

APPRAISAL REPORT OF THE

Platte Valley Irrigation Co Property

**Weld County
Colorado**

Date of Value:

March 15, 2023

Prepared for:

Platte Valley Irrigation Company
Kevin Schmidt/Board President

Prepared by:

Chase W. Johnston
Pro Ag Appraisal, PC
23430 CR 53
Kersey, CO 80644



PRO AG APPRAISAL

Chase W. Johnston CG
LETTER OF TRANSMITTAL

March 16, 2023

Platte Valley Irrigation Company
Kevin Schmidt/Board President

RE: Appraisal of the Platte Valley Irrigation Co Property in Weld County, Colorado

Dear Kevin:

I have inspected the above referenced property located in Weld County, Colorado. The purpose of this appraisal is to estimate the Market Value as of March 15, 2023, excluding minerals, on an “As Is” cash, or cash equivalent basis.

This is an Appraisal Report performed on the subject property and is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). This report presents only summary discussions of the data, reasoning, and analysis used in the appraisal process to develop an opinion of value.

After careful consideration of all the data reviewed, and its relationship to the value of the real property being appraised, it is my considered judgment that the Encumbered Fee Estate of the subject property, on an “As Is” basis, as of March 15, 2023, is properly expressed as follows:

The Estimated Market Value of the Platte Valley Irrigation Co Property

As of March 15, 2023 is:

\$464,000

I have not examined, and do not pass upon title to, nor make any representations concerning liabilities against the property appraised.

I am not responsible for any unauthorized use of this report. The supporting data and conclusions upon which this value is based are contained in the following report. I trust you will find the report complete and comprehensive. Please contact me at (970) 302-9365 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Chase Johnston". The signature is written in a cursive style with a large, stylized "C" and "J".

Chase W. Johnston
Colorado Certified General Appraiser,
#100036547

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SUMMARY AND SALIENT FACTS

Appraisal Report of:	Platte Valley Irrigation Co Property
Owner of Record:	Platte Valley Irrigation Company
Interest Appraised:	Encumbered Fee Estate encumbered value of the property as is while, excluding minerals, on cash or cash equivalent basis at the time of inspection.
Location:	Southeast of Gilcrest, Co CR 36 and CR 31
Legal Description:	PT NE4 9-3-66 LOT B REC EXEMPT RE-4227
Property Description:	77.34+- acres irrigated potential land
Improvements:	None
Water:	None
Zoned:	Agriculture
Highest and Best Use:	As Improved: Agricultural/ rural residential As vacant: Agricultural/ rural residential site
Total Conclusion of Value:	\$464,000
Date of Value:	March 15, 2023

LIMITING CONDITIONS AND ASSUMPTIONS

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, are not implied.

1. Limit of Liability: The liability of the Pro Ag Appraisal, PC and employees and affiliated independent contractors is limited to the client and fee actually received by appraiser (total per appraisal). Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone, other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit regardless of outcome, client will hold Appraiser completely harmless in any such action.
2. Copies, Publication, Distribution, Use of Report: Possession of this report or any copy does not carry with it the right of publication, nor may it be used for any other purpose other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the American Society of Farm Managers and Rural Appraisers require each Member or Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this report only in its entirety to other parties; however, selected portions of this report shall not be given to third parties without the prior written consent of the signatories of this appraisal. However, as a member of ASFMRA, the appraiser may be required to submit a copy of this report to certain committees of those organizations for peer review purposes. Further this report may be required for other legal uses such as a court or other legal proceeding. Copies of this report shall not be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser. (See last item following this list for client agreement/consent.)

3. Confidentiality: This appraisal is to be used only in its entirety and no part is to be used without the entire report. All conclusions and opinions concerning the analysis set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any part or item in the report shall be made by anyone other than the Appraiser. The Appraiser shall have no responsibility if any such unauthorized change is made.

The Appraiser shall not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the American Society of Farm Managers and Rural Appraisers as they may request in confidence of ethics enforcement, or by court of law or body with the power of subpoena.

4. Trade Secrets: This appraisal was obtained from Pro Ag Appraisal, PC and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under Section 5, U.S.C., 552 (b) (4). Notify the Appraiser(s) signing the report of any request to reproduce this appraisal in whole or part.
5. Information Used: No responsibility is assumed for accuracy of the information furnished by the work of others, the client, his designee, or public records. I am not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Pro Ag Appraisal, PC and possibly signing the report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering the market-related information. It is suggested the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for the subject property.

6. Testimony, Consultation, Completion of Contract for Appraisal Service: The contract for the appraisal, consultation or analytical service are fulfilled and the total fee payable upon completion of the report. The Appraiser, or those assisting in preparation of the report will not be required to give testimony in court or any other hearing because of having made the appraisal, in full or in part, nor shall engage in post appraisal consultation with the client or third parties, except under a separate and special arrangement and at an additional fee. If testimony, deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and expenses, regardless of issuing party.
7. Exhibits: The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if included, are included for the same purpose as of the date of the photos. Site plans are not surveys, unless shown from a separate surveyor.
8. Legal, Engineering, Financial, Structural, or Mechanical Nature Hidden Components, Soil: The appraiser and/or firm has no responsibility for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering in nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of this report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, (seek assistance from qualified architect and/or engineer); nor matters concerning liens, title status, and legal marketability (seek legal assistance). The lender and owner should inspect the property before disbursement of funds, further it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The appraiser has inspected as far as possible by observation the land and improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural components. We have not critically inspected mechanical components in the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss in value. The land or the soil of the area being appraised appears firm; however subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions. Varying types and amounts of agricultural chemicals may have been applied to the soil of the subject property. The Appraiser(s) have no knowledge as to the amounts or types of agricultural chemicals that may have been applied to the soils of the subject property and therefore accept no responsibility for the same.

The appraisal is based on there being no hidden or apparent conditions of the property site, subsoil, or structures or toxic materials, which would render it more or less valuable. The appraiser and firm have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by me as the adequacy of insulation, type of insulation, or assumed standard for subject age and type.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraiser has no responsibility for any costs or consequences arising due to the need, or lack of need for flood hazard insurance. An Agent for The Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

9. Legality of Use: The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other legislative or administrative authority by local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

10. Component Values: The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
11. Auxiliary and Related Studies: No environmental or impact studies, special market study or analysis, highest and best used analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report.
12. Dollar Values, Purchasing Power: The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
13. Inclusions: Furnishings and equipment or personal property or business operations, except as specifically indicated, and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.
14. Proposed Improvements, Conditioned Value: Improvements proposed, if any, on or off site, as well as any repairs required are considered, for the purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of property after the construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

It is assumed the utilization of land and improvements are within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.

15. Value Change, Dynamic Market, Influences, and Alteration of Estimate by Appraiser: The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation and conditions surrounding the offering.

In cases of appraisals involving capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and appraiser's general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change, as the market and value are naturally dynamic.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the property in the vicinity of the property appraised.

Appraisal report and value estimate are subject to change if physical, legal entity, or financing different than envisioned at the time of writing this report become apparent at a later date.

16. Management of the Property: It is assumed the property, which is the subject of this report, will be under prudent and competent ownership and management, neither inefficient nor super-efficient.
17. Continuing Education: The American Society of Farm Managers and Rural Appraisers conduct a mandatory program of continuing education for its designated members. ARA Designated who meets the minimum standards of this program is awarded periodic educational certification. As of the date of this report, I, Curt Johnston, ARA have completed the requirements under the continuing education program of the American Society of Farm Manager and Rural Appraisers.
18. Fee: The fee for this appraisal or study is for the service rendered and not just for the time spent on the physical report itself. Amount or payment of fee for services is not contingent on any result, approval amount or other estimated or statements.
19. Insulation and Toxic Materials: Unless otherwise stated in this report, the Appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements; if such is present, the value of the property may be adversely affected and re-appraisal at additional cost necessary to estimate the effects of such.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyl's, petroleum leakage, agricultural chemicals, or other environmental conditions, which may or may not be present on the property, were not called to the attention of, nor did the Appraiser become aware of such during the Appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials or environmental conditions on or in the property unless

- otherwise stated. The Appraiser is not qualified to test for such substances or conditions, nor for any expertise or engineering knowledge required to discover them. The presence of hazardous waste and/or toxic materials or environmental conditions may affect the value of the subject property. The value estimated is predicated on the assumption there is no such condition or contamination on or in the property or in proximity thereto that would cause a loss in value.
20. Unless otherwise noted herein, named review Appraiser of/from Pro Ag Appraisal, PC has reviewed the report only as to general appropriateness of technique and subject or market comparable properties.
 21. CHANGES, MODIFICATIONS: The Appraisers of Pro Ag Appraisal, PC reserve the right to alter statement, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished
 22. Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of appraiser and firm is limited to the amount of fee received by Appraiser.

DEFINITIONS

MARKET VALUE:

“The **most probable price** which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated
2. Both parties are well informed or are well advised and acting in what they consider their own best interests
3. A reasonable time is allowed for exposure in the open market
4. Payment is made in terms of cash in U.S. dollars or in terms of financial Arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

*Market Value Definition Per Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA) Effective August 24, 1990.

ENCUMBERED:

A claim against, limitation on or liability against real estate is an encumbrance. Encumbrances include liens, deed restrictions, easements, encroachments, and licenses. An encumbrance can restrict the owner's ability to transfer title to the property or lessen its value. It represents some right or claim of another to a portion of the property or the use of the property.

HYPOTHETICAL CONDITION:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

EXTRAORDINARY ASSUMPTION:

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

EXPOSURE TIME:

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

INTRODUCTION

This is a written Appraisal Report of the Platte Valley Irrigation Co Property, Weld County, Colorado. This report is being completed for Platte Valley Irrigation Company; Kevin Schmidt/Board President. Factual data regarding information basic to an appraisal is presented in this first section, including a brief description of the area and the market area of the subject, as well as a description of the subject property itself. The second section, Valuation, will be an explanation of the appraisal process and a presentation of comparable properties that have recently sold in the area. These sales will be used in the determination of value. Also included in the Valuation section is the development of applicable approaches to value. The last section, Reconciliation and Final Estimate of Value, will summarize the values developed and a final estimate of value will be concluded.

SCOPE OF INVESTIGATION

This is an Appraisal Report performed on the subject property and reflects the process of estimating a value by utilizing one or more of the approaches to value. This report summarizes the appraiser's analysis and the rationale for the conclusions.

The appraisal process is an orderly procedure wherein the data utilized in estimating the value of the subject is acquired, classified, analyzed, and presented. The first step in this process involves defining the appraisal problem concerning the identification of the real estate, the effective date of valuation, the identification of the property rights being appraised, and the type of value being sought. Once this has been accomplished, the appraiser embarks upon data collection and analysis program of factors which affect the market value of the subject property. This includes market area analysis, land and improvement analysis, Highest and Best Use analysis, and the application of the applicable approaches to value generally utilized; that being the Cost Approach, the Income Approach and the Sales Comparison Approach.

The scope of the investigation reported herein has included all of the procedures normally undertaken in the preparation of an Appraisal Report relating to a parcel of agricultural real estate. The scope was not limited in any way by either instruction received from the client or by the nature of the property. The available data permitted a complete analysis of the Highest and Best Use of the subject property.

There will be no Hypothetical Conditions nor an Extraordinary Assumptions being made within this report.

Investigation into several areas was required to give a full report of the conditions contributing to, or detracting from, the value of the subject property.

The extent of the investigation involved:

- Site Inspection and Analysis: I inspected the subject property on March 15, 2023. Kevin Schmidt and David Hunt answered questions regarding the property.

- Area and Market Analysis: Pertinent economic trends and current business events, as reported in local newspapers and periodicals were searched. Economic forecasts and statistics compiled by banks and governmental agencies were analyzed. Real estate market reports published by various major real estate firms operating in the general area were studied and various lenders were interviewed.
- Market Data Description and Analysis: Sales data of comparable sales originated from county records, market participants active in the market, other appraisers, and in-house files. In each comparable transaction, the deed was examined and terms of the sale have been confirmed through public records and further confirmed where possible with either the buyer, seller or a third party knowledgeable of the transaction. Various brokers operating in the area were interviewed regarding sales and pricing trends of property in the market area.

OBJECTIVE OF THE APPRAISAL

The objective of this appraisal is to assist the reader in arriving at an estimated Market Value of the subject property located in Weld County, Colorado.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to arrive at a supportable estimated "Market Value" of the Encumbered Fee Estate of real property, which is identified in this report, excluding minerals, on a cash or cash equivalent basis. Market Value is defined within this report.

This analysis considers the property to include all the surface rights that may be lawfully held under an Encumbered Fee Estate and exclude any encumbrances, liens or any additional restrictions upon the ownership of the property, and as noted in the definition of value, assume typical financing.

The appraiser has not considered or included value consideration for any items not considered affixed to the real estate or that would otherwise be considered personal property.

INTENDED USE & USER OF THE APPRAISAL

It is intended that this Appraisal Report be used by Platte Valley Irrigation Company; Kevin Schmidt/Board President, to determine the Market Value of real property. Said property is 77.34+- acres and has no improvements. This report is not intended for any other use and is considered to be invalid if used for any use other than the intended use as stated above.

DATE OF VALUE

The effective date of the appraisal is March 15, 2023 date of inspection.

PROPERTY RIGHTS APPRAISED

The subject is being appraised as an "Encumbered Fee" Surface Estate defined as follows:

An Encumbered Fee Estate implies potential encumbrances that may include liens, deed restrictions, easements, encroachments, and licenses. An encumbrance can restrict the owner's ability to transfer title to the property or lessen its value. It represents some right or claim of another to a portion of the property or the use of the property.

This analysis considers the property to include all the rights that may be lawfully held under an Encumbered Fee Estate with reservation of mineral interests and excludes any encumbrances, liens or any additional restrictions upon the ownership of the property, and, as noted in the definition of value, assumes typical financing. The land, any water rights, and any improvements on the subject property are what are being appraised.

MINERAL RIGHTS

Mineral rights are normally included as a part of the "Encumbered Fee" Estate; however, in regard to this appraisal assignment, the appraiser has not considered any valuation regarding mineral rights that may or may not exist on the subject property.

SUPPLY AND DEMAND

Farm and ranch properties seem to have a low supply in the immediate market area today and there is reasonable demand.

COMPETENCY OF THE APPRAISER

Chase W. Johnston has earned the Certified General Appraiser's license in the state of Colorado, which designates that he has met all state education and experience requirements to appraise residential and commercial properties. Agricultural properties fall under the commercial property category. He has experience appraising farms, ranches, dairies, feedlots, and other agricultural properties. Chase has worked with Pro Ag Appraisal, PC since 2005.

AREA DESCRIPTION GENERAL AND ECONOMIC BACKGROUND

STATE OF COLORADO

The state of Colorado encompasses approximately 66.3 million acres and varies in elevation from 14,433 feet above sea level to 3,350 feet above sea level near the southeast corner of the state. Colorado is the 8th largest state on the nation with 103,247 square miles. Colorado is bordered by Wyoming to the north, Nebraska to the northeast, Kansas to the east, Oklahoma to the southeast, New Mexico to the south, Utah to the west, and Arizona to the southwest, at the Four Corners. Colorado is noted for its vivid landscape of mountains, forests, high plains, mesas, canyons, plateaus, rivers, and desert lands. Colorado is home to 10 National Parks and Monuments and has 55 mountain peaks over 14,000 feet in elevation, which makes Colorado's tourism industry (particularly skiing) a major economic factor.

The climate of Colorado is more complex than states outside of the Mountain States region. Unlike most other states, southern Colorado is not always warmer than northern Colorado. Most of Colorado is made up of mountains, foothills, high plains, and desert lands. Mountains and surrounding valleys greatly affect local climate. Northeast, east, and southeast Colorado are mostly the high plains, while Northern Colorado is a mix of high plains, foothills, and mountains. Northwest and west Colorado are predominantly mountainous, with some desert lands mixed in. Southwest and southern Colorado are a complex mixture of desert and mountain areas.

Census 2020 state level results were released in April 2021 and showed that Colorado's resident population as of April 2020 was 5,773,141, ranking it 21st in size in the United States. Colorado's 2020 population represents growth of 744,518, or a 14.8% increase over Colorado's 2010 Census population. Colorado's 2010-2020 growth percentage was the 6th-highest among U.S. Net migration to the state has declined during the pandemic, continuing a slowing that started in 2015. From 2010 to 2020, 95% of the population growth was along the Front Range, compared to the previous decade where it was 78%. Denver led the growth over the decade, increasing by over 112,000. El Paso is the largest county, at 731,641, and Broomfield had the fastest growth rate of 32.7.

Employment in Colorado is estimated to have increased 3.3%, or 87,600 jobs in 2021, once data revisions take effect in March 2022, illustrating a strong recovery from the devastating pandemic-induced recession that struck the state last year. Colorado will mark job growth in 2022, increasing another 73,900 (2.7%), effectively recouping total jobs lost due to the pandemic recession. However, the recovery has been uneven across industries and communities.

Colorado has 38,900 farms spread across 31.8 million acres. The average size of a Colorado farm or ranch is 817 acres. Cattle and calves top the list of the state's agricultural commodities, with dairy products, corn, hay and wheat following closely behind. The State ranks nationally in the top 10 for several crops, including barley, alfalfa hay, proso millet, grain sorghum, peaches, sheep and lambs. The Colorado ag industry greatly supports the local economy, contributing

approximately \$47 billion each year and employing more than 195,000 people. The international exports total around \$2 billion annually.

A banner year for prices and demand is forecast for Colorado agriculture in 2022. However, this positive news will be countered by higher production costs and the prospect of drought. Colorado farmers and ranchers will not see a significant increase in net income, with an estimated dip to \$1.1 billion in 2021, followed by growth to \$1.3 billion in 2022. The complexities of farming and ranching in Colorado reach across the availability of water, land, and labor. While demand for locally produced food is high, it is challenging for young farmers to purchase land and water when real estate prices continue to rise.

As always, much depends upon the weather. The outlook for Colorado's ag economy is very strong, as long as there is water. Continued drought across the state will lead to higher income for some and lower income for others. Water in Colorado is complicated. The right to use surface or well water is often tied to the land itself, and these water rights can be sold separately from the land. Some of Colorado's established water rights go back to the 1860s. "Calls" on river water have been prevalent in the news, as owners of senior water rights assert their legal right to a certain amount of water, which may lead to junior water rights' owners not receiving all or even any of the water they would get in a year with more moisture available. These "calls" on the river system can lead to crops going unirrigated and dying, or simply not being planted at all.

The reverberations of the COVID-19 pandemic continue to ripple across agriculture, as supply chain challenges continue. Those who employ H2-A workers sometimes saw less availability of workers who wished to come to the U.S. for seasonal employment. Consumers are paying 2.5% to 4.5% higher prices for food at grocery stores and restaurants, and while farmers are receiving higher prices for some of their products, that is generally not tied to what consumers are paying. Farmers and ranchers receive only about 14.3% of every consumer dollar spent on food. The pandemic did bring some additional government funds to agriculture. Farm payments saw a significant uptick in 2020 because of supplemental and ad hoc disaster assistance to farmers and ranchers for COVID-19 pandemic losses. Those federal payments were significantly lower in 2021.

Colorado hay producers will benefit from higher prices for their hay, but ranchers and dairy farmers will pay more to buy that hay to feed their animals. Prices Colorado producers receive for wheat, corn, and cattle are up, but so are prices for fuel, natural gas, labor, trucking, and fertilizer. Farmers and ranchers are good at cutting costs to the bare minimum, but it is unlikely they will be able to avoid some increases in production expenses. They may be able to curtail some purchases, such as a new pickup or tractor, because there simply aren't any to buy.

The global market has a lot to do with increased demand. Colorado exports are on track to exceed 2020 by 30%, largely driven by beef. Meat packers have seen increases in their exports to China, Korea, and Mexico. The world wheat and corn supplies have contributed to increased demand and higher prices for U.S. wheat and corn. World corn stocks are 36% lower than in 2020. The U.S. is exporting more corn to China as China rebuilds its breeding hog herd following a devastating African Swine Fever epidemic in 2018 and 2019. Continued strong market prices for corn will be somewhat dependent on China's continued demand.

Much hinges on the expense side—labor, feed, trucking availability, parts/repairs, fuel, fertilizer, seed, fence posts, and more. Producers' ability to manage expenses will be the wild card, and if expenses can be contained, net income for 2021 and 2022 could potentially be higher than forecast.

Colorado's abundant energy and mineral resources are an important asset of the state's economy. The Natural Resources and Mining (NRM) sector, while comprising less than 1% of Colorado's workforce, generates some of the highest per-worker income levels in the state. In the U.S. Energy Information Administration's (EIA) most recent assessment of 2019 proved reserves, Colorado ranked 7th in the U.S. for both petroleum liquids and wet natural gas. For coal, the state was 10th in recoverable reserves and 13th in production in 2020. This same year, Colorado ranked 17th in total value of produced nonfuel minerals, according to the annual U.S. Geological Survey Mineral Commodity report. In 2022, Leisure and Hospitality is projected to add the most jobs, followed by Professional and Business Services. The fastest pace of jobs growth (percentage terms) is projected in Leisure and Hospitality and in Natural Resources and Mining.

WELD COUNTY

Weld County is one of the largest counties in Colorado and stretches from north of Denver to the Wyoming border. Greeley, the county seat, is located 50 miles north of Denver, the State Capital, via Highway 85. Other major cities in the area are Fort Collins (29 miles northwest), Loveland (19 miles west) and Cheyenne, Wyoming (50 miles north).

The county contains approximately 2,600,000 acres; 4,077 square miles, of which 81.7% is privately owned. The State and Federal Governments own the balance of 18.3%.

Weld County is an agricultural empire of 2.5 million acres of which 75% is devoted to farming and raising livestock. Weld County is Colorado's leading producer of beef cattle, grain, sugar beets, and it is the state's leading dairy producer. Weld is the richest agriculture county in the United States east of the Rocky Mountains, it leads the state in the value of agricultural products sold, and is typically in the top ten richest overall nationally.

In 2019, Weld County has an estimated population of 324k people with a median household income of \$74k. Between 2018 and 2019 the population of Weld County, CO grew from 314,305 to 324k, a 3.% increase.

The median household income decreased from \$76k 2018 to \$75k in 2019, with 10% of the population below poverty level.

JBS Swift & Company Headquarters, Banner Health, Vestas, Greeley/Evans School Dist 6, University of Northern Colorado, Weld County and State Farm Insurance companies are among the top employers in the county. Weld County is also home to the University of Northern Colorado one of the top business, education and nursing Universities, as well as Aims Community College.

Weld County is also privileged to have within easy commuter distance to five major universities, Colorado State University, University of Colorado-Boulder, University of Colorado-Denver, Denver University and Colorado School of Mines.

There are over 4,062 farms in Weld County with a total of 2,098,803 acres in farmland. In total Weld's agricultural products annually create over \$2 billion of market value of which \$1.7 billion is livestock products. Fertile fields of green can be found in every part of the County.

The state's ideal climate, ready feed availability and quality water make it an ideal dairy state. The state is now the 15th largest dairy state in the nation; Weld County is now the 21st largest dairy county in the nation and is expected to increase production in the coming years.

Water has been and continues to be the lifeline for the agricultural community. Weld County covers a land area of approximately four thousand square miles with more than three thousand seven hundred miles of state and county roads and municipalities.

Larimer and Weld counties comprise the diverse economies of the northern region. Larimer County's economy continues to perform above most regions in the state, supported by population growth, while Weld County's economic activity, driven largely by the oil and gas and agricultural industries, has fluctuated. Colorado's energy industry faced significant headwinds in 2020 resulting from low oil prices and reduced global demand for oil and gas, which threatened both the private sector, through lower industry income, and the public sector, through reduced property, severance, and sales taxes. The price of oil and gas has been on the rise in recent months, as demand has exceeded production in 2021. After declining for most of 2020 and into 2021, oil and gas production in the region began increasing in March 2021, but remains below pre-recession levels. The region's labor market has historically been one of the tightest in the state, but will likely remain subdued until oil and gas production recovers more fully. Residential construction in the region has remained strong in 2021; however, nonresidential construction has lagged.

The region's labor market saw some of the fastest job growth and lowest unemployment rates in the state leading up to 2020. Year-to-date through September 2021, the unemployment rate has fallen in both regions, to 5.1 percent in the Fort Collins-Loveland area and 6.0 percent in the Greeley area. Despite relatively consistent growth throughout 2021, nonfarm employment in the northern region remains 4.7 percent below its pre-recession peak of 290,400 in January 2020. Employment is not expected to fully recover until pandemic conditions improve and energy markets return to pre-crisis levels.

The northern region produces about a quarter of Colorado's agricultural value due to the heavy concentration of the livestock industry in Weld County. Colorado's agricultural sector faced significant headwinds in 2020, with supply chain disruptions, COVID-19 outbreaks in meat processing facilities, wildfires, and severe drought. The region's cattle and calf inventory grew only 1.9 percent through 2020, a slowdown from 8.0 percent growth during 2019. As the negative effects of COVID-19 have begun to abate and pasture conditions in the northeastern part of the state have improved, cattle and calf inventories have rebounded, growing 4.5 percent through October over year-ago levels. Increased commercial demand, resulting from restaurant openings and the return to in-person learning at area universities, is expected to spur additional growth in 2022.

Oil production in the northern region, particularly in Weld County, has dominated statewide production for over a decade. Oil and gas production declined throughout 2020 and early 2021 as a result of the collapse in demand for oil and gas and significant declines in prices. Production began to rebound in March 2021. However, year-to-date through August, oil production in the region remains 19.4 percent below 2020 levels, and natural gas production remains 5.0 percent below 2020 levels. After remaining around \$40 per barrel for much of the latter half of 2020, oil prices began rising in December 2020 and reached nearly \$82 per barrel in October 2021. Prices are expected to remain around \$80 per barrel for the remainder of 2021, based on estimates from the U.S. Energy Information Administration. Increased demand for oil and gas in the near- and midterm, alongside rising prices, is expected to spur additional production.

Total housing permit growth in the northern region in 2021 has increased significantly over 2020 levels. In a shift from year-ago trends, the majority of this growth is from multifamily units

rather than single-family homes. Average prices for single-family units in Larimer and Weld County have increased 15.6 percent in 2021 through October on a year-to-date basis, according to the Colorado Association of Realtors. Additionally, the time that listings spend on the market has declined significantly, 21.2 percent in Weld County.

IMMEDIATE SURROUNDING AREA

The immediate surrounding area consists of mostly agricultural land and rural residential properties. Gilcrest, Colorado is the closest town, which is immediately to the northwest of the subject property. Greeley, Colorado provides all major services to the immediate and surrounding area.

SUBJECT PROPERTY

OVERALL DESCRIPTION

The subject property is a total of 77.34+- acres consisting of land that has historically been sprinkler irrigated. There are no water rights that go with the property due to the water rights for irrigation being leased. As a whole, the property is slightly rolling and sloping in topography to the south. There are two irrigation canals that border the property on two sides. The Evans # 2 canal borders the property on the northwest boundary and the Platte Valley Irrigation canal borders the property on the east boundary. The subject soils consist of Loam Sandy soils ranging from 0- 5 percent slopes.

The site improvements on the property include electricity.

OWNERSHIP TENURE

The subject property has been in the name of Platte Valley Irrigation Company for more than three years and is not listed for sale.

LEGAL DESCRIPTION

PT NE4 9-3-66 LOT B REC EXEMPT RE-4227

Weld Assessor acct R4199106; Parcel 121109100018

TAXES

Taxes are estimated to be \$631.

LOCATION AND ACCESS

The subject property is located southeast of Gilcrest, Co and it can be accessed by taking Highway 85 south to CR 36 and east approximately 2 miles to the subject property located on the south side of CR 36. The canal road provides access to the subject property.

LAND USE

Agriculture

IMPROVEMENTS

None

ZONING

Agriculture

HAZARDS

Environmental considerations are becoming more prominent in the analysis of land. An environmental audit has not been performed on the property; an audit would be necessary to verify the presence and/or impact of any hazardous materials.

EASEMENTS

There are no known easements that would adversely affect the property. There are irrigation canals bordering the property where there are easements along these canals.

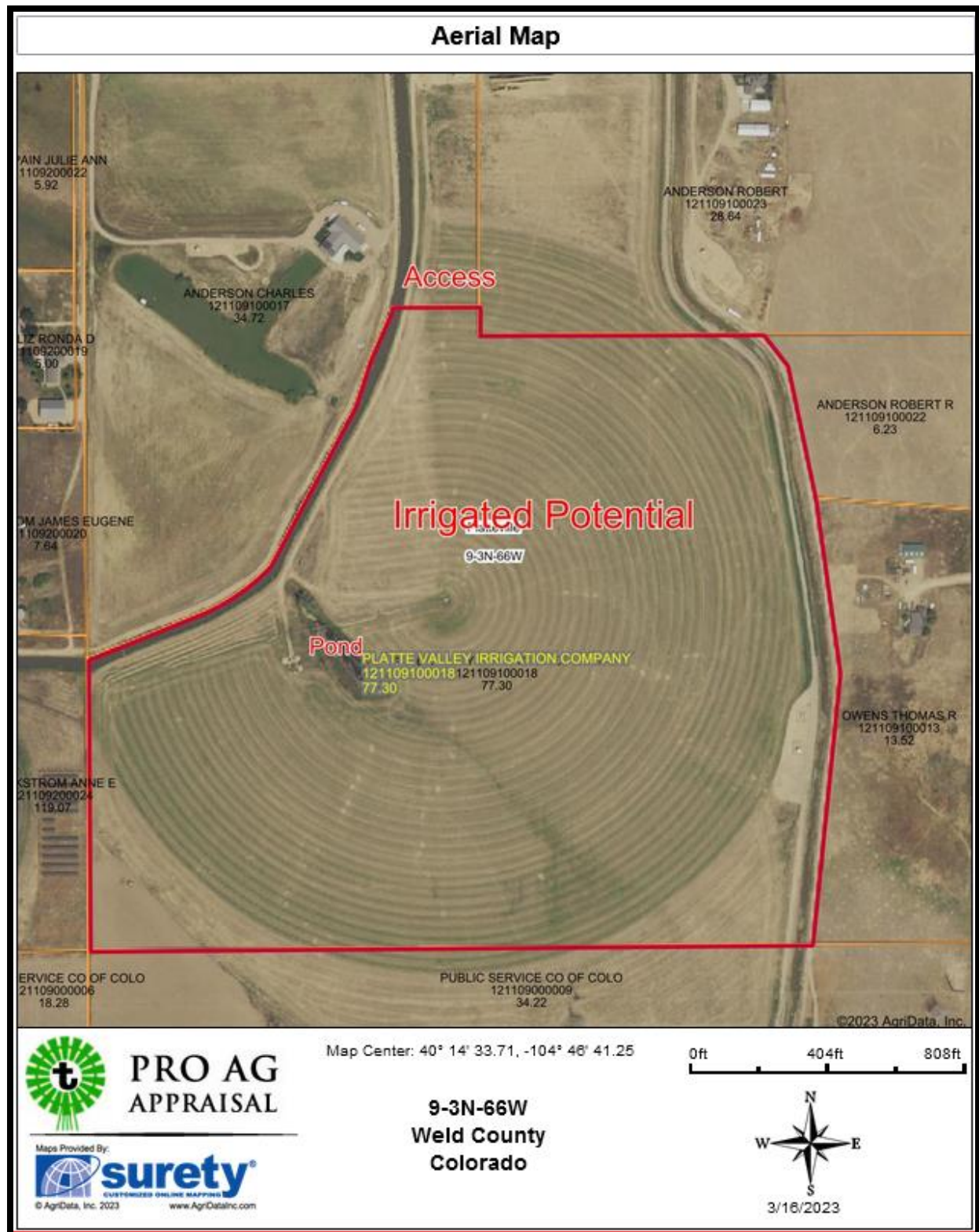
MINERALS

The mineral estate has not been included or considered in the total valuation of the subject property. Valuation of mineral interests requires the input of a competent petroleum landsman and/or a qualified geologist. The visual inspection of the property did disclose current mineral production or exploration.

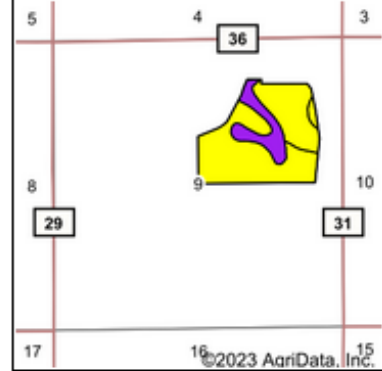
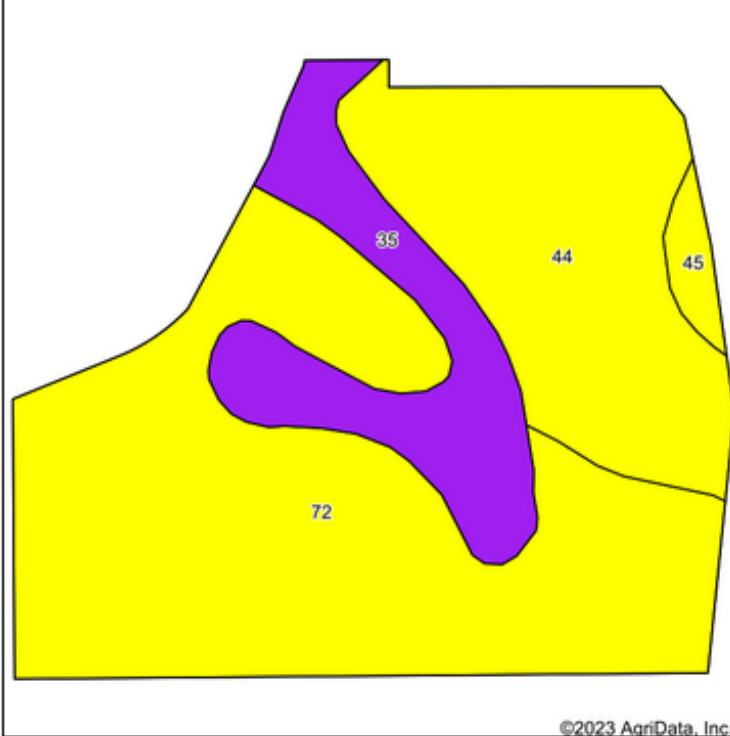
FLOOD ZONE

The subject property is not located within a 100-year flood hazard area.

SUBJECT PROPERTY PLAT MAP



Soils Map



State: **Colorado**
 County: **Weld**
 Location: **9-3N-66W**
 Township: **Platteville**
 Acres: **77.3**
 Date: **3/16/2023**



PRO AG
APPRAISAL

Maps Provided By:



surety
 CUSTOMIZED ONLINE MAPS
 © AgriData, Inc. 2023 www.AgriDataInc.com



Soils data provided by USDA and NRCS.

Area Symbol: CO618, Soil Area Version: 21							
Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Non-Irr Class *c	Irr Class *c	*n NCCPI Overall
72	Vona loamy sand, 0 to 3 percent slopes	42.80	55.4%		IVe	IIIe	17
44	Olney loamy sand, 1 to 3 percent slopes	21.09	27.3%		IVc	IIIe	13
35	Loup-Boel loamy sands, 0 to 3 percent slopes	12.02	15.5%		VIw	IVw	9
45	Olney loamy sand, 3 to 5 percent slopes	1.39	1.8%		IVc	IIIe	12
Weighted Average					4.31	3.16	*n 14.6

*n: The aggregation method is "Weighted Average using all components"

*c: Using Capabilities Class Dominant Condition Aggregation Method

Soils data provided by USDA and NRCS.

PHOTOGRAPHS OF THE SUBJECT PROPERTY



Above: view of property looking east
Below: view of property looking south



PHOTOGRAPHS OF THE SUBJECT PROPERTY



Above: view of at irrigation pond

Below: view of west boundary of property along irrigation canal



HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined as "that use which will yield the greatest net return to the land in the foreseeable future, or that legal use which will yield to the land the highest present value." The 9th Edition of Real Estate Appraisal more specifically defines Highest and Best Use as

"that reasonably probable and legal use of vacant land or an improved property, which is physically, appropriately supported, financially feasible, resulting in the highest value."

Determination of the Highest and Best Use is based upon present use of the subject property, present use of properties within the area, alternative uses of the subject, and market demand for the alternative uses of the property in the foreseeable future. Both present use and alternative use is based upon government regulation such as zoning regulations, subdivision regulations and deed restrictions. The analysis of the Highest and Best Use of the land is a requirement in the appraisal process, both "as if vacant" and "as improved." The Highest and Best Use of land as though vacant or improved is generally consistent with and similar to surrounding land usage.

Land usage typically falls under certain development patterns and can be generally classified as residential, commercial, industrial, recreational, or agricultural. Often a property may have multiple uses, special purpose use or speculative use. In some instances, the present use might be termed "interim use", indicating present use may change within a short time frame to a different use. The following four assessments are used to determine the final Highest and Best Use of a property "as if vacant" and "as if improved".

- Legally allowable
- Physically possible
- Financially feasible
- Maximally productive

Legally Allowable:

Except for a legally non-conforming property, which this property is not, the first area of inquiry is to determine what is legally allowable.

Private deed restriction does not play a role here as there are no current deed restrictions for use of the property, the property is zoned agriculture, local building codes environmental regulations also must be considered along with property makeup, soil type etc. The area close to the subject property is made up of mostly rural farmland and some rural residential tracts. Currently, there is minimal to no rural development in the immediate area.

The property due to its location does permit itself for use agricultural/ rural residential.

The most feasible, legally allowable use is that of agricultural/ rural residential.

Physically possible:

Any potential use must be physically possible given the size, shape, topography, and other characteristics of the site.

The current use as agricultural/ rural residential unit is the most prevailing use physically.

Financial feasibility:

The Highest and Best Use of a property must be financially feasible. After determining the uses that are physically and legally permissible, an appraiser needs not consider the issues that do not meet the criteria. The uses that do meet them are analyzed further to determine those that are likely to produce income or return which is greater than the combined income needed to satisfy operating expenses, financial expenses and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible.

The property use shown from the physically possible and legally allowable is that of agricultural/ rural residential. Therefore, the most probably financially feasible use is that of the same.

Maximally productive:

Among the financially feasible uses discussed previously, the use that provides the highest rate of return or value is the Highest and Best Use of that property. That use shown steadily within this analysis is that for agriculture production/rural residence.

No other use currently generates a higher rate of return to the owner.

Conclusion:

As if vacant: The Highest and Best Use of the subject property is agricultural/ rural residential

As improved: Improvements would contribute to the subjects use agricultural/ rural residential.

VALUATION

The Appraisal Process

The appraisal process is an orderly procedure of gathering information from the market, which will lead to an estimate of value. This information is obtained from many sources, but the best source is through recent sales of similar property types. All sales used are examined and confirmed by the buyer, the seller, or a party knowledgeable to the transaction. All pertinent facts from the sales are analyzed, classified, and interpreted for use in the approaches to value.

There are three approaches to value considered when arriving at an estimate of value for real estate. These are the: (1) Cost Approach (2) Income Approach and (3) Sales Comparison Approach.

In the Cost Approach, the value of the various classes of land is estimated from market data. Next, the replacement cost of the buildings is estimated. Accrued depreciation is estimated and subtracted from the replacement cost for an indication of the contributing value of the buildings. The estimated value of the land added to the contributing value of the buildings results in an estimate of value by the Cost Approach.

The Income Approach is based on an accurate measurement of a property's productivity under typical management. The Income Approach involves a conversion of the yields into gross and net income and capitalization of this net income into an indication of market value.

In the Sales Comparison Approach, value is estimated by comparing the appraised property with recently sold comparable properties. In this approach, the principle of substitution is used, meaning the prudent buyer will not pay more for a given property than it would cost him to buy another equally desirable similar property. Likewise, a well-informed seller will sell a property for no less than others are selling.

Whenever possible, all three approaches should be used. One approach, however, will often be given greater weight than the others. This depends on the type of property, the most convincing factual data available, and the object of the appraisal.

Applicable Approaches to Value

As explained in the Appraisal Process, the process of appraising a property is based upon the sales of comparable properties from the area, or neighborhood of the subject. These sales have been presented and will now be used in the development of a value for the subject property.

In this assignment, only one of the approaches to value will be developed.

The Cost Approach: This approach will not be developed within this report to give an indication of value derived by adding the depreciated cost of the buildings to the vacant land value.

The Income Approach: This approach will not be developed to give an indication of value based on the income producing ability of the subject property.

The Sales Comparison Approach: The Sales Comparison Approach will be developed within this report to provide an indication of value for the subject property based on the subject as a whole

Every sale is not used in every approach, rather those sales which are most relevant to the approach at hand.

Market Information

The estimated value of unit is normally developed by a means of analyzing sales of similar parcels in the same general area of the property being appraised. In search for market data that would be meaningful to estimate the value of the subject property, I have reviewed sales data in the Weld County, Colorado area. As a result, the most comparable sales were used in this report to support and estimate a value for the subject property.

All information to apply the three approaches to value is derived from the market. Contact was made with other appraisers, realtors, and lending institutions. Records were researched in Weld County, Colorado to obtain sales of similar type properties.

As explained in the Appraisal Process, the process of appraising a property is based upon the sales of comparable properties from the area, or neighborhood of the subject. These sales have been presented and will now be used in the development of a value for the subject property.

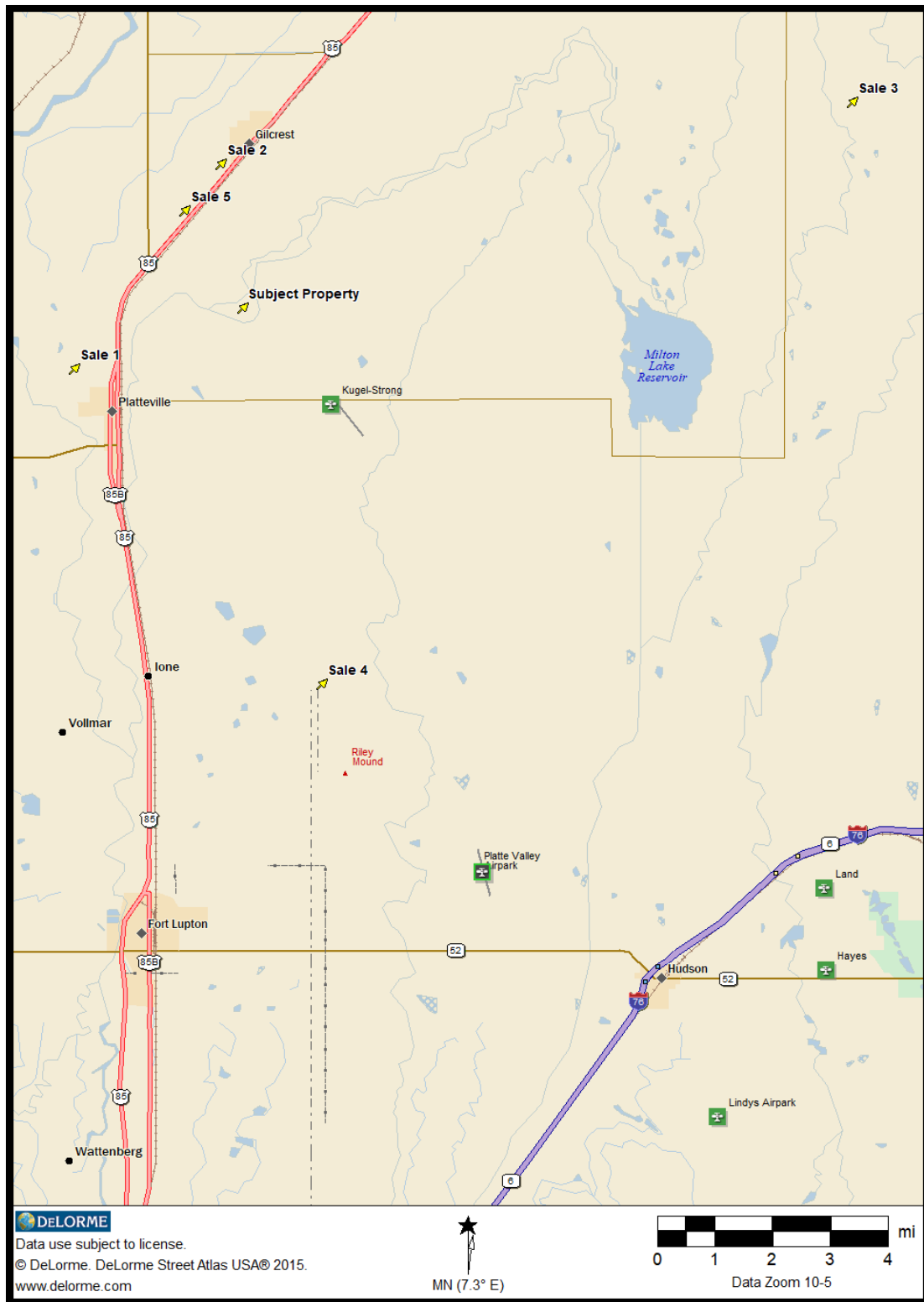
Sale information, which is available, has been inspected and confirmed with either the buyer or seller.

The sales within this report are the most supportive to the subject property that was available. 2021 sales were identified that were supportive to the value of the subject property and no sales or market indications were identified since the Covid-19 pandemic has occurred that would indicate that the market has declined. Since there were no indications that the Covid-19 pandemic has currently affected the market for properties similar to that of the subject property, no adjustments were made to any of the sales within this report.

COMPARABLE SALES INFORMATION

The most comparable sales located within the market area of the subject property were included within this report. Located in the addendum are comparable sales tabulation sheets on 5 different properties that sold from 2021 to 2022.

COMPARABLE SALES MAP



ANALYSIS AND ADJUSTMENTS OF COMPARABLE SALES

Each of these sales has been analyzed, together with its relationship to the value of the subject property, in order to reach a conclusion regarding the value of the subject property. In order to facilitate the analysis, key attributes of each property have been compared to those of the subject property. Appropriate adjustments have been applied to explain differences that affect value. The first five of these factors are common to any typical sales analysis. They are:

- Real Property Rights Conveyed
- Financing Terms
- Land Mix
- Conditions of Sale
- Date of Sale

The remaining factors concern the physical characteristics of each property. These include:

- Location
- Size of Parcel
- Access

In the sales analysis, adjustments have been applied to the unit price of each property sold in order to reflect an estimate of the probable effect that factor would have on the price paid for the property if the subject property had been substituted in the transaction. The mechanics of this analysis are shown and a brief explanation of the reasoning for the various adjustments follows below.

PROPERTY RIGHTS CONVEYED

Each transaction conveyed the Encumbered Fee Surface Rights to the property described, with the exception of some mineral rights. The subject property is being valued net of any mineral rights; accordingly, no adjustments are required for any of the sales analyzed.

FINANCING TERMS

All sales were considered to have sold for cash or cash equivalency and no adjustments have been made.

LAND MIX

The sales were considered to not require land mix adjustments.

CONDITION OF SALE

None of the sales were adjusted for conditions of sale. All sales were arms-length transactions.

DATE OF SALE

The sales range in sale date from 2021 to 2022. There is insufficient information to warrant a significant time adjustment within these sales.

LOCATION

All of the sales are located within the market area of the subject property. There is sufficient evidence to warrant a location adjustment within this group of sales. Sales 2 and 5 are considered to have superior location to Highway 85.

SIZE

The sales within this report range in size from 52.64 acres to 139 acres. When comparing the land class values of the smaller sales with the larger sales there is no evidence that size was a factor.

ACCESS

All of the sales are considered to have similar access to that of the subject property, so no adjustments were made.

COST APPROACH

This approach is inapplicable within this report due to the subject having a single land class and there being no improvements on the property.

INCOME APPROACH

In this approach we are concerned with direct capitalization. Direct capitalization is used to convert an estimate of a single year's income expectancy into an indication of value in one step.

This approach was considered but it was not developed within this report. The subject property is not considered to have significant income producing capability. This approach is considered to be inapplicable within this report.

SALES COMPARISON APPROACH

In this approach, as previously mentioned, the appraised property is compared to other properties in their entirety, including land, water, location, building improvements, etc. The subject property contains 77.34+- acres without improvements.

SALE	1	2	3	4	5
Date	01/20/21	03/22/22	03/03/21	04/11/22	04/21/21
Price	\$750,000	\$1,200,000	\$350,000	\$1,100,000	\$660,000
Acres	69	139	60	135	53
Sale Conditions	\$0	\$0	\$0	0	0
Time/Adj	\$0	\$0	\$0	\$0	\$0
Adjusted price	\$750,000	\$1,200,000	\$350,000	\$1,100,000	\$660,000
Total imp value	\$108,760	\$0	\$0	\$0	\$0
Imp value /ac	\$1,576.23	\$0.00	\$0.00	\$0.00	\$0.00
\$ / Acre	\$10,870	\$8,633	\$5,833	\$8,171	\$12,536
Adj sales price	\$0	\$0	\$0	\$0	
Location	\$0	-\$1,947	\$0	\$0	-\$1,947
Land adj					
Imp Adj	-\$1,576	\$0	\$0	\$0	\$0
Quality	\$0	\$0	\$0	\$0	\$0
water rights	\$0	\$0	-\$1,500	-\$1,485	-\$1,111
Irrigation wells	-\$3,546	\$0	\$0	\$0	\$0
tap	\$0	\$0	\$0	\$0	\$0
			\$0		
Value / Acre	\$5,748	\$6,686	\$4,333	\$6,686	\$9,478

The five shown above are all sales that are considered to be similar to that of the subject property in size, type, quality, improvements and location. No 2023 sales were identified, so the sales within the grid were considered to be the most supportive sales.

All sales but Sale 2 had some kind of irrigation rights. These irrigation water rights were extracted to provide support to value for the subject property without irrigation water rights. These adjustments were based on the water values within the sales write-ups.

Sale 1 did have improvement values and these values were also extracted based on the allocated values within the sales write-ups.

Sales 2 and 5 are considered to have superior location to Highway 85. When pairing Sales 2 and 4 for location, a negative adjustment to Sales 2 and 5 were indicated.

The five adjusted comparable sales support a range of values from \$4,333 per acre to \$9,478 per acre. Sales 1, 2 and 4 provide the strongest support to value of the subject property, so the final range will be valued within these stronger supporting sales.

77.34+- ac @ \$6,000 per acre = \$464,000

**THE INDICATED VALUE FOR THE PROPERTY BY THE SALES COMPARISON
APPROACH IS:
\$464,000 rd**

RECONCILIATION AND FINAL ESTIMATE OF VALUE

One indication of value of the property that is the subject of this appraisal assignment have been developed. This indication is as follows:

Cost Approach	\$ N/A
Income Approach	\$ N/A
Sales Comparison Approach	\$ 464,000

The Cost Approach was not developed within this report to provide an indication of value based on the depreciated cost of the buildings added to the vacant land value.

The Income Approach was not developed to provide an indication of value based on the income producing ability. There are no similar sales that indicate an accurate direct capitalization rate for the subject property.

The Sales Comparison Approach has been well supported and there is sufficient evidence to support the land value. Therefore, the Sales Comparison Approach is a strong indication of value and is well supported by market sales of similar parcels.

In reconciliation of the approaches, we find the Sales Comparison Approach is sole support of value for the subject property. This value is strongly supported by market sales located within the immediate market area of the subject property.

The data used within this report is considered to be of sufficient quality and quantity to produce credible results.

The Indicated Value of the Platte Valley Irrigation Co Property

As of March 15, 2023 is:

\$464,000

EXPOSURE TIME

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

If this property was exposed to the market, being well advertised and marketed at \$464,000, it is the opinion of the appraiser that it would have sold within a 6 month period.

Agricultural/rural residential properties are in low supply on the market in the area of the subject property. As stated earlier in the report, there has been little activity of properties selling within the last few years. The supply and demand analysis describe a low supply and a relatively high demand.

CERTIFICATE OF APPRAISER

I, Chase W. Johnston do hereby certify that to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only to the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment, that resulted in this report.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this appraisal assignment.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. My analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
9. No one provided significant real property appraisal assistance to the person signing this certification.
10. I hereby certify that I have the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraisers Statement of Qualifications following this certification.
11. As of 2023, I hereby certify that the total value estimate of the subject property, which is referred to as the, Platte Valley Irrigation Co Property, Weld County Colorado has a Market Value of:

FOUR HUNDRED SIXTY FOUR THOUSAND DOLLARS

\$464,000



Chase W. Johnston, CGA
CG #10003654

QUALIFICATION OF THE APPRAISER

Chase W. Johnston
Pro Ag Appraisal, PC
Chase@proagappraisal.com
Cell: 970-302-9365

Summary of Qualifications

Certified General Appraiser – Agricultural Specialist

- Experienced in the agricultural appraisal field since 2005 promoted by a strong foundation of knowledge and studies within the agricultural industry
- Specializing in agricultural appraisals with an emphasis in irrigated land, water rights and transitional lands
- Has an extensive network of professionals consisting of brokers, lenders, attorneys and water engineers that provide insight to the latest land and water transactions taking place within the current market
- Strives to establish client relationships that ensure trust and confidence in appraisal assignments
- Covers the State of Colorado with concentrated experience in the northeast, central and northwest regions
- Currently an Associate status level with the American Society of Farm Managers and Rural Appraisers

Work History

Pro Ag Appraisal (current employment) Greeley, CO 2005 to present

- In depth research to acquire current and solid market data for each appraisal assignment providing accurate valuations
- Produces complete narrative reports that include all three approaches to value, water valuations and Discounted Cash Flow Models when applicable
- Continue to remain current on up to date education including USPAP and Colorado Water Law, as well as the ever changing markets

Pro Rez Appraisal (owner operator) Greeley, Co 2016 to present

- Provides 1004 Conventional reports to lenders within the northeastern Colorado area. Strives to provide an accurate and solid values in a timely manner for the clients

Background

Chase W. Johnston has earned the Certified General Appraisal license in the state of Colorado. He began work in the appraisal field in 2005. He has experience appraising farms, ranches, dairies, feedlots, and other agricultural properties including water rights.

Chase W. Johnston is a native of Colorado, growing up near Greeley. His family raised registered cattle and he grew up being part of numerous organizations including The National FFA Organization, 4-H, Colorado State University Seedstock Merchandising Team, and the Professional Rodeo Cowboy Association. Chase attended Colorado State University, receiving a double major in Agricultural Business and Animal Science. Chase has worked with Pro Ag Appraisal, PC since 2005. Chase remains active in the community serving on the Kersey FFA Advisory board and currently serving as a director on the ASFMRA Colorado Chapter.

Education

Graduate of Colorado State University: B.S. Degree – Double Major in Agricultural Business and Animal Science

Professional References

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(719)-529-1414

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Bank of Colorado
Senior Vice President
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(970) 454-5413

Ryan Hostettler
Accredited Land Consultant
AgProfessionals
(720) 684 4111

Appraisal Education

- Fundamentals of Rural Appraisals – May, 2006
- Intermediate Approaches to Value – April, 2008
- USPAP Course – December, 2009
- Basic Appraisal Procedures – May, 2010
- Basic Appraisal Principles – November, 2010
- Statistic, Modeling, and Finance – December, 2010

- Report Writing and Case Studies – April, 2011
- General Appraiser Income Approach II – April, 2011
- Advanced Approaches to Value of Rural Appraisal – August, 2011
- General Market Analysis and Highest and Best Use Analysis – October, 2011
- USPAP Update – September, 2011
- ASFMRA Ethics – November, 2011
- Colorado Water Law- April, 2013
- USPAP Update - December 2013
- Wyoming Water Works Workshop 2014
- Appraisal Through the Eyes of the Reviewer 2014
- USPAP Update-September 2015
- The New FHA Handbook 4000.1,2015
- Supporting Your Adjustment: Methods for Residential Appraisers 2016
- Residential Property Inspection for Appraisers 2016
- Divorce and Estate Appraisals: Elements of Non-Lender Work 2016
- Introduction to Soils for Appraisers 2017
- USPAP Update-December 2017
- 2018 Colorado Water Valuation Conference
- 2018-2019 USPSP Update
- Introduction to Expert Witness Testimony for Appraisers 2019
- The Dirty Dozen 2019
- Report Writing Livestream 2021
- Appraising Rural Residential Properties 2021
- Appraising Agricultural Land in Transition 2021
- USPAP Update 2021
- Colorado Water Rights for Appraisers, June 2022
- USPAP Update 2023-2024, January 2023

Colorado Department of Regulatory Agencies

Division of Real Estate

Chase Walker Johnston

Certified General Appraiser

CG10003654

License Number

12/17/2021

Issue Date

Active

License Status

12/31/2023

Expiration

Verify this license at <http://dora.colorado.gov/dre>

Marcia Waters

Director: Marcia Waters

Chase Johnston

Licensee Signature

ADDENDUM



**PRO AG
APPRAISAL**

36125 CR 29
Eaton, CO 80615
(970) 356-2155

Comparable Sale:

1

Date Created: 3/16/2023

Recording Data: 4673328

Terms: Conv Fixed

Confirmation: IRES PR

Grantor:

Pogg Enterprises



Map Center: 40° 13' 40.83, -104° 49' 57.09

Date of Sale:

01/20/2021

Sales Price: \$

750,000.00

Mapped Acres: 69.72

Actual Acres:

69

Legal: 13-3N-67W

Twp: Platteville

County: Weld

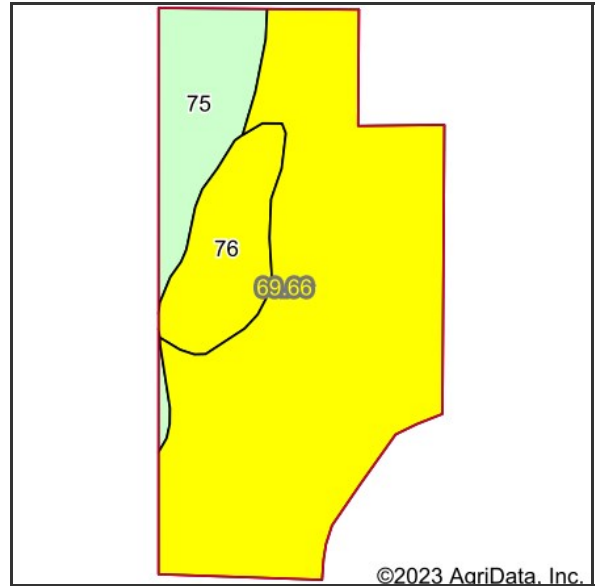
State: Colorado

Area:

Platteville

Grantee:

Curtis W Hale



Soils data provided by USDA and NRCS.

Legal Description: Pt E2SE4 Sec 12-3, R67W & Pt E2NE4 Sec 13, T3N, R67W Lot B 1099

~Improvements~

3,760sf building average condition \$20/sf= \$75,200

1,683sf building \$20/sf= \$33,660

~Comments~

Property adjacent to west side of Platteville, Co with CCWCD Irrigation well for 97.87 acre feet for 2020. 257 DOM

~Allocation~

Acres:	Type:	Price:	SubTotal:
69	Irrigated land	\$ 5,747.00	per acre = \$ 396,543.00
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
Improvements:	Outbuildings	\$ 108,760.00	\$ 108,760.00
Water Value:	97.87 acre feet	\$ 244,675.00	
Total Acres:	69.00		Total: \$ 749,978.00

Maps Provided By:



Location:

11757 CR 32.5

Water Rights:

97.87 acre feet annually CCWCD

Cap. Rate Derivation:

Rent:

Mgmt:

Real Est. Tx:

Maintenance:

Insurance:

Net Worth:\$ 0.00

Sale Price:\$ 749,978.00

Cap Rate: = 0.00



PRO AG
APPRAISAL

36125 CR 29
Eaton, CO 80615
(970) 356-2155

Comparable Sale:

2

Date Created: 7/28/2022

Recording Data: 4812350

Terms:

Confirmation: FR

Grantor:

Eugene Nelson Living Trust



Map Center: 40° 16' 51.47, -104° 47' 11.77

Legal Description: various lengthy meets and bounds

~Improvements~

none

~Comments~

Currently sprinkler irrigated and flood irrigated parcels next to town of Gilcrest on the west/southwest.

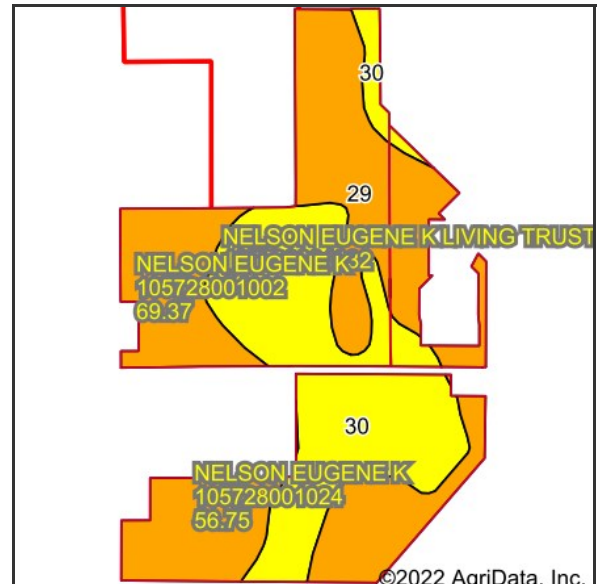
no water trail on this so sold without. buyer owns other water

~Allocation~

Acres:	Type:	Price:	SubTotal:
139	irrigated potential	\$ 8,640.00	per acre = \$ 1,200,960.00
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
Improvements:		\$	\$
Water Value:		\$	
Total Acres:	139.00		Total: \$ 1,200,960.00

Grantee:

Wester truck and equipment



Soils data provided by USDA and NRCS.

Maps Provided By:



Location:

Town of Gilcrest. and highway 85

Water Rights:

Cap. Rate Derivation:

Rent:

Mgmt:

Real Est. Tx:

Maintenance:

Insurance:

Net Worth: \$ 0.00

Sale Price: \$ 1,200,960.00

Cap Rate: = 0.00



**PRO AG
APPRAISAL**

36125 CR 29
Eaton, CO 80615
(970) 356-2155

Comparable Sale:

3

Date Created: 4/28/2021

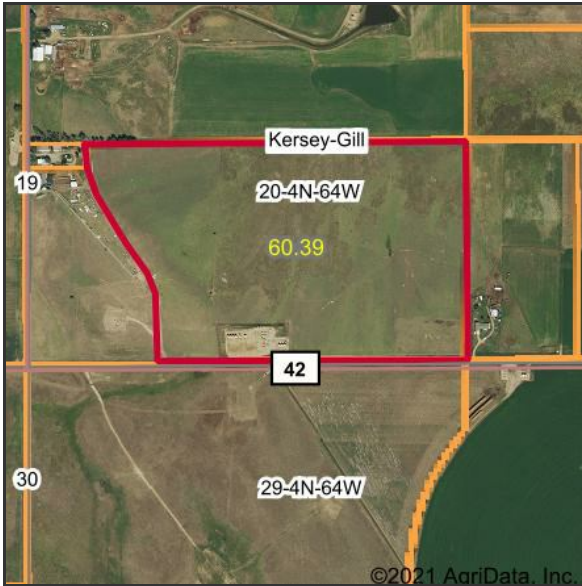
Recording Data: WD 4688816

Terms:

Confirmation: Agent; PR

Grantor:

Martinez, Klingengerg, Cook



Map Center: 40° 17' 30.38, -104° 34' 42.19

Legal Description: Lot B of RECX20 0148

Date of Sale:

03/03/2021

Sales Price: \$

350,000.00

Mapped Acres: 60.39

Actual Acres:

60

Legal: 20-4N-64W

Twp: Kersey-Gill

County: Weld

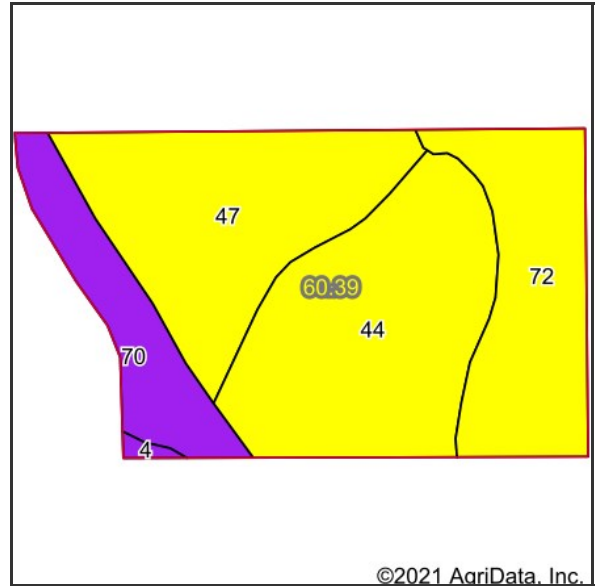
State: Colorado

Area:

S Kersey

Grantee:

Jelden Kolten



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Soils data provided by USDA and NRCS.

Maps Provided By:



surety
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~Improvements~

None

Location:

1/4 mile east of CR 42 and CR 51

Water Rights:

3 Shares FRICO Barr Lake

~Comments~

This property was listed on the open market. There is no water line along CR 42 so a domestic well would have to be drilled. A majority of the property lines within an area with a higher water table and the land is poor quality farmland and most suitable as grazing land.

~Allocation~

Acres:	Type:	Price:	SubTotal:
60	dry grazing land	\$ 4,333.00	per acre = \$ 259,980.00
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
Improvements:		\$	\$
Water Value:	3 Sh FRICO	\$ 90,000.00	
Total Acres:	60.00		Total: \$ 349,980.00

Cap. Rate Derivation:

Rent:

Mgmt:

Real Est. Tx:

Maintenance:

Insurance:

Net Worth: \$ 0.00

Sale Price: \$ 349,980.00

Cap Rate: = 0.00



**PRO AG
APPRAISAL**

36125 CR 29
Eaton, CO 80615
(970) 356-2155

Comparable Sale:

4

Date Created: 8/4/2022

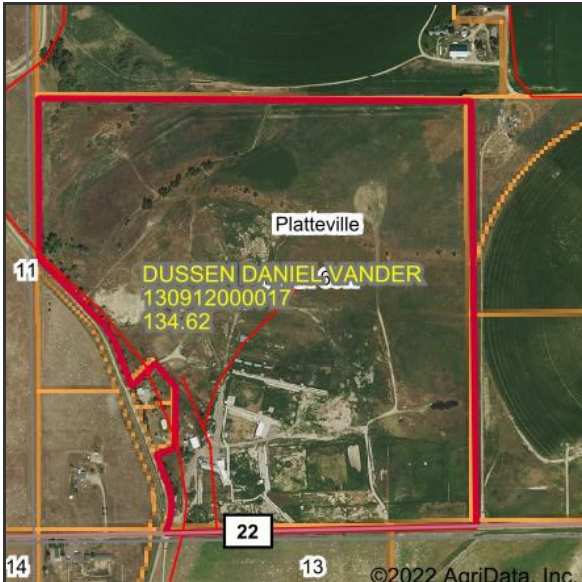
Recording Data: 4817517

Terms:

Confirmation: PR; Appraisal

Grantor:

Daniel Vander Dussen & Sophia Vander Dussen



Map Center: 40° 8' 58.69, -104° 43' 45.57

Legal Description: Lot B of RE 712 being pt of SW4 Section 12, T2N, R66W

~Improvements~

older dairy improvements, Commodity shed and calf pens of minimal value

~Comments~

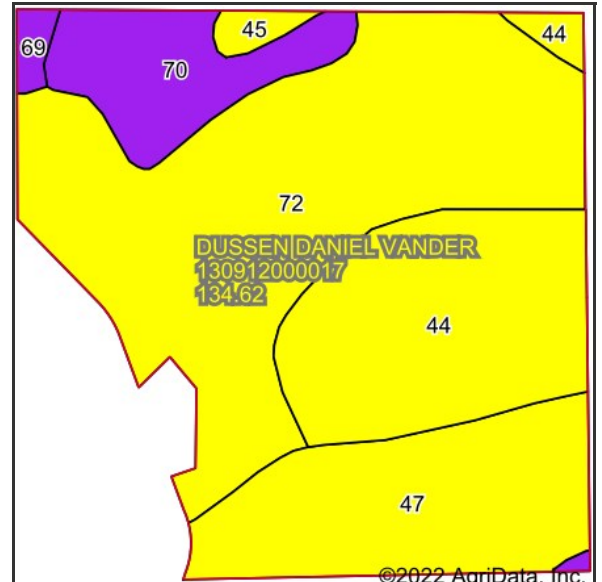
This property was listed for sale for a significant time period in 2019 and 2020 and was under contract but fell through. Was a prior dairy with no special use permit and when it sold in 2018 the cow basis was taken off the dairy.

~Allocation~

Acres:	Type:	Price:	SubTotal:
134.64	dry land	\$ 6,685.00	per acre = \$ 900,068.40
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
Improvements:		\$	\$
Water Value:	Domestic Wells	\$ 200,000.00	
Total Acres:	134.64		Total: \$ 1,100,068.40

Grantee:

Rooster Lnad Company LLC



Soils data provided by USDA and NRCS.

Maps Provided By:



Location:

CR 22 East Fort Lupton, Co

Water Rights:

3 Domestic wells utilized for cattle watering; 2 Sh FRICO ditch

Cap. Rate Derivation:

Rent:

Mgmt:

Real Est. Tx:

Maintenance:

Insurance:

Net Worth: \$ 0.00

Sale Price: \$ 1,100,068.40

Cap Rate = 0.00



**PRO AG
APPRAISAL**

36125 CR 29
Eaton, CO 80615
(970) 356-2155

Comparable Sale:

5

Date Created: 4/27/2021

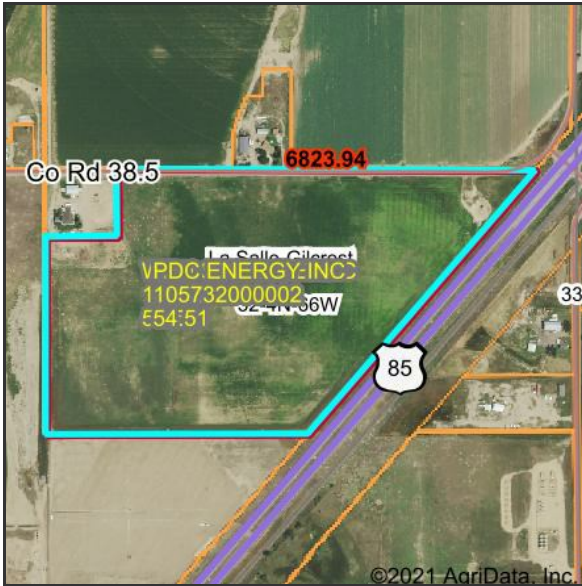
Recording Data: WD

Terms:

Confirmation: Agent; PR

Grantor:

WPD Storage LLC



Map Center: 40° 15' 59.02, -104° 47' 48.98

Date of Sale:

04/21/2021

Sales Price: \$

660,000.00

Mapped Acres: 54.51

Actual Acres:

52.65

Legal: 32-4N-66W

Twp: La Salle-Gilcrest

County: Weld

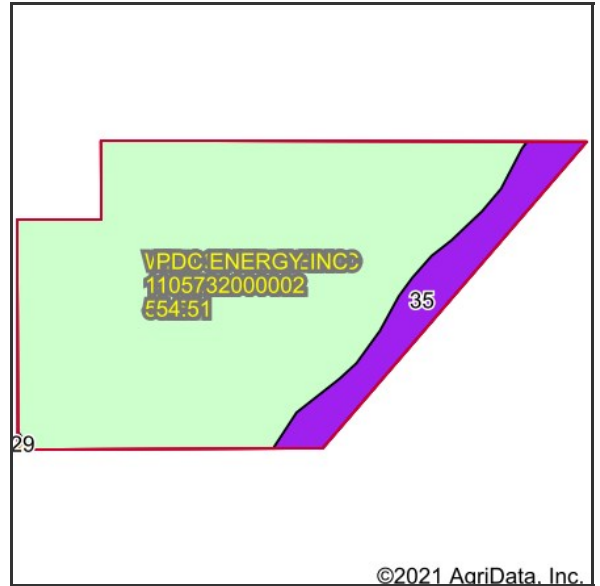
State: Colorado

Area:

Gilcrest

Grantee:

undisclosed



Soils data provided by USDA and NRCS.

Legal Description: Pt N2SE4 Section 32, T4N, R66W Lot B of REC EXempt RE 2689

~Improvements~

None



Maps Provided By:



Location:

CR 38.5 Highway 85

Water Rights:

None

~Comments~

Property was listed on the open market for 407 days prior to sale. Seller had leased it to oil company with a USR, which the oil company never used. Buyer plans to farm the property again. No surface irrigation water rights transferred with the sale. There is an irrigation well on the property augmented through Central that is allocated for 29.45 acft of pumping and 23.56 acft of tradable water. Central well tradable acre feet has been sold for approximately \$2,500 per acft within the district.

~Allocation~

Acres:	Type:	Price:	SubTotal:
52.54	dry land	\$ 11,441.00	per acre = \$ 601,110.14
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
		\$	per acre = \$
Improvements:		\$	\$
Water Value:	23.56 tradable Acft	\$ 58,900.00	
Total Acres:	52.54		Total: \$ 660,010.14

Cap. Rate Derivation:

Rent:

Mgmt:

Real Est. Tx:

Maintenance:

Insurance:

Net Worth: \$ 0.00

Sale Price: \$ 660,010.14

Cap Rate: = 0.00



PRO AG APPRAISAL

**Curt Johnston A.R.A.
Chase W. Johnston CGA
Application for Fee Appraisal and Acknowledgment
of Assumptions, Contingent and Limiting Conditions**

February 14, 2023

Kevin Schmidt
PO Box 336483
Greeley, Co 80633

I Kevin Schmidt, hereby request Curt L. Johnston A.R.A.,/Chase Johnston C.G.A.
(Pro Ag Appraisal PC) to appraise the following described property:

Pt NE4 Sec 9, T3N, R66W Lot B of RE-4227 Weld County, Co
listed as Parcel # 121109100018

The Appraisal Report on the subject property is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

I request that this appraisal be prepared for me to use for the sole purpose of the estimation of market value.

I understand the appraisal will reflect only the best opinion or estimation of value in restricted format.

I agree that I will use this appraisal exclusively for this purpose, and that I will not release this appraisal to other parties, nor allow other parties to use the appraisal for purposes other than stated above.

I request Pro AG Appraisal PC, to provide information describing the property based on the appraiser's best estimate of building and land value based on resources available including information which I have or will supply.

I request that value conclusions be made based on comparable property sales within a similar area and appropriate time period.

I further request and agree that the appraisal be subject to the following assumptions, contingent and limiting conditions:

- That the title to the property to be assumed to be owned and held in fee simple and, therefore, any existing liens or encumbrances have been disregarded. Furthermore, no independent search of the public records is to be made by the appraiser.
- The property is to be appraised based upon the legal description herein furnished by me. The institution is not required to make any independent determination of the correct legal description, the existence of any easements, nor the state of the record title. I agree to consult my own attorney in this regard if warranted. Further, the appraiser is not requested

to conduct a survey of the property. It is understood that acreage and any sketches furnished in the appraisal by the appraiser are to be based on information supplied by me and/or information obtained from other sources that the appraiser believes to be reliable. It is understood that any plats or sketches furnished with the appraisal report will not be intended to be accurate to scale, and will be supplied only for assistance in visualizing the property.

- It is understood that any values allocated to various portions of the subject property in the appraisal will be the portion's contributory value to the property; it will not be appropriate to use these values separately in conjunction with any other properties. Likewise, I understand that the contributory value of a portion of the property may not be the value of the portion if severed from the total property.
- I request that the appraisal be based upon surface rights only, and that it should not reflect mineral, gas, oil, or similar rights that may exist in whole or in part.
- I agree that the appraiser with Pro Ag Appraisal, will not be required to give testimony, or attendance in court, by reason of this appraisal, with reference to this property or information contained within the appraisal report or used as the basis for the appraisal valuation *unless written arrangements are made therefore.*
- I agree that I will not disseminate all or any part of the contents of the appraisal report (especially value conclusions and the identity of the appraisers) to the public through advertising media, public relations media, sales media, or any other public means of communication.
- I agree the appraisal will not include an opinion on the presence or absence of hazardous or toxic materials, toxic waste, or any substance contamination of buildings, improvements, air, water, plants, or soil. I agree that the appraiser is assuming no responsibility to discover or report any contaminated site, even if it is obvious, and the appraised value will not include any adjustment for expenses or costs, if any, which at any time result from or are associated with damage by, or removal of, any items specified in this paragraph unless directed to by the client. I understand it is my responsibility to consult a qualified professional to identify and evaluate the presence of such waste or contamination of the property, if warranted.
- I agree to accept the appraisal when it is completed and delivered to me. It is agreed that I will then own the appraisal subject to all the limiting conditions set forth above.
- I agree that the appraisal will be made for the purpose set forth above and that it will not be intended for, or acceptable for any other use.

The cost of the appraisal will be a maximum of \$1,500 *With ½ deposit paid with signing of engagement letter. I further agree to pay for the appraisal when I receive said report.*

Appraisal report will be delivered no later than 40 days from the signing of engagement letter and receipt of the information requested on the enclosed information request form.

I have read this document and understand its contents.

Customer Signature  Date February 16, 2023
Kevin W. Schmidt, Board President

Thank you,



**Curt L Johnston
A.R.A.**



**Chase W Johnston
CGA**

Return to
Curt Johnston [-curt@proagappraisal.com](mailto:curt@proagappraisal.com)
970-397-1956
Chase Johnston [-chase@proagappraisal.com](mailto:chase@proagappraisal.com)
970-302-9365

**Pro Ag Appraisal PC
23430 CR 53
Kersey, Co 80644**

APPRAISAL REQUEST INFORMATION

The following information will assist in completing the appraisal.

Who do we need to contact for an inspection of the property: Kevin Schmidt

Phone # of the above mentioned: (970) 381-2010

Legal Description of Property (attach if lengthy)___

Pt NE4 Sec 9, T3N, R66W Lot B of RE-4227 Weld County, CO

Parcel #121109100018
Number of Acres approx. 46

Three Year Property Ownership History Platte Valley Irrigation Company

Real Estate Taxes

2022 \$630.88

Please check the following information if applicable:

____ Crop share and/or cash rent information _____
____ Facility special use permit (attach)
____ Subdivision covenants (attach)

IRRIGATION

____ Well registration, adjudication and augmentation documents (attach)
____ Copies of well tests (attach)
____ Ditch water (name, amount) _____

DOMESTIC WATER SUPPLY

____ # of Wells/Location _____
____ # of Septic Systems/Location _____
____ Well (output GPM, permit) _____
____ Water Tap (name & size) _____
____ Utilities Available (what kind?) _____

RANCH APPRAISAL

____ Forest Permits (Attach)
____ BLM Leases (Attach)
____ State Leases (Attach)

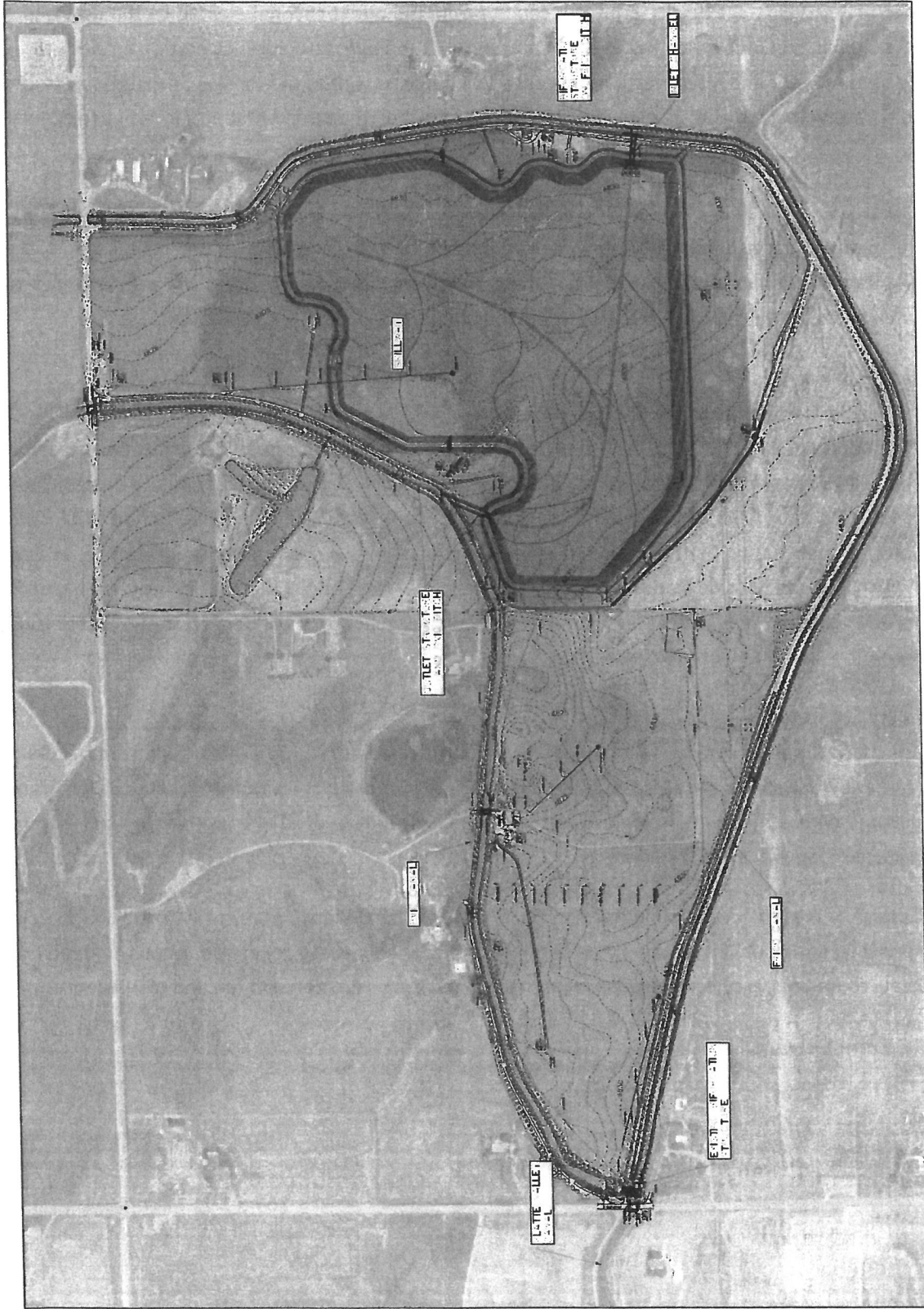


Figure 1 Location of Project Components