- 500-acre former industrial site
  - Contaminated by waste from Ford Motor Company, with a long history of environmental and community concerns.
- RES role
  - Restored approximately 22 acres using native seeding and plant establishment
  - Stabilized disturbed land and reduced erosion
  - Planted approximately 8,800 trees and shrubs
- Why it matters for landowners:
  - Restoration can address a liability or obligation
  - Restored land can regain ecological and future-use value
  - The value may come from solving a problem, not necessarily from selling an environmental credit



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Sometimes the outcome becomes an asset

Restoration is the activity….The environmental outcome can become the asset

- Wetland & stream impacts → 404/401 permitting → **mitigation credits**
- Habitat restoration → species requirements → habitat / **species/habitat credits**
- Stormwater / water-quality → NPDES watershed needs → **nutrient credits**
- Reforestation / afforestation → carbon sequestration → **carbon credits**

A regulatory or corporate need creates demand for a measurable environmental outcome. When that outcome can be defined, verified and transferred, it can become a marketable asset



Example: Dover Farm Mitigation Bank

- The land asset included:
  - 686 acres of wetland restoration
  - 243 acres of wetland preservation
  - 33.5 acres of upland buffer
  - 200,000 native trees planted
- The market:
  - The restored site produces wetland mitigation credits
  - Those credits are used to offset unavoidable wetland impacts from development
  - Credits are available for purchase by developers

The land isn't being sold. The restoration creates an environmental asset that someone else needs and is willing to pay for.



WV Mitigation Banking: Opportunity for landowners

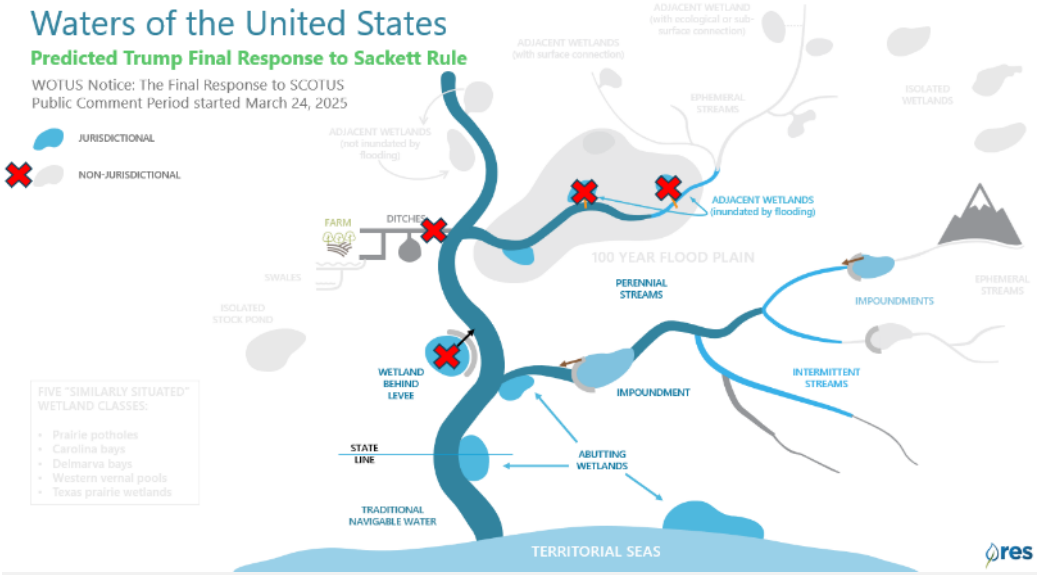
- Banking Options:
  - Private mitigation banks: Private sponsor, develops restoration project, sells credits to developers
  - In-lieu fee (ILF) programs: WVDEP collects mitigation fees, funds restoration through grants, partners implement projects
    - Credits are generally sold within approved service areas
    - Landowners may sell property, grant conservation easements, receive negotiated compensation, or participate in a bank co-development arrangement.

Important Note: private mitigation banks generally receive preference over in-lieu fee programs when suitable approved credits are available in the relevant service area.



Changing WOTUS Rules: Impacts on mitigation?

- Likely to remain jurisdictional: Perennial streams, qualifying impoundments, and wetlands meeting the applicable continuous-surface-connection test.
- Potentially excluded: Most intermittent streams and wetlands with seasonal or less-direct surface connections, depending on the final rule.
- Generally excluded: Ephemeral drainage features and certain agricultural ditches, subject to the regulatory definitions and site-specific circumstances.



Potential Impacts on WV Banking

- Reduced demand for stream and wetland credits?
- Future bank development requires more assessment of credit demand, jurisdiction questions and regulatory requirements
- State to state differences in permitting requirements will continue to create mitigation opportunities outside the federal WOTUS definition

Market takeaway: The opportunity is not disappearing, but it may become more selective. Landowners with suitable perennial streams, wetlands, and restoration opportunities could still have valuable properties for mitigation.



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Markets are expanding beyond traditional regulatory drivers

- Emerging markets
  - Biodiversity → measurable habitat / species outcomes
  - Ecosystem services → ecological functions that provide economic value
  - Water quality & quantity → watershed, water-supply and water-quality outcomes
  - Corporate commitments → companies seeking measurable nature-related outcomes

Can we measure an environmental outcome well enough that someone outside a traditional regulatory market will pay for it?

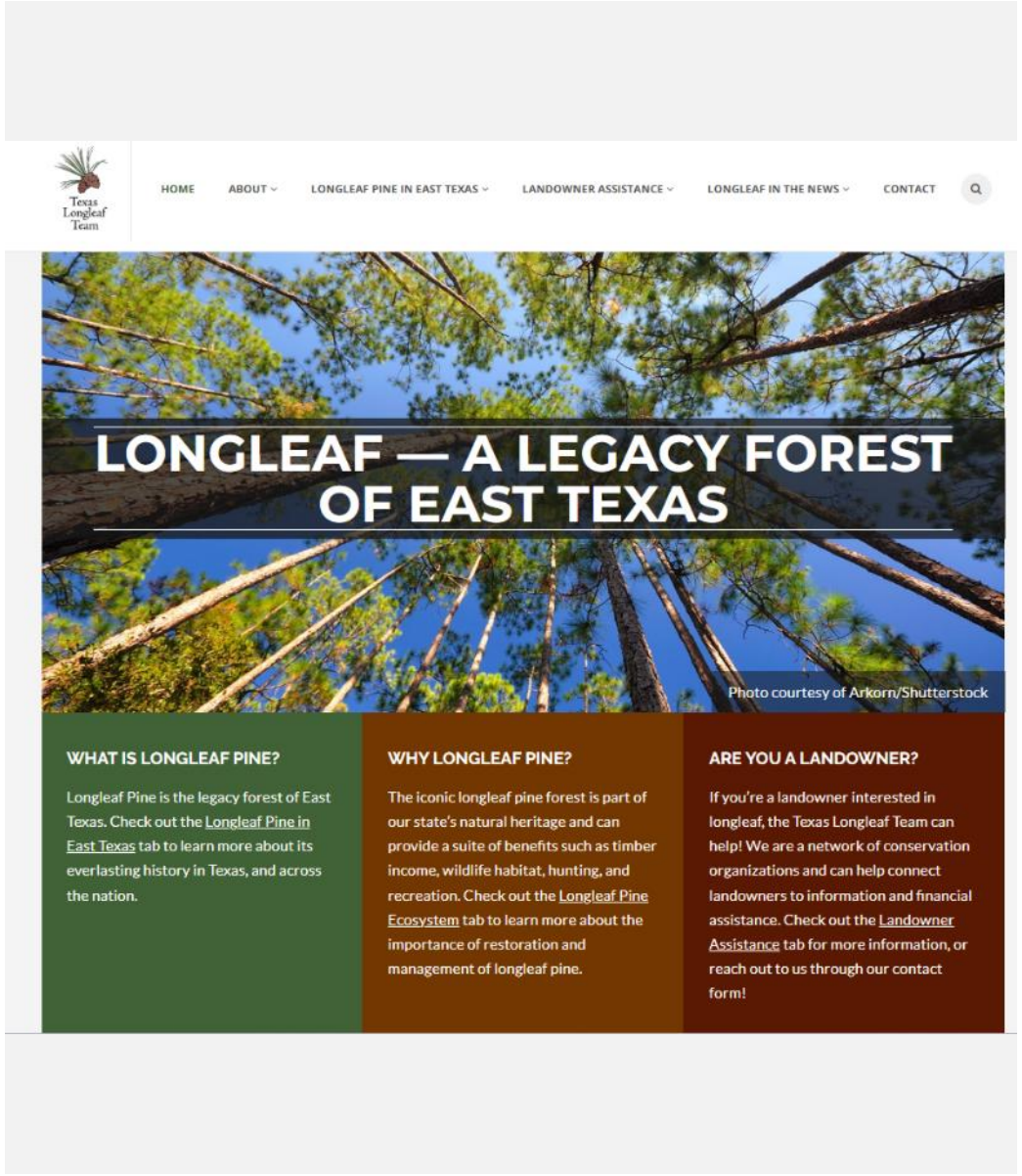


A corporate commitment can create demand

Meta has committed to restore more water than it consumes in the watersheds where it operates.

- It is funding water conservation and restoration projects that improve water supply, water quality and biodiversity.
- One example: 2000-acre longleaf pine restoration
  - Forest restoration
  - ~44 million gallons/year estimated water benefit
  - Biodiversity and habitat benefits
  - Measurable outcome

The buyer isn't necessarily purchasing "land." They're purchasing an environmental outcome that the land can provide.



Water Volume & Biodiversity becoming important

- RES worked with clients to develop water quality, flood resilience, and habitat restoration
- Added 25.98 MGY of volumetric benefits to the site. Included
  - Native bottomland hardwood plantings
  - Water management benefits – cropland to forest cover
- Client Benefits
  - Water quality improvements
  - Flood Resilience
  - Biodiversity gains



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Long-term value requires long-term management

- Environmental value must be established, maintained and demonstrated over time. Must be:
  - Monitored: ecological performance, water quality, vegetation, habitat
  - Maintained: invasive species, erosion, repairs, adaptive management
  - Managed: establishment, replanting, long-term habitat performance
  - Tracked: documentation, reporting, regulatory closeout

Long-term management isn't just a cost of the project. It can be what protects and sustains the value created.



What we are currently investigating

Land Conversion

- Large tracts that may be suitable for restoration or combined with nature-based development

Mining

- Partnerships with active miners to maximize environmental outcomes
- AML lands for afforestation and habitat development
- Opportunities for partnering environmental restoration with new development opportunities – renewables / tech

Mitigation / Restoration

- Properties with stream, wetland, or habitat restoration potential

Water Resources

- Sites with impaired waters
- Sites with water resources that could support beneficial reuse or additional users

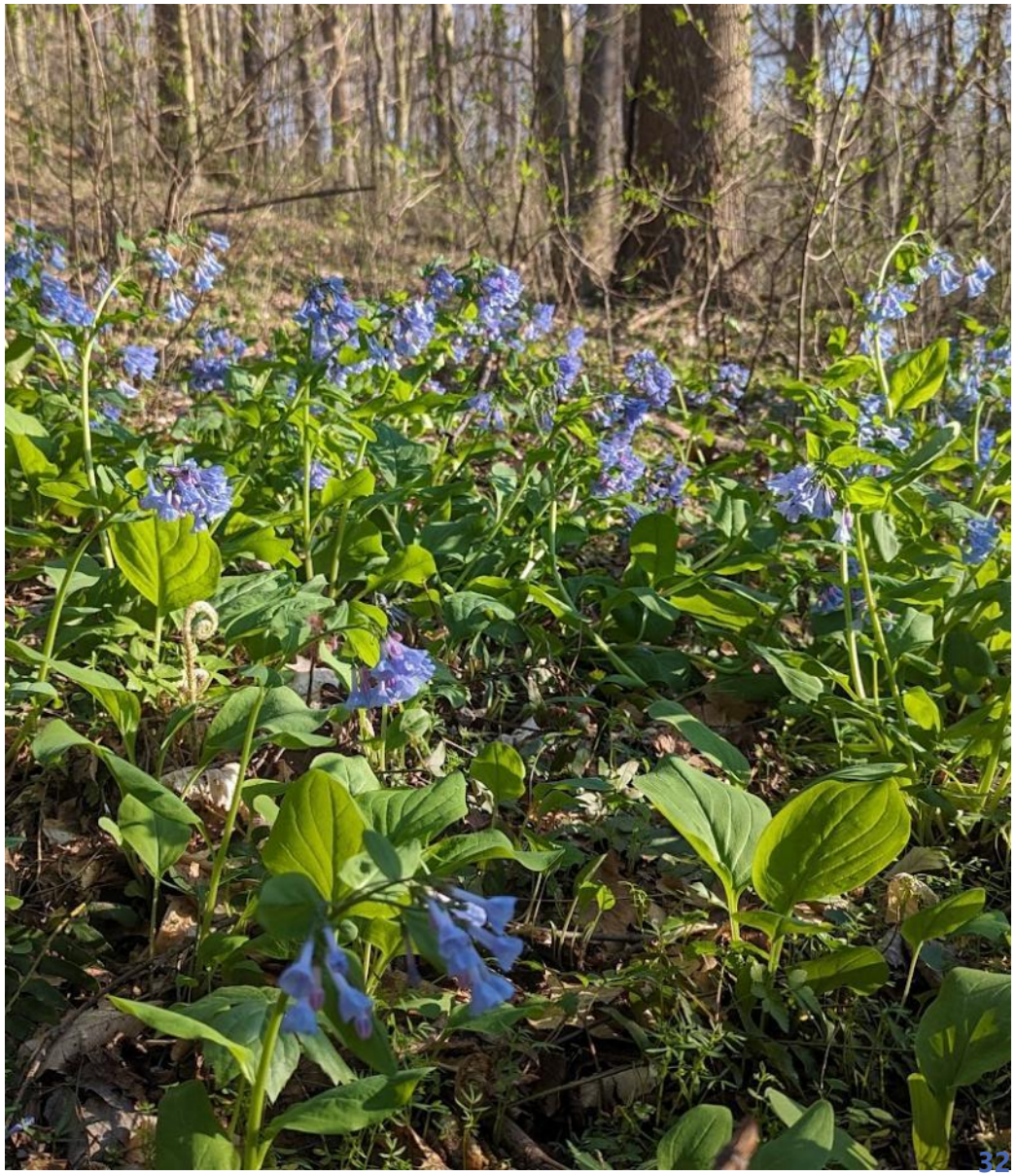


Not every acre has a market

- Not every property qualifies.
- Some opportunities compete with existing uses.
- Markets vary by location and demand.
- Rights, restrictions and transaction costs matter.
- Restoration and management have real costs.

The goal isn't to monetize everything. It's to identify what actually makes economic sense.

What can we do to help?



A clear path from ownership to optimization

A simple, customized framework backed by deep expertise.

Three-Step Plan

1 Understand your land
Land evaluation, natural resource assessments, GIS portfolio intelligence



2 Manage/improve what you own
On-the-ground operations, stewardship, compliance, and oversight



3 Optimize and unlock value
Revenue strategies, transaction support, partnerships, and legacy outcomes



Every plan is ***tailored***. Every step is ***guided***.

We don't just advise. We ***implement***, ***manage***, and ***stand behind the outcome***.

res

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