Appraisal of

Loloff Pit
1,852 acre feet +/- Water Storage Facility

Weld County, Colorado

For:

Ogilvy Irrigating and Land Company
c/o Scott Cockroft, President
822 7th Street, Suite 760
Greeley, CO 80631

Ogilvy Augmentation Company
c/o Scott Cockroft, President
8209 W. 20th Street, Suite A
Greeley, CO 80634

Date of Value: March 21, 2023
Date of Report: March 29, 2023

Prepared by:
Kevin McCarty
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Berthoud, Colorado 80513

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March 29, 2023

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RE: Appraisal of Loloff Pit Water Storage Facility

Dear Clients:

Per your request, I have appraised the Loloff Pit, owned by the Oglivy Irrigating Land Company and the Oglivy Augmentation Company, located northeast of Greeley in Weld County, Colorado.

The Loloff Pit is legally described as part of Section 4, Township 5 North, Range 65 West of the 6th P.M., Weld County, Colorado. The ownership covers 55 acres +/-. The property is a lined gravel pit and the lining has been approved by the Colorado Division of Water Resources. The storage capacity is 1,851.94 acre feet +/-. Delivery and release infrastructure has not been fully developed and has not been considered in the valuation. However, the owners' ability to develop deliver and release structures by virtue of their nearby headgate, ditch and easements has been considered in the valuation.

The purpose of the appraisal is to determine the market value of the subject property as of the valuation date. The intended use of the appraisal is for facilitating a loan with the Colorado Water Conservation Board. The client and intended user for this report is the Oglivy Irrigating and Land Company and the Oglivy Augmentation Company. The Colorado Water Conservation Board is also an intended user.

The property rights appraised herein are the fee simple interest subject to easements and encumbrances of record, excluding mineral rights. Land and water rights are considered in the valuation. There are no improvements associated with the subject.

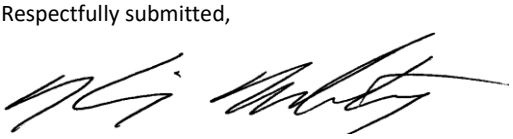
This appraisal report has been performed pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP) and supplemental standards and codes of professional ethics of the American Society of Farm Managers and Rural Appraisers.

Kevin McCarty inspected the property on March 21, 2023, in the company of Scott Cockroft and Doug Seely. This appraisal uses no hypothetical conditions in the valuation of the subject property. No extraordinary assumptions have been made in this appraisal.

I submit, herewith, one digital copy of the report, which describes the methods used and shows an analysis of the data and reasoning involved in arriving at my conclusions. The fair market value conclusion, as of March 21, 2023, is as follows:

$5,600,000

Respectfully submitted,



Kevin McCarty
CO Certified General Appraiser, No. CG01319902

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Addenda

Loloff Pit Aerial Photo

Summary of Salient Facts and Conclusions

Property Owner:	Oglivy Irrigating Land Company (80% interest) and the Oglivy Augmentation Company (20% interest)
Legal Description:	The Southeast Quarter of the Northwest Quarter and the South Half of the Northeast Quarter of the Northwest Quarter of Section 4, Township 5 North, Range 65 West of the 6th P.M., Weld County, Colorado.
Location:	On the west side of Balsam Avenue, a short distance north of East 8th Avenue.
Address:	590 North Balsam Avenue, Greeley, CO
Elevation:	4,570' +/- at bottom of pit to 4,665' in northeast corner of site about reservoir
Land Area:	55.0 gross acres +/- 53.8 net acres +/-
Land Use:	Water Storage
Loloff Pit Description:	
Water Rights:	Conditional water right filed in December 2022 - Pending
Storage Capacity:	1,851.94 acre feet
Surface Acres:	44.32 acres +/-
Pit Depth:	4,570' at low point to 4,636' at the high-water line Average depth from the high water line: 42 feet
Characteristics:	Sealed gravel pit with lining approval from Division of Water Resource
Dam:	No jurisdictional dam
Source of Water:	Cache La Poudre River, via Ogilvy Ditch
Surface Recreation:	Intact, no leases in place
Use of Water:	Planned for augmentation and direct irrigation use
Delivery & Release:	Delivery and release infrastructure is being installed, but is not included in this valuation. The top 19 feet the reservoir can gravity flow in and out, pumps to be installed below that. A pipeline easement is in place connecting the subject with the Ogilvy Ditch. The planned fill rate is 70 acre feet per day (26 days +/- to fill).
Mineral Rights:	None included in valuation
Improvements:	No buildings are associated with the property
Zoning:	Agriculture by Weld County
Valuation Date:	March 21, 2023
Fair Market Value:	**1,852 acre feet @ $3,000/af +/- = $5,600,000**

Intended Use and Intended Users of the Appraisal

The purpose of the appraisal is to determine the market value of the subject properties as of the date of value. The client and intended users for the appraisal are Oglivy Irrigating and Land Company, the Oglivy Augmentation Company and the Colorado Water Conservation Board. The intended use of the appraisal will be to facilitate a loan with the Colorado Water Conservation Board.

Property Rights Appraised

The property rights appraised are the surface rights, subject to easements and encumbrances of record. No fractional interests, interests of tenants in possession or mortgage holders are considered in the valuation. Only the surface rights are considered, and no mineral rights are included in the valuation. Water rights are associated with the ownership, and they have been included in the valuation.

Scope of the Appraisal

The scope of this value estimate includes:

- Inspecting the ownership that is the subject of the appraisal as well as interviewing the owner's representatives.
- Analyzing the neighborhood through general market analysis as well as highest and best use, including studying the availability of properties of similar size and type currently on the market.
- Using information pertaining to the water rights that was provided by the client and verified with state Division of Water Resources or other local resources.
- Gathering, researching, and confirming comparable sales. Sources of data include county assessor's offices, county clerk's records, Division of Water Resources, real estate agents and appraisers.
- Comparing and adjusting sales to provide an estimate of the value of the subject property.
- Adhering to the Uniform Standards of Professional Appraisal Practice.
- Following supplemental appraisal guidelines of the American Society of Farm Managers and Rural Appraisers.
- Utilizing accepted appraisal techniques.
- Using no hypothetical conditions.
- No extraordinary assumptions have been made.
- Conducting an appraisal and preparing a narrative report
- This is not considered a restricted appraisal report.

Definition of Market Value

{*OCC Final Rule, 12CFR Part 34 Sub-part C, Section 34.42(f), effective August 24, 1990}*

Market value means the most probable price 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 undo stimulus. Implicit in this definition is the consummation of 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 well advised and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash and 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.

Water Rights Market Description

The market for water rights can be significantly different than normal real estate markets in a variety of ways. Like land and other types of real estate, location is an important determinant of water rights' value. In addition, legal and physical characteristics also play important roles in the value of a water right, as is the case with land. However, water rights markets are different from other types of real estate markets because of the physical nature of the asset and the potential ability to move water to a different place of use. The demand for water is also much different than the demand for a given piece of real estate. In most cases, there is a private market for land and there are a multitude of potential buyers. Few potential buyers can exist in water markets where public entities tend to play a dominate role. Certainly, private buyers often buy irrigated farms with water rights, however, the ability of public entities to outbid agricultural interests is at the core of agricultural to municipal water conversions. This is particularly relevant in the subject neighborhood as agricultural to municipal water conversions are gaining momentum.

Location Factors

Location is paramount in water markets. Location influences the quality of water and the cost to deliver water to its place of use. There can also be important legal and political implications associated with the location of a specific water right.

Gravity plays an important role in the value of a water right. If water can be delivered by gravity to a place of use, it can reduce costs associated with developing pipelines and energy costs associated with pumping. As a result, it is generally advantageous for the point of diversion of a water right to be located at a higher elevation that provides more options for gravity delivery as opposed to pumping.

Water quality can be major factor in the value of water right. This is often a further enhancement to the value of water rights located higher in drainages. Conversely, for water located lower in drainages, water quality degradation caused by sewage return flows, agricultural runoff and other contaminants can make water unusable for direct domestic use. As higher quality water becomes less available, the cost of utilizing lower quality sources of water or sources of water that are more costly to transport will become more financially competitive.

One of the most common methods for utilizing lower quality water has been to develop well fields and use the lower quality water for augmentation. Another method has been to use lower quality water for meeting downstream needs through exchanges. Besides the use of the lower quality water for exchange and augmentation, directly treating it through reverse osmosis (R/O) is yet another possibility. The availability of higher quality water in most of Colorado has kept this option from being common. In instances where R/O systems have been utilized, the brine that is produced has proven to be a problematic because of the need for its disposal. In the end, water providers will continue to desire water rights that can be delivered with a minimum amount of delivery costs. They will also desire water that does not require extraordinary treatment efforts. Given that much of the easy-to-develop water has already been converted to municipal use, there will likely be greater reliance on exchanges and, in some cases, on augmentation of wells to produce water with acceptable quality. Physical issues tend to define water markets on a watershed basis due to some of the aforementioned issues. However, historically, Colorado has seen many trans-basin projects, so physical considerations have not been the sole reason for our watershed-based water markets. Legal and political factors further regionalize water markets on a watershed basis.

Water Rights Market Description – Continued

Legal Factors

Colorado water law plays an important role in how water rights are reallocated from agricultural to municipal uses in this state. A basic tenet of Colorado water law is that any change of use must protect other water users from injury. Thus, when the use of a water right is changed in some manner (either a change of place of use, change of type of use or change in point of diversion), other water users must be protected from injury whether those water users have a right that is junior or senior to the right being changed.

Because so many potential water right owners have standing in water court, the cost to change a water right has increased significantly. Those expenses have tended to favor large quantities of water over smaller quantities of water when a change of use is necessary.

Another important tenet of Colorado water law is that out-of-state exportation of water is difficult, if not impossible. This places a practical limit on the potential market for changing the place of use of a water right to being within the State of Colorado.

Political Factors

In some portions of the state, there has been an increasing resistance to agricultural to municipal conversions. This has been particularly true in the Arkansas Basin where the economic impact of past dry-ups is so visibly evident in places like the Crowley County countryside. West Slope interests have also been vociferous in their opposition to additional trans-basin projects. Likewise, San Luis Valley residents have had to periodically fight to keep water from leaving the valley and those battles continue today.

The efforts that have been put forth to limit agricultural to municipal conversions have had significant market impacts in the Arkansas, Colorado, and Rio Grande Basins, but much less so in the South Platte basin. On a statewide basis, the State Water Plan has put forth a goal of reducing buy and dry transactions in favor of alternative transfer methods (ATMs) which allows for temporary removal of water from farms as opposed to permanent removal. While these methods are gaining a foothold in the Arkansas watershed, they are yet to gain widespread support in the South Platte watershed. Although a few isolated ATMs have started to come to fruition in the South Platte.

Water Demand

An important factor which separates water markets from other types of real estate is that municipal water providers are primarily governmental or quasi-governmental entities. As such, their planning horizons tend to be much longer and they can have multiple funding sources. Those funding sources can include loans, bonds, water dedication/cash-in-lieu fees from developers and usage charges to customers. All of these potential sources of funds result in a significantly greater ability to pay compared to agricultural water users who are limited by trying to justify prices based on agricultural income and possibly future appreciation.

The degree of competition for a given water right is influenced by location relative to potential places of use. As a result, the location of a water right might be ideal for one water provider compared to another water provider which would have to incur greater costs to move the water. In addition, water providers in a more desperate situation may have a greater willingness to pay. In other less competitive situations, some water providers may have significant control over the water market due to the lack of competition or the unwillingness of potential buyers to compete against one another.

In conclusion, the variable costs associated with changing a water right to municipal use and physically delivering that water right to a new place of use are important factors influencing water markets.

The market for water rights is further complicated by a limited number of water users with differing needs and goals relating to securing additional water supplies.

Drought, Climate Change, and the Impact on Water Markets

The issue of climate change has received considerable attention in recent years. The potential for future climate change, which could result in reduced water supplies and severe and prolonged drought is a very real concern for water planners.

Because of known natural variability in the climate, water providers are responsive to "firm yield" when acquiring water rights. Firm yield always begs for a definition, and most water providers define firm yield in terms of the amount of water historically available to their water rights in a specific dry year or period of dry years. Drought periods often used for this purpose include 1930-1940, 1950-1956, 1974-1978, 1981 and 2002.

Drought planning impacts the volume of water that a water provider believes it needs to meet its minimum demands. This results in a premium for senior, reliable water rights that more reliably meets the provider's desired firm yield.

In conclusion, the water market does appear to have an increasing premium on senior reliable water rights for municipal water supply. Whether this is a response to anticipated effects of climate change or is just sound planning for inevitable drought periods is not clear. Either way, there does appear to be a widening gap in values between junior, less reliable water rights and senior, more reliable water rights.

Colorado Water Markets

Colorado water markets are very much defined on a watershed basis due to a combination of physical, legal, and political factors. The South Platte Basin market is the most active market due to a substantial volume of available agricultural water rights and a large number of municipal water providers attempting to satisfy population growth. The open market conditions that tend to exist in the South Platte are further enhanced by municipal water dedication policies that require developers to acquire water.

The Arkansas Basin water market has much fewer water providers that are an active part of the market, and there are dramatically fewer water transactions involving water providers. Nonetheless, there is ongoing activity in the water market, much more so than what is seen in other watersheds.

Historically, the Colorado Basin has been an active water market, particularly as a source of trans-basin water projects for the Front Range. However, as the likelihood of new trans-basin projects has decreased, the Colorado basin market has become much less active. That is also the case for other watersheds, which now tend to only have agricultural to municipal transactions associated with in-basin uses.

One of the most pressing issues for Colorado water users is the prospect of a Colorado River Compact Call. Extended drought conditions and declining water levels in Lake Powell and Lake Mead continues to increase the potential for Lower Basin states to place a call on Upper Basin States, which include Colorado. This would be significant for Front Range water users since numerous major Transbasin diversions out of the Colorado watershed are junior to the 1922 compact date and could be curtailed in the event of a call. This includes significant portions of Denver and Colorado Springs Water portfolios. Most of Northern Colorado Water Conservancy District's water portfolio is junior to the compact.

It appears increasingly likely that demand management water leases will be utilized to allow irrigators to leave more water in the Colorado River and improve the water supply situation. However, if severe drought conditions persist, that may not be enough to stave off an eventual compact call.

In conclusion, the South Platte market is one of the most active water markets in the Western United States. As a result, the South Platte market comes close to resembling a conventional real estate market in that there is considerable competition for water and prices tend to be determined through open market competition. Nonetheless, even in the South Platte market, various factors that are unique to water influence the nature of the water market, helping to create significant locational market differences within the watershed.

Water providers and community leaders have made a concerted effort to avoid buy and dry transactions and in doing so have likely prevented the continuation of what had become a relatively active traditional water market. In its place, a market based on alternative transfer methods (ATMs) is beginning to take shape, although this new market and new transfer methodology is still in its infancy.

South Platte Basin

The South Platte Basin supports the most population and has the highest growth rates of any watershed in the state. As such, it has historically accounted for the largest amount of municipal and industrial water use of any watershed. Gap analysis conducted for the Statewide Water Supply Initiative and the State Water Plan suggest that the South Platte basin will continue to create the greatest demand for conversion of agricultural water to municipal and industrial uses. Coincidently, the most irrigated cropland exists in the South Platte watershed and those water rights are indeed coming under increasing pressure for conversion.

A basic categorization of the South Platte Basin water market is to consider it in sectors: The Upper South Platte above Chatfield Reservoir, the Metro Area between Chatfield and Brighton, Brighton to Greeley and finally, the Lower South Platte below Greeley.

The Upper South Platte, above Chatfield Reservoir has historically reflected a strong demand for water rights, given the ease of delivery to the Metro area. However, the acreage of historically irrigated land is low and the volume of remaining water available for municipal conversion is relatively nominal.

The Denver Metro area represents the largest municipal use of water in the state and is positioned to create the most additional future demand.

The South Platte Basin water market has many facets due to a diverse supply of water and the diverse needs of water users. A good way to categorize the Denver Metro area is to consider the southern Denver Metro water users with historical reliance on nonrenewable Denver Basin Aquifers water, such as Castle Rock and Parker. The Denver Water Board and other more centrally located water providers such as Aurora, Englewood and Thornton fit into another category, while northern Front Range users such as Boulder, Longmont, Greeley, and Fort Collins are in another category.

Douglas County and southern Metro Denver water providers currently have a significant reliance on nonrenewable Denver Basin groundwater, and they represent an important part of the South Platte market. Not only do these water providers need to acquire water for future growth, they also are trying to transition from dwindling non-renewable groundwater supplies to renewable surface water supplies. Parker and Castle Rock's development of Reuter Hess Reservoir has been a major recent project in the effort of local water providers to develop alternatives to Denver Basin water.

Water Rights Market Description – Continued

In recent years, southern Denver Metro water providers have looked to South Platte Basin water rights, most notably agricultural rights along the main stem of the South Platte between Brighton to Sterling, to meet their needs. Plans continue to be discussed that would extend pipelines to bring water from Morgan County to southern Metro Denver.

Not only are the southern Denver Metro water providers competing for agricultural water in the South Platte, Denver Metro entities, who have historically relied primarily on surface water, are also competing for these agricultural water rights.

Northern Front Range water providers have long had the luxury of using Northern Colorado Water Conservancy District (NCWCD) water. However, as that source becomes less available in upcoming years, they too will be putting more pressure on agricultural water rights. The meteoric rise on NCWCD prices in the past three years has indeed caused this situation to be exacerbated as per unit prices have risen from $30,000 to over $60,000 per unit, even topping out over $70,000 per unit in late 2022, before receding slightly in early 2023.

Northern Front Range municipalities have historically had a decided advantage in the availability of water rights. The growth of cities such as Fort Collins, Loveland, Greeley, Longmont, and Boulder, along with smaller communities, has often occurred on formerly irrigated lands.

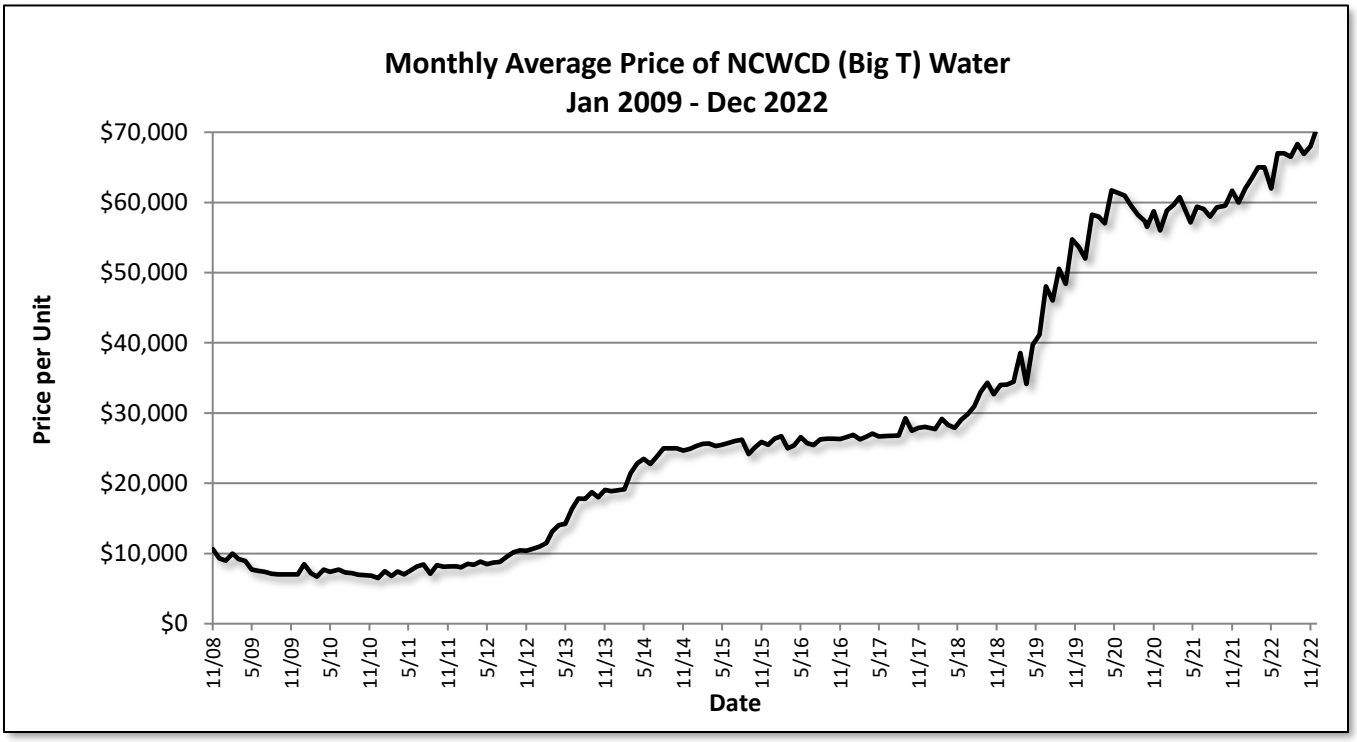
Water dedication policies have allowed the water used on this land to be available to these cities as annexations have occurred. In addition, all of these communities are in the Northern Colorado Water Conservancy District. NCWCD water (a.k.a. Colorado/Big Thompson Project Units or CBT Units) is available for use by municipal providers. As a result, the combination of native water dedications and NCWCD water acquisitions has led to a relative abundance of water in the northern Front Range and has, in general, kept prices down until recently. available for use by municipal providers. As a result, the combination of native water dedications and NCWCD water acquisitions has led to a relative abundance of water in the northern Front Range and has, in general, kept prices down until recently.

Unlike many of the Denver Metro area water providers that directly purchase water and then charge developers, most northern Front Range water providers require the developer to acquire water to meet water dedication requirements. These policies began to put significant upward pressure on water values between 1999 and 2007. NCWCD water saw a major increase in value from $2,500 per CBT Unit in 1998 to more than $14,000 per CBT Unit by 2000. Prices then dropped slightly, stabilizing between $9,000 and $12,000 per unit between 2001 and 2007. Prices eventually dropped below $7,000 per unit in 2010 before a gradual increase to the $25,000 to $28,000 range for a number of years. Then in mid-2018, the limited supply of water combined with a strong demand from developers caused an unprecedented spike in values.

During a summer 2019 meeting, the Northern District Manager indicated there were roughly 29,000 units left in farmers hands (out of 310,000 units). However, many of these units are on future development land tracts, so the number of units actually available for developers to purchase is far less. Based on subsequent transactions, that number is likely now closer to 20,000.

The demand for NCWCD units is centered around certain communities that rely solely on NCWCD water such as Dacono, Frederick, Firestone, Mead and Milliken. The Tri-Districts to the east and north of Fort Collins also rely heavily on NCWCD water, but they do have other options which are also becoming expensive. One thing that has become clear in recent months is that there is more development land that needs NCWCD water than there is NCWCD water to fill that need. But, with water prices rapidly moving towards the $100,000 per residential lot mark, it is quickly becoming less economical to develop in these communities. Instead, developers are showing more interest in communities with lower-priced water. More so than ever, water availability and water prices are driving the location of development on the Northern Front Range.

There are some efforts being made to develop alternative water supplies in some of the communities dependent on NCWCD water. Firestone is developing a well field that will use augmentation water from some lower valued water rights that cannot be used directly for domestic use. Numerous communities are participating in the Windy Gap Firm project and the Northern Integrated Supply Project (NISP). However, the timing of those water sources becoming available, particularly NISP could be problematic. Construction has commenced on the construction of Chimney Hollow Reservoir, the primary component of the Windy Gap Firming Project.



Water Rights Accepted for Municipal Use

The ramifications for water rights other than NCWCD water has been significant, especially for water rights accepted by water providers for dedication purposes. In the case of North Poudre shares, due to having four imbedded units of NCWCD, values have increased nearly on-par with NCWCD values even though there are a limited number of water users that accept North Poudre water. Those values have increased to near $250,000 per share.

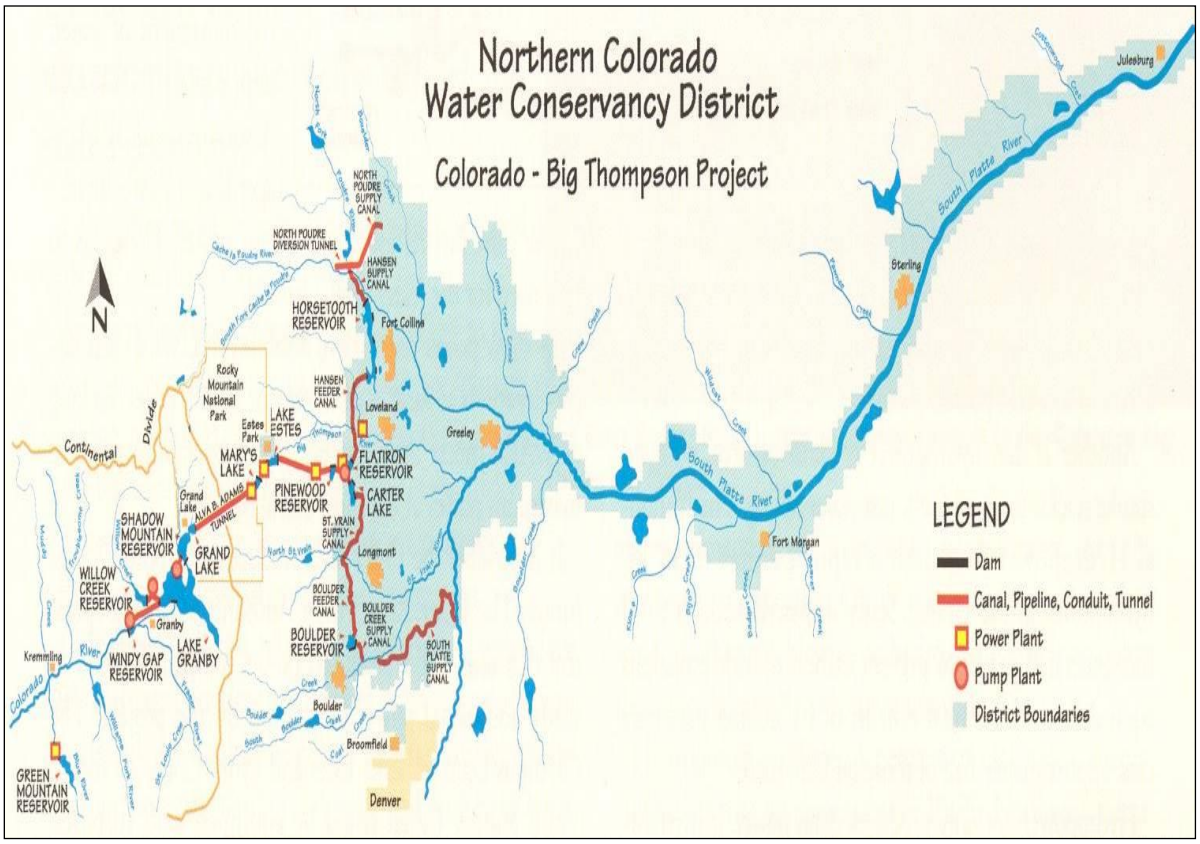
Water Supply and Storage Company shares are accepted by the Tri-Districts (North Weld, East Larimer County and Fort Collins — Loveland). Greeley has also been active in that market. Values for Water Supply and Storage shares have climbed from less that $1.0 million per share to $4.0 million per share in the past five years.

Consolidated Home Supply Ditch and Reservoir Company shares, which are accepted by Johnstown and Little Thompson Water District for development at a rate of 12 residential units per share of “non-water court” shares and 16 residential units for “water court” shares have increased over tenfold in the last decade. Home Supply has risen from near $30,000 per share a decade ago to $600,000 per share for water court shares today.

Handy Ditch Company shares, now accepted by Little Thompson Water District have increased from $40,000 per share to $300,000 per share (with dry-up) in the past four years.

Water Rights Market Description - Continued

There are still a number of the larger Northern Front Range communities that have substantial water portfolios that are able to keep cash-in-lieu rates well below the spiking numbers found in the NCWCD-dependent communities.



The disparities between water prices in the communities is having a direct impact on land values and will undoubtedly slow or even stop new residential development where water prices result in such a competitive disadvantage.

The Denver Metro area and the Northern Front Range communities have historically had somewhat separate water markets. The Northern Front Range communities have relied heavily on what now looks like very inexpensive high-quality water from NCWCD. The larger communities in particular have also developed a number of native water rights and even some trans-basin rights other than NCWCD water. One distinct advantage many of these communities have had is that they have grown over irrigated lands and water rights originating from those lands helped to provide necessary development water. While some of that has happened in the Denver Metro area, it has not been as prevalent as in places like Longmont, Loveland, Fort Collins, and Greeley.

The Denver Water Board and other metro water users historically tended to focus on Upper South Platte and trans basin rights, with very few incursions into the Northern Front Range with the notable exception of Thornton's purchase of Water Supply and Storage shares in the 1980s. That began to change around 2000 when a number of Denver Metro water providers began to focus their efforts on the main stem of the South Platte.

Water Rights Market Description - Continued

There have historically been a few water rights at the northern edge of the Metro area that have been used to meet development, particularly by the Northern suburbs. Specifically, the Farmers Highline and Farmers Reservoir and Irrigation Company (FRICO-Standley) shares were commonly transferred to municipal use. However, very few of those shares remain in farmers hands and prices began to reach the $30,000 to $40,000 per consumptive acre foot range, even five to ten years ago.

The shifting focus of Metro area water providers to the main stem of the South Platte was inevitable given the difficulty in developing new trans-basin water projects, need to shift reliance away from Denver Basin supplies and lack of available water out of Clear Creek and other tributaries running through the Metro area. The pace of water transfers from main stem water rights between Brighton and Greeley has been fairly brisk given that there was very little activity prior to 2000. Between 2000 and 2005 when these transactions began to occur, there were some rather dramatic value changes as municipalities began entering the market for various mutual ditch company rights.

Lupton Meadows Ditch Company share values tripled and Platteville Irrigating and Milling Company share values had a five-fold increase with Aurora's first purchase.

By 2010, mainstem water right values in Weld County had become fairly stable near $10,000 per average consumptive acre foot with a premium of 30 percent or so for deals based on firm yield. Those values remained fairly stable until the past two to three years, when another spike occurred. This included one of the most widely traded mainstem water rights, shares in the Fulton Irrigation Ditch Company which are primarily utilized by Brighton, although there are other municipal water users who own shares in the company. Main stem values have now increased by 50 to 100% in the past three years.

One of the most important strategies being employed by Metro and Northern Front Range water providers has been to greatly expand their re-use efforts. The primary focus of this strategy has been the development of lined gravel pits along the mainstem of the South Platte and along a number of tributaries. Most of the lined gravel pits are used to capture treated effluent that has been released to the river that are exchanged when timing allows. In addition to lined gravel pits, two porosity storage projects have also been developed. The Aurora Prairie Waters project can produce direct domestic use water or can be used for exchange. Further downstream, Aurora is a partner in the Gilcrest Reservoir project, which is a combination of porosity storage and mined gravel storage.

The market for water storage has remained strong both on the South Platte main stem and on the tributaries, particularly the Cache La Poudre. Water storage values on the main stem are now approaching $4,000 per acre foot for lined and approved storage without delivery and release infrastructure. Values on the Cache La Poudre are now in the $3,000 to $3,500 per acre foot range.

Besides municipally influenced water rights on the Northern Front Range, there are a number of fairly large irrigation companies that have yet to have significant municipal conversions.

Most notably these include the Larimer and Weld Irrigation Company, New Cache Irrigation Company, and the Highland Ditch Company. There are also a number of smaller irrigation companies that have yet to see municipal conversions, but these three stand out because of their size and volume of water (each have roughly 40,000 acres under irrigation).

The Larimer and Weld and New Cache companies have some immediate outside influences due to interest from NCWCD as part of the NISP project along with separate interest from the City of Greeley. Significant value changes for these water rights have yet to be manifest but appear poised to take place.

Greeley may have taken some of the pressure off these systems with their Terry Bison Ranch groundwater project (located at the northern edge of the state, just south of Cheyenne). But, there are still a number of other potential municipal users of these ditch systems.

Water Rights Market Description - Continued

Highland Ditch, which is further south and originating from the St. Vrain, still has bylaws that prevent municipal conversion. Although, because of its size and location, financial incentive to change the bylaws continues to mount. Even the prospect of future municipal conversion appears to be driving prices. Highland Ditch Company values have increased from $175,000 to $450,000 per share in the last five years.

The Lower South Platte from east of Greeley to the state line remains in play for future municipal water conversion. The City of Parker, East Cherry Creek Valley Water and Sanitation District, Centennial, Highlands Ranch, Castle Rock and Castle Pines North are among various other communities who are looking towards Lower South Platte water rights. In fact, there have been a flurry of municipal acquisitions along the main stem of the South Platte between Brighton and Greeley in the past 20 years, with a number of recent transactions. Values in that market had been fairly steady up until the past four or five years with $10,000 per consumptive acre foot being a fairly common number. However, more recently values have spiked and there have been a number of transactions in the $20,000 to $25,000 per acre foot range, with some water rights topping $30,000 per acre foot. One of the more coveted water rights, Fulton Ditch near Brighton, has even reached $40,000 per acre foot.

In Morgan and Logan County, there have been a lesser number of acquisitions compared to Weld County, but there have been some Denver Metro water provider acquisitions, and, in some cases, groups of water providers. As many as three or four pipelines are planned in conjunction with these acquisitions, with the furthest east pipeline originating at Prewitt Reservoir in Logan County and terminating at Reuter Hess Reservoir near Parker.

There continues to be a significant number of agricultural purchases of irrigated farms in Morgan and Logan County, being driven by a dairy industry that has doubled its capacity in the last decade. The municipal purchases that have taken place have yet to create values significantly above what agricultural interests are able to pay. Once pipelines and storage facilities are developed, the market appears destined to change.

The South Platte water market is not only one of the most active water markets in the state, but also possibly one of the most active water markets anywhere in the west. A number of factors have created this situation. Rapid growth creating strong demand is one ingredient, with that demand being exacerbated by the need to reduce dependence on Denver Basin supplies.

Besides strong demand, the element which makes the South Platte market so robust is the large number of water users competing for the agricultural water rights. In the case of the Northern Front Range communities, the requirement that developers find and dedicate water has created one of the most “open market” situations anywhere in the west. The rapid value increases caused by the lack of availability of NCWCD water probably means the days of requiring developers to find and dedicate water is near an end. However, even if that is the case, there will still be a large of number of municipal water providers competing for remaining agricultural water resources and a robust water market is likely to continue in the South Platte watershed.

There is still potential for water development beyond just conversion of agricultural water resources. The Chatfield Reallocation Project was one important recent example. Continued development of lined gravel pits and greater re-use of effluent releases will continue to enhance water portfolios. New storage projects such as Reuter Hess Reservoir (constructed), Chimney Hollow/Windy Gap Firming (construction underway) and the Northern Integrated Supply Project (EIS complete, but some uncertainty as to its future or exact timing of construction) should help to alleviate a degree of pressure on agricultural water rights.

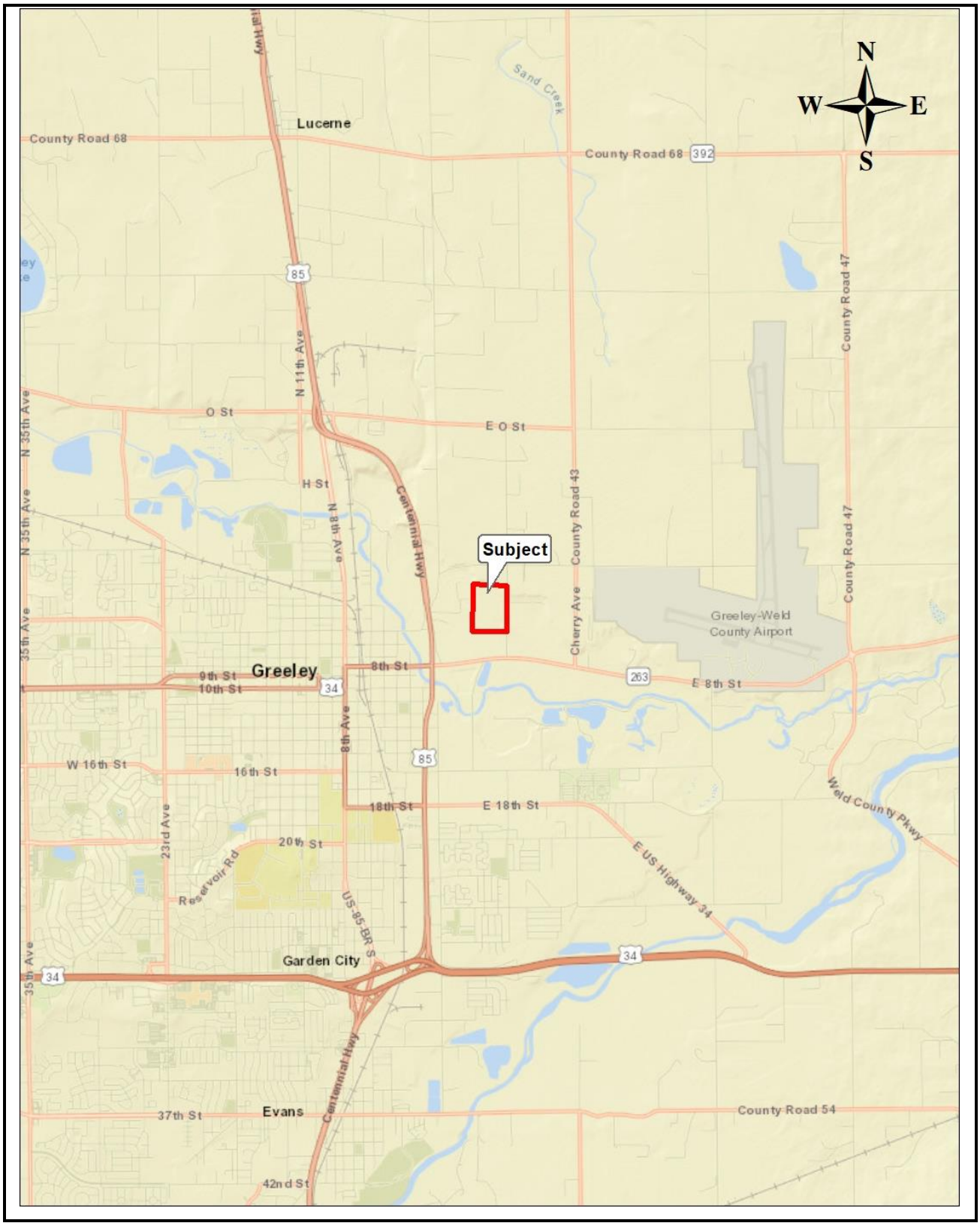
Water Rights Market Description - Continued

While the State Water Plan had hoped to discourage buy and dry, the pace of municipal conversion has remained brisk in the South Platte watershed. If ATMs begin to gain a better foothold, more agricultural water rights will need to be involved as less water becomes freed up in lease fallow arrangements than in full buy and dry acquisitions. To date, ATMs have yet to have a significant impact on the South Platte market. In fact, the South Platte is significantly behind the Arkansas Basin water market in terms of efforts to move away from full buy and dry acquisitions and towards alternative transfers.

It is difficult to predict exactly how the future of the South Platte water market will unfold. A lot depends on when new water projects come online and how much water will be involved in those projects. Funding from Proposition DD (approved by voters in November 2019) and other sources will factor into new water projects, as will opposition from environmental groups as has been the case with NISP. Demand may be slowed to a degree by conservation and the maximization of water re-use. However, as SWSI has illustrated, projected growth rates are simply too great to avoid development of new sources of supply whether those sources are new water projects or conversion of agricultural water rights. As a result, the recent pressures to convert agricultural water rights appear unlikely to subside.

A decline in the development market could relieve pressures on the water market on a temporary basis as was the case between 2008 and 2014, but over the long run agricultural water rights in the South Platte watershed will continue to have increasing pressure for conversion to municipal uses, and values are likely to continue to increase.

While a substantial amount of agricultural water is presently available in the South Platte Basin, the rate of conversion has been steadily increasing. As prices climb for these water rights, the Arkansas Basin may become a more economically attractive alternative, particularly for some of the more southern water providers. Therefore, while the South Platte market currently functions relatively separately from the Arkansas Basin water market, there is at least potential for more connections between the markets in the future, as South Platte agricultural water rights become scarcer and more expensive. That said, there could be a significant political backlash if a Denver Metro water provider attempted to secure Arkansas Basin water rights, either through a buy and dry or an ATM arrangement. As a result, there may continue to be a significant separation between the two markets. Limitations on transbasin conversions from the Colorado to the South Platte are even more politically problematic. In some cases, such as the Denver Water Board and Northern Colorado Water Conservancy District, formal agreements are in place to prevent bringing water from the Colorado watershed. These significant transbasin limitations only place more pressure on native water rights within the basin.



Neighborhood Map

Neighborhood Description

The subject neighborhood has a mixture of numerous land uses. It can be defined as the area east of the city limits of Greeley.

The landscape and topography are dominated by the confluence of the Cache la Poudre and South Platte rivers. To the north of the neighborhood above the river valley lies a productive vegetable producing area known as Pleasant Valley. At the south edge of that neighborhood is the Greeley Airport.

The southern and eastern boundaries of the neighborhood are along or near the South Platte River.

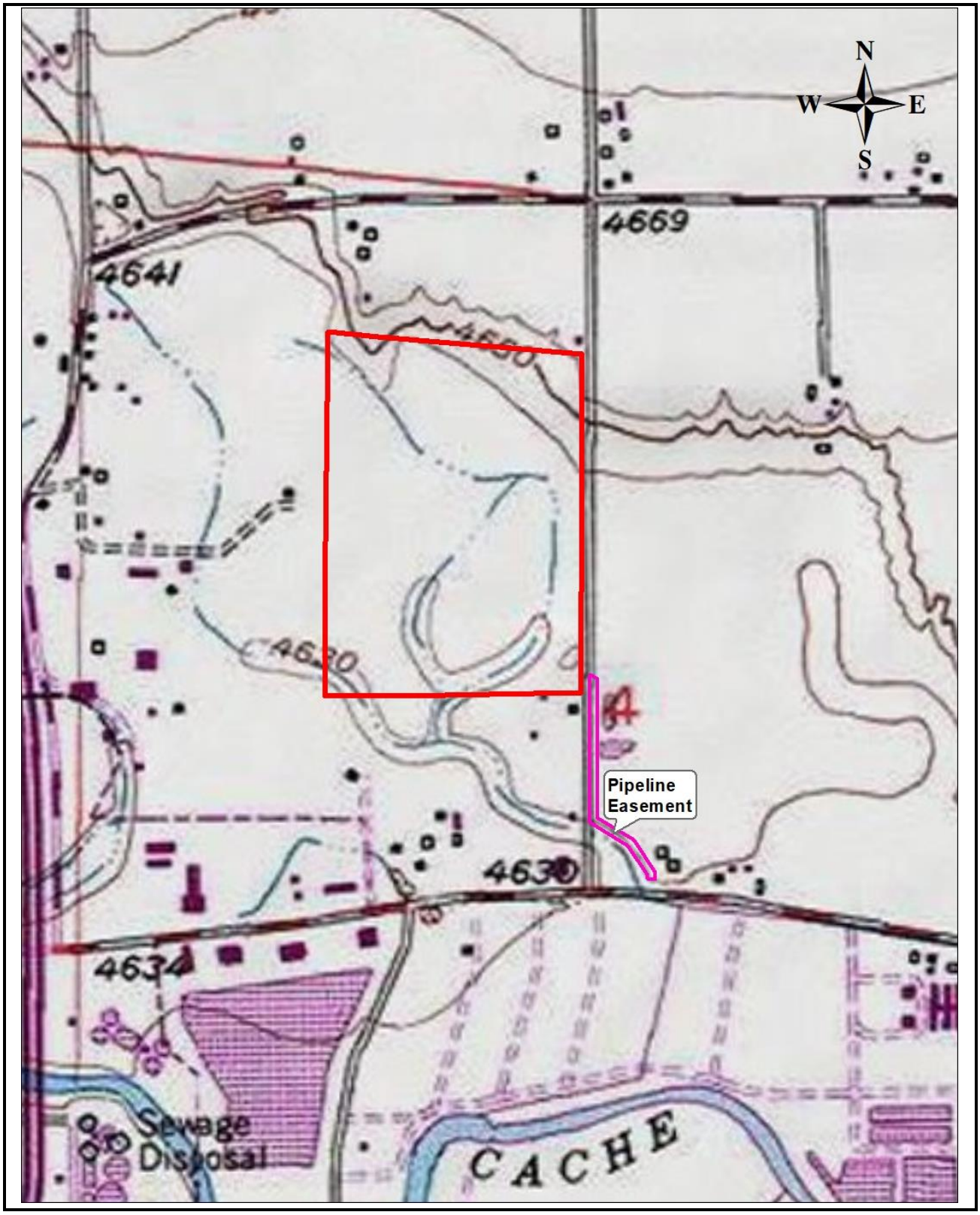
The eastern portions of Greeley have historically been industrially oriented with mixed, lower quality residential developments, including a number of manufactured housing parks. Most of Greeley's recent residential and commercial growth has been in the western portion of the city. A number of factors have resulted in slower growth to the east. These include the quality of existing residential developments, numerous industrial properties (including odors associated with meat processing), floodplain regulations and better access to Denver and other Northern Front Range cities in the western portion of the city.

The Great Western Sugar Company plant, which has long been closed was the first major industrial facility on the east side of Greeley and that set the tone for this to the be industrial hub of Greeley. Today, the JBS meat processing facility and the Leprino cheese factory are the largest industrial facilities, although there are many other industrial and commercial facilities located along Greeley's eastern edge.

Recently, some lower-end residential development has taken place in the southern portion of the neighborhood. Gradually, more industrial buildings are also being added. Some small irrigated tracts remain. Gravel mining is taking place along the rivers, with most production on the Poudre due to superior gravel quality compared to the South Platte. A number of lakes, now used for recreation, have been created from mining. Linn Grove Cemetery is near the center of the neighborhood. Greeley's municipal airport is located north of the Poudre River, at the northeast edge of the neighborhood.

Large, multi-well oil and gas projects have been developed around the edges of Greeley, including the neighborhood at the eastern edge of the city.

The neighborhood should continue to change gradually over time. Additional lower-end residential development is likely where utilities permit, and land is above the floodplain. Expansion of gravel mining areas is also likely, although gravel reserves are being depleted and a transition to post mining water storage uses is already underway.



Topographic Map

Property Description

Property Owner

Oglivy Irrigating and Land Company (80% interest) and Oglivy Augmentation Company (20% interest)

Property History

A Special Warranty Deed transferred the property from Loloff Construction, Inc. to the subject owners on September 29, 2022. The documentary fee reflected a sale price of $4,800,200 ($2,592/af).

Legal Description

Part of Section 4, Township 5 North, Range 65 West of the 6th P.M., Weld County, Colorado (See Exhibit A in the Addenda for a full legal description in the title work).

Size

55.0 gross acres +/-
53.8 net acres +/-

Address

590 North Balsam Avenue, Greeley, CO

Location

West side of Balsam Avenue, 1,000 feet +/- north of East 8th Street at the northeast edge of Greeley, CO

Access

Good from gravel Balsam Avenue

Zoning

Z-420 A by Weld County. See Addenda for an excerpt of the Weld County Land Use Code including allowed uses and other Agricultural zone district regulations. Although, most uses are generally not available due to this being an excavated site.

Planning Area

Not applicable due to being an excavated site.

Site Description

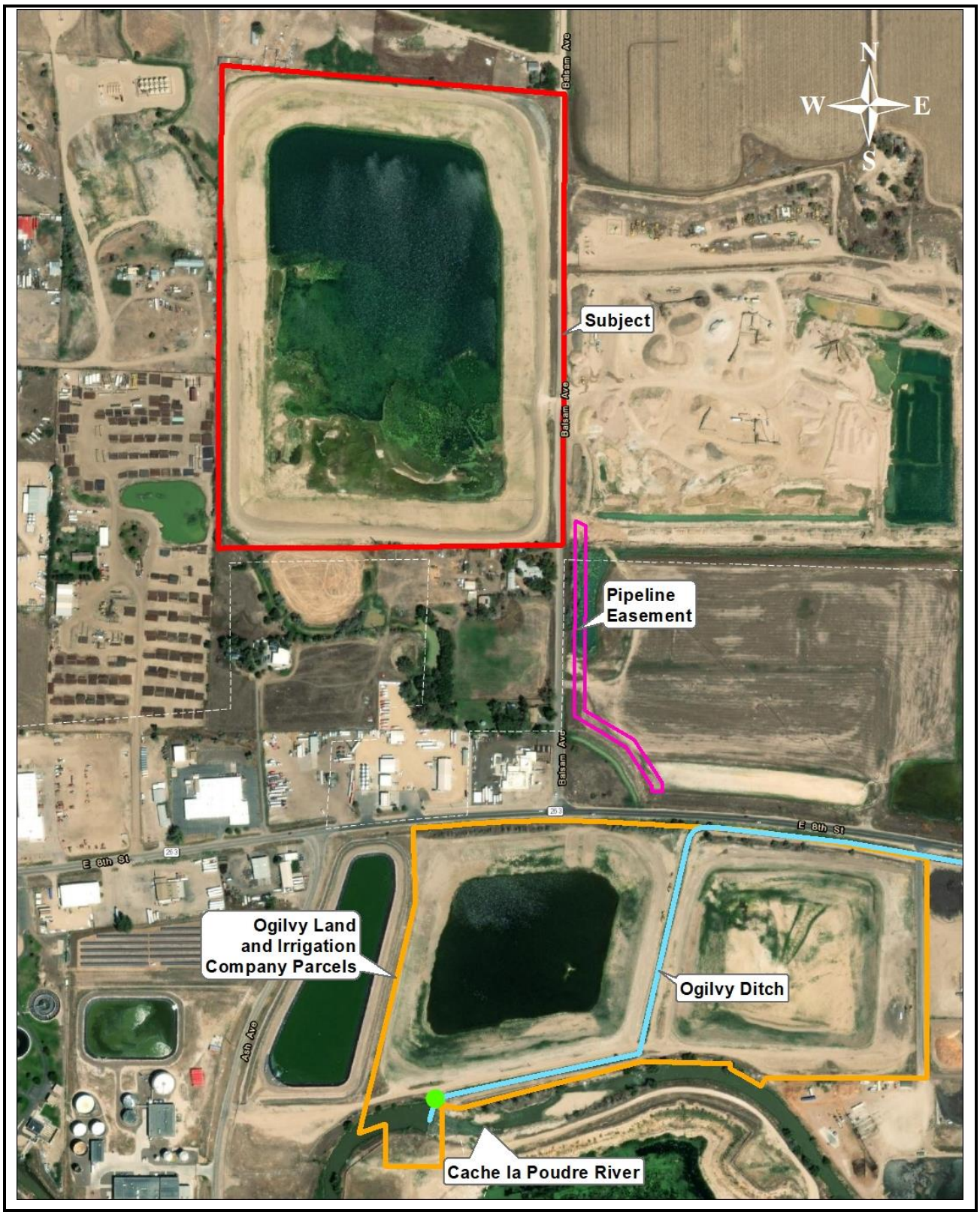
The subject is an excavated gravel pit that has been lined for water storage.

Shape

Rectangular

Mineral Rights

None included in valuation.



Loloff Pit Relative to Ogilvy Headgate (green dot) and Ogilvy Ditch

Property Description – Continued

Loloff Pit

Water Rights:

- Conditional water right filed in December 2022 - Pending

Storage Capacity

- 1,851.94 acre feet

Characteristics

- Lined and approved water storage facility

Dam

- No jurisdictional dam

Source of Water

- Cache La Poudre River via Ogilvy Ditch

Delivery & Release

- Delivery and release infrastructure is not included in the valuation.
- 42" pipe to be installed connected reservoir with the Ogilvy Ditch, just below headgate
- Anticipated fill rate of 70 acre feet per day (26 days +/- to fill or empty the reservoir)
- Top 19 feet gravity flow in and out. Pumped below that level.

Surface Acres

- 44.32 acres +/-

Depth

- 42 foot average depth

Recreation

- In-tact, no recreational reservations

Use of Water

- Planned for augmentation and direct irrigation usage

Floodplain

Much of the property is within the 100 year floodplain.

Environmental Conditions

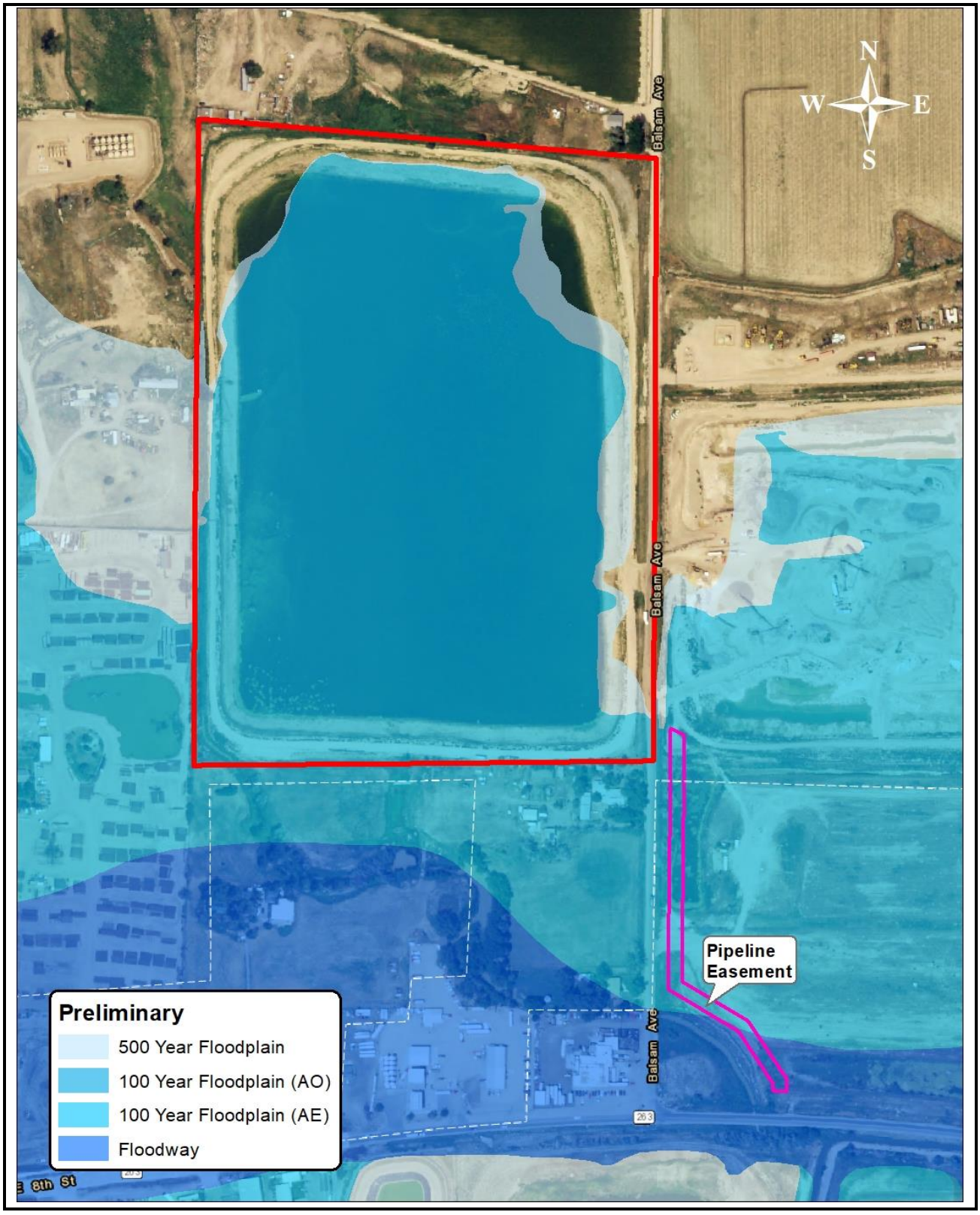
No adverse environmental conditions were observed.

Easements and Encroachments

No crossing easements impact the storage facility.

Improvements (Buildings)

None.



Preliminary Floodplain Map

Property Description – Continued

Elevation

4,570’ at bottom of pit to 4,665’ in the northeast corner of the site above the reservoir. The high water line is at 4,636’.

Adjoining Land Uses

Gravel mining, industrial, agricultural and residential.

Utilities

Electricity is to the site. There are no water or sewer taps associated with the property.

Assessed Value and Taxes

Parcel #	Size* (AC)	Actual ^ Land Value	Actual Improvement Value	Assessed Land Value	Assessed Improvement Value	Mill Levy	Current Taxes
096104200013	58.70	$0	$0	$0	$0	82.249	$0
Total	**58.70**	**$0**	**$0**	**$0**	**$0**	**-**	**$0**

Source: Weld County Assessor

Note: Currently identified as “waste land” and no value is assigned.

Appraisal Valuation Methods

The appraiser has three methods of estimating value, and each is considered in every appraisal:

The ***Sales Comparison Approach*** is a comparison process between the subject property and similar properties that have recently sold. Considerable judgment is involved when analyzing each sale with respect to value factors such as time of sale, location, conditions of sale and physical characteristics. The sales prices are then adjusted to account for these differences and the net result from each sale is a value indication for the subject.

In the ***Cost Approach***, the value of the unimproved site or vacant land is first estimated. The depreciated reproduction cost of the buildings and other improvements is then added. Because the subject property is vacant, this approach will not be used.

The ***Income Approach*** utilizes an investment analysis of the property. The income stream of similar properties that have sold is analyzed to determine the rate of return to these investments. This rate is then applied to the subject's estimated net income and thereby capitalized into a value indication. Direct capitalization can be successfully used in situations where agricultural income is the motivation for land purchases. Income from water leasing is not the basis for water storage acquisitions and this approach is not applicable.

A form of the Income Approach applied to development land is the ***Developmental Approach***. This approach analyzes development costs and revenues from lot sales. These cost and revenue projections are discounted over a period of time, which is determined by expectations regarding time to develop and sell lots. Because the subject has no development potential, this approach will not be used.

Highest and Best Use

A property must be appraised in terms of its highest and best use. As such, the Highest and Best Use of each subject property is concluded prior to estimating the values of the subject properties.

The concept of highest and best use is fundamental to the analysis and valuation of any real property. As used here for purposes of this appraisal report, it is defined as:

> "That reasonable and probable use that will support the highest present value, as defined, as of the effective date of this appraisal."
>
> "Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value."

An opinion of the highest and best or most probable use is premised upon, among other things, the site being vacant and ready for development, as well as its compatibility with the environment.

Criteria for judging highest and best use include those uses that are physically possible, legally permissible, financially feasible and maximally productive. This analysis must consider the type of use that will produce the maximum future benefits to the owner and that will be reasonably achievable.

Highest and Best Use of Loloff Pit

Physically Possible: A number of uses are physically possible, including the current uses for water storage. Lake recreational uses are also possible. The land area west of the reservoir is adequate in size to support structures. However, the easements along the west boundary and the fiber optic line which angles through this portion of the property, eliminates the potential for development.

Delivery and release infrastructure is being put in place, which will make the subject water storage facility fully functional.

Legally Permissible: The subject's lining has been approved and the reservoir is legally available to store water and release water into the St. Vrain River.

Financially Feasible/Maximally Productive: Available augmentation and direct irrigation use of the water storage demonstrates financial feasibility. The maximally productive use is concluded to be for water storage.

Selection of Comparable Sales

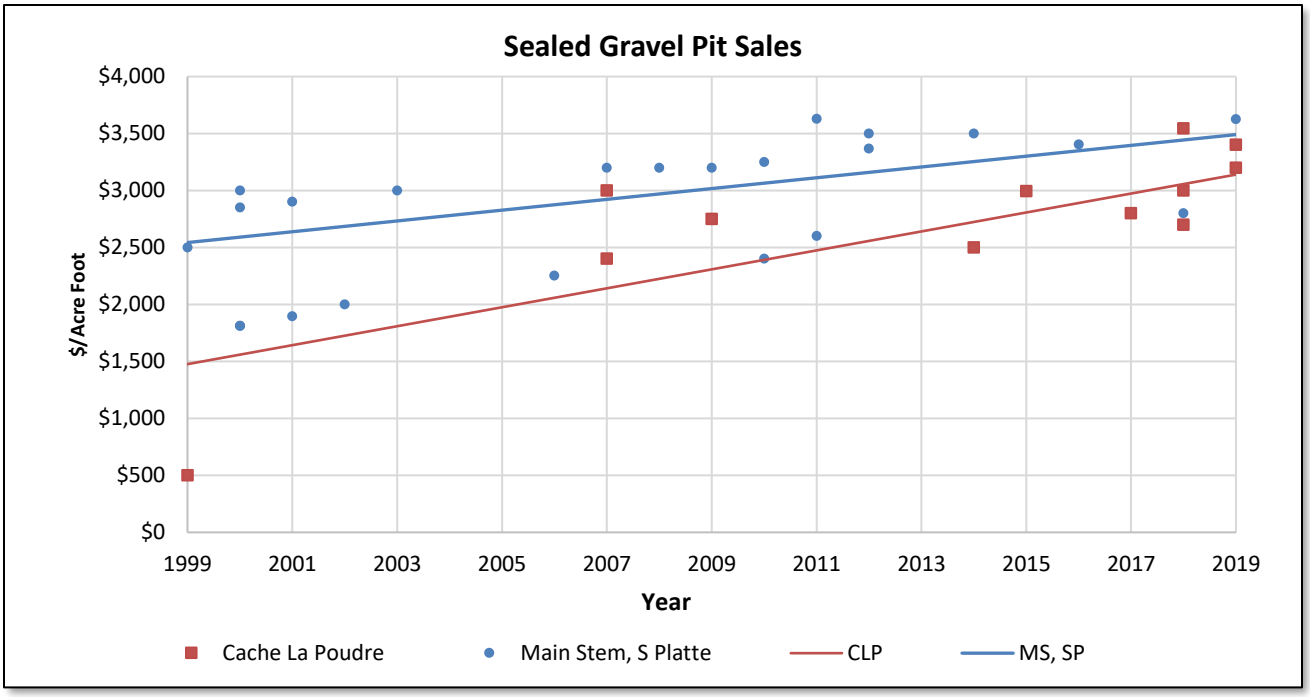
Recent water storage sales have been selected and are compared to the subject to determine indicated values. A tabulation of these sales, along with a map showing their location, can be found later in this section. Additional details about each sale can be found in Exhibit E of the Addenda. The most comparable sales have been chosen for direct comparison. While Sale WS19 is a recent sale, relatively near the subject, it has not been considered for direct comparison because of its shallow depth and off-stream location.

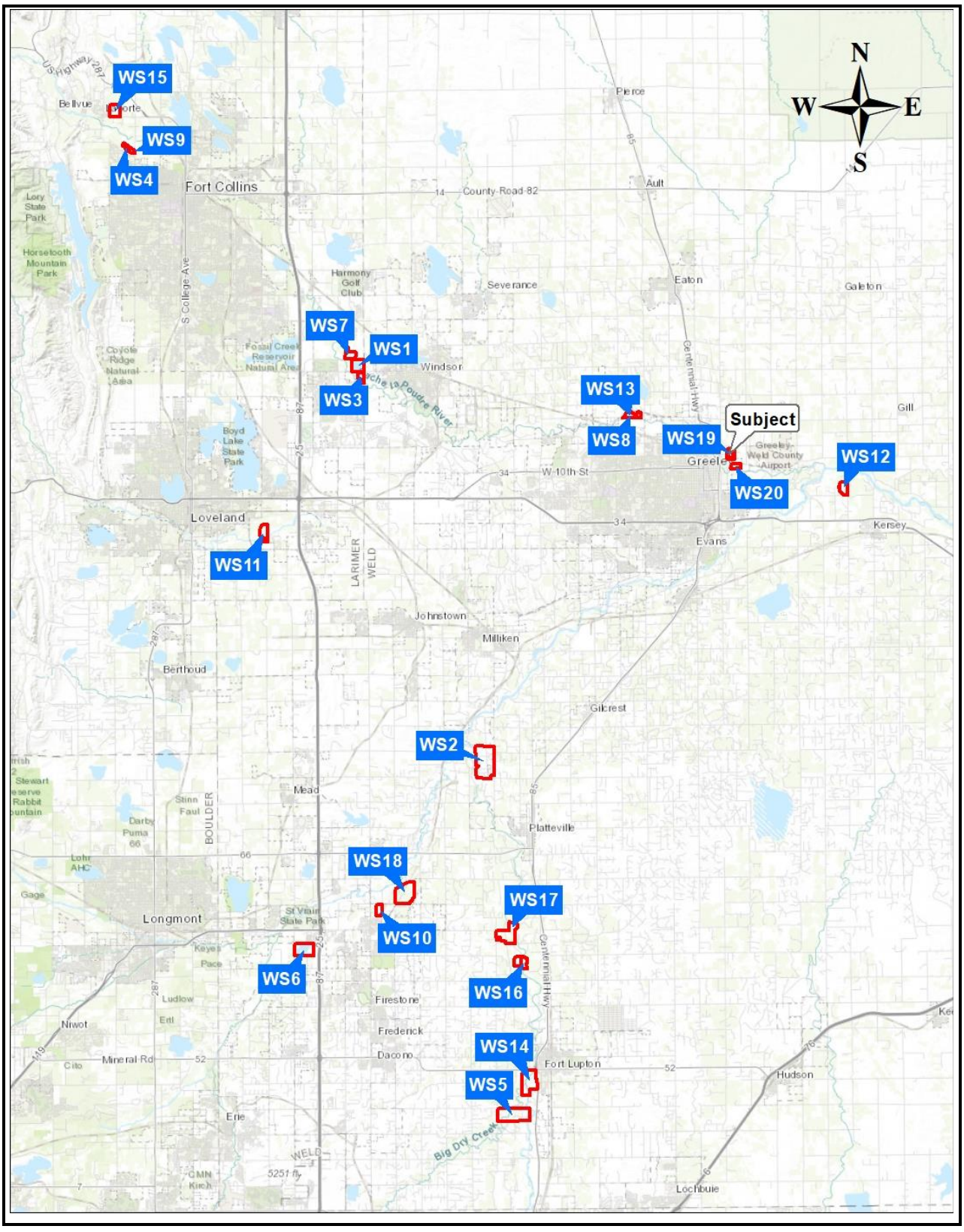
Elements of Comparison for Water Storage

Market Conditions: The market for lined gravel pits has ranged from steady to strong for a number of years. This has particularly been the case on the main stem of the South Platte in the Brighton area, where values increased from the $2,000 to $2,500 per-acre-foot range up to the $2,500 to $3,000 range from 1997 to 2002. Values during that time period had been increasing at roughly five percent per year.

In the early to mid-2000s, the practice of incorporating CPI escalators into lined gravel pit contracts became more common. This helped ingrain a 2% +/- inflation rate into the market, although fewer CPIs are being attached to sales, and more money is being paid up front in recent transactions. This allows for more of the cost of lining to be covered to complete the project, instead of receiving the payment after delivery.

The following chart plots time trends for both the main stem of the South Platte and the Cache La Poudre. The lack of recent sales on the main stem, makes the current main stem value difficult to determine. However, the large number of recent sales on the Cache La Poudre helps to demonstrate a continued upward trend for water storage facilities. Assuming the separation between the tributaries and the main stem still exists, this would place current Main Stem values around $3,500 to $4,000 per acre foot with tributary values in the $3,000 to $3,500 per acre foot range. However, recent main stem sales have yet to break the $4,000 per acre foot barrier. Given all of these considerations, it appears that a steady upward trend on the order of 2 to 3% annually has been sustained for many years. An adjustment of 2.5% per year will be used.





Water Storage Sales Map

Water Storage Sales

Sale #	Grantor	Grantee	Sale Date	Sale Price	Acres	AF of Water Storage	Lake Depth	WS price per acre foot
WS1	River Bluffs Ventures LLC	Town of Windsor	03/10/2014	$2,750,000	144	1100	13	$2,500
WS2	Gilcrest Reservoir LLC	City of Aurora	06/25/2015	$5,016,000	575	8326	?	$602
WS3	Serfer Land Ventures LLC	United Water & Sanitation	11/18/2015	$640,500	44	214	12	$2,993
WS4	Hilt	City of Greeley; Tri-Districts	08/01/2017	$638,000	27	254	16	$2,512
WS5	Chikuma Family LLC	Martin Marietta Materials Inc	12/19/2017	$6,300,000	403	3300	?	$900
WS6	L.G. Everist Inc	CCWCD	12/29/2017	$9,101,800	233	2550	19	$2,800
WS7	River Bluffs Ventures LLC	North Weld & ELCO	03/23/2018	$2,900,000	82	1000	13	$2,700
WS8	L.G. Everist Inc	Colorado Energy Resources LLC	06/05/2018	$4,300,000	85	931	26	$3,545
WS9	Deines, Maurice & Alice; Deines Trust	City of Greeley; Tri-Districts	12/26/2018	$543,327	22	181	15	$3,000
WS10	L.G. Everist Inc	Town of Firestone	12/26/2018	$3,412,100	61	1218.6	33	$2,800
WS11	Jake Kauffman & Son Inc	City of Loveland	02/05/2019	$3,500,000	120	1300	20	$2,600
WS12	Journey Ventures LLC	CCWCD	05/15/2019	$3,180,632	104	1800	51	$2,700
WS13	Colorado Energy Resources LLC	City of Greeley	08/21/2019	$3,164,040	61	931	26	$3,400
WS14	Holton Family LLC	CAW Equities LLC	09/12/2019	$5,150,000	305	3500	30	$3,625
WS15	Loveland Ready-Mix Concrete Inc	North Weld County Water District	11/19/2019		127	0	?	$3,000
WS16	Majestic Opportunities LLC	Platte Land & Water LLC	09/08/2021	$7,700,000	128	1400	19	$3,300
WS17	Bennett Reservoir LLC	FRICO	01/15/2022	$9,600,000	100	3000	30	$3,200
WS18	L.G. Everist Inc	Town of Firestone	08/15/2022	$20,000,000	333	5400	20	$2,259
WS19	Loloff Construction Inc	Ogilvy Irrig. CO & Ogilvy Augm. CO	09/27/2022	$4,800,200	55	1852	42	$2,600
WS20	Greeley Urban Renewal Authority	Ogilvy Irrig. CO & Ogilvy Augm. CO	10/31/2022	$200,000	45	1000	40	$200

Location: Location of water storage facilities is an important factor in determining value. The preceding chart demonstrates a difference between the main stem and the Poudre. Other tributaries including the St. Vrain and Big Thompson have values that tend to track with the Poudre values. Facilities located in areas where there is higher demand and direct use capabilities will have a much higher value that ones that have few potential users in the area and rely on augmentation uses or water exchanges. South Platte reservoirs have more competition than reservoirs on the tributaries and historically have sold for higher values. There are a dwindling number of undeveloped sites available in the Denver Metro area, so demand tends to be much higher than further downstream. However, given the recent flurry of sales on the Cache La Poudre, this may no longer be the case.

Historically, pit depth has accounted for a significant portion of the locational differences between the main stem and the tributaries, beyond just the demand factor. Once pit depth is accounted for, only a slight locational premium is necessary when main stem reservoirs are compared to reservoirs on the tributaries.

One advantage of the pits near Fort Collins is that they have potential for direct domestic water usage at some point in the future. Water quality in the vicinity of the subject makes direct domestic water usage less feasible.

Depth of Pit: One of the ingrained components of location is the depth of the water storage. Depth is important because the shallower a pit is, the higher the percentage of evaporative loss will be. Typical evaporative loss on the Northern Front Range is near 2.5 acre feet per surface acre of lake. This means that a pit with an average depth of 10 feet would have an evaporative loss of 25%, while a 25-foot-deep pit would only have an evaporative loss of 10%.

Historically, main stem water storage sales have typically had depths in the 25 to 40 foot range while reservoirs on the tributaries are more variable, ranging anywhere from 10 to 30 feet.

Given the aforementioned discussion, it would appear water storage facilities on the South Platte in the Denver Metro area carry a premium of 10% to 20% over sales further downstream and on other tributaries. Greater differences in depth would likely result in a premium slightly above or below 20%, depending on the circumstance. Although, in the case of the subject, it has a depth greater than most South Platte sales given its location near the confluence of the Poudre and South Platte.

The subject's depth means that a significant portion the storage means less water is evaporated on an annual basis compared to most other pits. Based on an average depth of 42 feet, 6% +/- of the stored water is evaporated annually (assuming a full reservoir).

Size and Interconnects: Per-unit values typically decrease with increasing size. However, this is not the case with water storage, due to public buyers having access to considerable financial resources. A second reason is that when costs are fixed for easements, and delivery and release structures and legal fees can be spread over a larger reservoir, per-unit costs decrease. This tends to offset increasing investment size. Because the subject is a single cell reservoir with no interconnects, this is of some benefit. Although when the subject is compared to completed reservoirs, any interconnect cost has already been expended. Thus, no adjustments are necessary.

Delivery and Release Infrastructure: Typically, mined gravel pit reservoirs sell without delivery and release infrastructure in place. While the subject's delivery and release infrastructure (42" pipe connecting to the Ogilvy Ditch and associated on-site pumps), simply having the easements and the access to be able to convey the water is an important value advantage for the subject owners. Other potential buyers didn't have this advantage and it is one reason the subject sale price was below other recent water storage transactions on a per acre foot basis.

Surface Recreation Rights: Surface recreation rights are generally not a factor for sealed gravel pit properties. In fact, many water storage owners do not utilize surface recreation rights, while some do. Based on the value of lake recreation, even if the surface rights had their full value, it would likely be 10% or less of the full value of the water storage facility. If the subject lake was purely a recreational lake, the recreational lake sales suggest a value on the order of $15,000 to $20,000 per acre.

Thus, if the subject had only lake recreation rights with relatively reliable lake levels, the value could approach $20,000 per acre. However, if the water right were separated, unreliable lake levels would likely lead to a value per surface acre of less than $20,000 per acre.

Given that most of the water storage purchases include surface recreation rights that are typically not put to use, no adjustment is made for the subject surface recreation rights, besides the fact sales and subject would all have similar recreational potentials.

Direct Comparison – Water Storage

Sale WS12 – 5/2019 sale @ $2,700/af (time adjusted price of $2,970/af)
Location – Equal
Delivery & Release – Equal
Indicated Value -- $3,000/af

Sale WS13 – 8/2019 sale @ $3,400/af (time adjusted price of $3,710/af)
Location – Equal
Sale Conditions (existing water + bypass agreement) - Minus
Delivery & Release – Minus
Indicated Value – Significantly below $3,700/af

Sale WS16 – 9/2021 sale @ $3,300/af (time adjusted price of $3,430/af)
Depth – Plus
Location – Minus
Delivery & Release – Equal
Indicated Value – Below $3,400/af

Sale WS17 – 1/2022 sale @ $3,200/af (time adjusted price of $3,300/af)
Depth – Plus
Location – Minus
Delivery & Release – Equal
Indicated Value – Below $3,300/af

Sale WS18 – 8/2022 sale @ $2,259/af (time adjusted price of $2,282/af)
Delivery Time Adjustment – Large plus
Depth – Plus
Location – Slight Minus
Delivery & Release – Equal
Indicated Value – Above $3,000/af

Sale WS18 – 9/2021 sale @ $2,600/af
Depth – Equal
Location – Equal
Delivery & Release – Plus (other buyers did not have delivery and release easement and ditch secured)
Indicated Value – Above $2,600/af

Direct Comparison – Water Storage Conclusion

The recent subject sale is an important indicator. However, Ogilvy's control over what was by far the best option for delivering and releasing water put them into a favorable negotiating position. Without direct access to the river, it created a situation where a below market sale took place.

The other available sales point towards values at or above $3,000 per acre foot. Once some weight is placed on the subject sale, a reasonable value conclusion near $3,000 per acre foot is reached.

1,852 acre feet @ $3,024/acre foot = $5,600,000

Exposure Time

USPAP Definition of Exposure Time

Exposure Time: 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 fair market value on the effective date of the appraisal. *(Comment: The exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.)*

Subject Exposure Time

Operational water storage facilities are in strong demand in this location. The Town of Firestone would have immediate interest as would a number of other potential users, including the Central Colorado Water Conservancy District. The subject could be under contract within days, following some period of due diligence.

Assumptions and Limiting Conditions

This appraisal is subject to the following assumptions and limiting conditions:

1. The maps and pictures are included with this report to assist the reader in visualizing the property. The legal description contained herein is approximate for identification purposes; the appraiser has made no survey.

2. I assume no responsibility for matters of a legal character, nor do I render any opinion as to the title.

3. It is assumed that the title is merchantable, the property free and clear of liens and encumbrances, except noted leases, under responsible ownership and competent management.

4. The information furnished to me by others is believed to be reliable, but I assume no responsibility for its accuracy.

5. I am not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been previously made, therefore.

6. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which we are connected, or any reference to the American Society of Farm Managers and Rural Appraisers.

7. Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous material that may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

8. No extraordinary assumptions have been made and no hypothetical conditions have been used.

Certification of Value

I certify that, to the best of my knowledge and belief,

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice.*
- The use of this report is subject to the requirements of the American Society of Farm Managers and Rural Appraisers relating to review by its duly authorized representatives.
- The American Society of Farm Managers and Rural Appraisers conducts a mandatory program of continuing education. I am current with the requirements of the program.
- I made a personal inspection of the property that is the subject of this report on March 21, 2023.
- Delaney Dreckman provided assistance with this appraisal report.

I submit, herewith, one digital copy of the report, which describes the methods used and shows an analysis of the data and reasoning involved in arriving at my conclusions. The market value conclusion, as of March 21, 2023, is as follows:

$5,600,000

Respectfully submitted,

Kevin McCarty
CO Certified General Appraiser
No. CG01319902