

Adj. Price		\$1,900	\$2,047	\$1,536	\$2,000
Financing		-0-	-0-	-0-	-0-
Adj. Price		\$1,900	\$2,047	\$1,536	\$2,000
Sale Cond.		-0-	-0-	-0-	-0-
Adj. Price		\$1,900	\$2,047	\$1,536	\$2,000
Mkt. Cond.		-0-	-0-	-0-	-0-
Adj. Price		\$1,900	\$2,047	\$1,536	\$2,000
Land and Improvement Adjustments					
Land Adj.		(\$62)	\$89	\$55	\$197
Imp. Adj.		\$0	(\$109)	-0-	-0-
Spk. Adj.		(\$199)	(\$64)	(\$59)	(\$212)
Adj. Price		\$1,639	\$1,963	\$1,532	\$1,985
Other Adjustments					
Location		-0-	-0-	-0-	-0-
Access		-0-	-0-	-0-	-0-
Terrain		-0-	-0-	-0-	-0-
Water GPM Irr. Acre		(\$16)	\$0	(\$15)	(\$30)
Saturated Thickness		(\$33)	\$20	\$31	\$0
Size		-0-	-0-	-0-	-0-
Adj. Price		\$1,590	\$1,983	\$1,547	\$1,955
Mean					\$1,769
Median					\$1,773

Sales Comparison - Price Per Acre Method - Final Value Opinion

Range of Comparable Sales				
Date of Sale	Feb-2021	to	May-2022	
Size / Acres	120.000	to	635.000	
Adjusted Value Per Acre	\$1,547	to	\$1,983	

The adjusted sales range from \$1,547 per acre to \$1,983 per acre. The mean price per acre indicated by the sales was \$1,769 per acre and the median was \$1,773 per acre. Greater weight was given to Sale 1 based on date of sale, location and improvements. Remaining weight was given to Sales 2, 3 and 4.

Given the physical attributes of the subject property, including the land mix, improvements, location, access, and water, the indicated market value of the subject property, as of the effective date of the appraisal, is:

Land Sales Comparison Approach - Value Opinion As if Vacant				
Subject Acres	X	Value Per Acre	=	Value Opinion
410.000	X	\$1,585	=	\$649,850
Rounded			=	\$650,000

Subject Land Value Summary - As if Vacant Land Value Breakdown From Previous Analysis - 410.0 Acres				
Component Type	Ratio	Acres	\$ / Acre	Indicated Value
Irrigated Land	100%	290.000	\$1,995	\$578,550
Dryland Cropland and Dry Corners	30%	120.000	\$599	\$71,820
CRP	30%	0.0000	\$599	\$0
Native and Improved Pasture	20%	0.000	\$399	\$0
Farmstead Area	100%	0.000	\$1,995	\$0
Roads / Waste	10%	0.000	\$200	\$0
		410.00		
Total Land Value Indication Excluding Building and Feed Pen Improvements and Attached Equipment				\$650,370
Rounded				\$650,000
Total Subject Acres				410.000
As Vacant Land Value Per Acre				\$1,585

Replacement Cost New of the Improvements

The cost to construct an improvement on the effective appraisal date may be developed as either the estimated reproduction cost or estimated replacement cost of the improvement. The theoretical base (and classic starting point) for the cost approach is reproduction cost, but replacement cost is more commonly used because it may be easier to obtain and can reduce the complexity of depreciation analysis. An important distinction must be made between the terms:

- Reproduction cost is the estimated cost to construct, as of the effective appraisal date, an exact duplicate or replica of the building being appraised, insofar as possible, using the same materials, construction standards, design, layout, and quality of workmanship, and embodying all the deficiencies, superadequacies, and obsolescence of the subject improvements.
- Replacement cost is the estimated cost to construct, as of the effective appraisal date, a substitute for the building being appraised using contemporary materials, standards, design, and layout. When this cost basis is used, some existing obsolescence in the property may be cured. Replacement cost may be the only alternative if reproduction cost cannot be estimated.⁴¹

The appraiser has used the replacement cost method.

There are generally three methods of estimating replacement cost. The methods include 1) extracting cost estimates from the local market by obtaining information on newly constructed buildings; 2) procuring a reproduction cost estimate prepared by a local construction company familiar with the construction of commercial feedyard improvements; or 3) using a cost service company.

Comparable Cost Estimate Sources

The appraiser has obtained cost information from several sources familiar with feedyard and feedmill construction costs. The following sources were surveyed:

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⁴¹ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 569-570.

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⁴² The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 569-570.

Cost Source Survey			
Source No.	Cost Sources		Survey Dates
Source 1	Marshall Valuation Service cost manual has been surveyed to estimate the replacement cost of the subject improvements. Marshall Valuation has been tested against bids on other construction projects and found to be a fairly reliable indicator. However, Marshall Valuation does not have detailed cost information for specific feedyard items. Information can be found in Marshall Valuation in the following sections relating to some Feedyard items: Feedyard Improvements: Section 17 Single Family Residences Section 12 When using Marshall Valuation, consideration must be given to building and location cost multipliers, direct and indirect cost, and entrepreneurial profit. <i>Since most agricultural improvements are constructed for special purpose uses where there is no anticipation of additional profit, an entrepreneurial profit percentage would not be applied.</i>	Limited Cost for Beef Cattle Feedyard Improvements, Dairy Heifer Growing Yard Improvements, and Dairy Improvements	2004-2023
Source 2	AgPro-LandPro, Longmont, Colorado	Feedyard and Dairy Design, Feedyard Sales, Agricultural Environmental Consulting, and CAFO Permit Compliance	2007, 2008, 2009, 2013, 2016, 2018
Source 3	The Nay Company, Waxahachie, Texas	Feed Mill Design and Construction	2004, 2007, 2008, 2010, 2013, 2016, 2017, 2018
Source 4	Gearn Industries, Inc., Hereford, Texas	Feed Mill Design and Construction	2008, 2010, 2011, 2012, 2013, 2014, 2017, 2018, 2020, 2021
Source 5	English Feedlot, Inc., Fort Morgan, Colorado	Feedyard Owner and Operator, Feed Mill Cost	2007, 2008, 2013
Source 6	Burnett Land and Livestock, Carpenter, Wyoming	Feedyard Owner and Operator, Feed Mill Cost	2007, 2008, 2009, 2010, 2012
Source 7	Teague Enterprises LLC Feedyard, Fort Morgan, Colorado	Feedyard Owner and Operator, Feed Mill Cost	2008, 2009, 2010, 2011, 2012, 2013, 2014, 2016, 2017, 2018, 2020, 2022, 2023
Source 8	Mark Cluck Feedyard - Frans Brand, Hart, Texas	Feedyard Owner and Operator, Feed Mill Cost	2007, 2008
Source 9	Max Jantz Excavation and Construction (MJE), Kansas	Feedyard and Dairy Design and Construction	2010, 2011, 2012, 2014, 2017, 2018, 2019
Source 10	James Vine, ARA, FRICS, San Antonio, Texas	Feed Mill and Feedyard Cost	2009, 2010, 2011, 2012, 2013, 2014
Source 11	Clint Bumguardner, MAI, ASA, W.T. Appraisal, Inc., Abilene, Texas	Feed Mill and Feedyard Cost	2004-2017, 2018
Source 12	Bill Beam, ARA, Western Appraisal, Abilene, Texas	Feed Mill and Feedyard Cost	2004-2017, 2018, 2020, 2021, 2022, 2023
Source 13	Richard Bretz, Esabon Properties, Amarillo, Texas	Feed Mill and Feedyard Cost	2010, 2011, 2012, 2013,

			2014, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023
Source 14	Ordway Feedyard, Ordway, Crowley County, Colorado	Feedyard Owner and Operator, Feed Mill Cost	2013, 2018, 2019, 2020
Source 15	Trans Pecos Real Estate, Inc., In-House Database, Waxahachie, Texas	Feed Mill and Feedyard Cost	2004-2017, 2018, 2019, 2020, 2021, 2022, 2023
Source 16	West Texas Millrights, Hereford, Texas, Feed Mill Construction	Feed Mill Construction Cost	2018
Source 17	R & R Mill Manufacturing, Dalhart, Texas, Mill Manufacturing	Mill Manufacturing Cost	2018, 2023
Source 18	Max Jantz Excavating, Kansas, Feedyard Construction	Feedyard Construction Cost	2018, 2020
Source 19	SETTJE Agri-Services and Engineering Inc.	Feedyard Construction Cost	2020, 2021
Source 20	Regency Mill Services LLC	Feed Mill Construction Cost	2020, 2021
Source 21	Enviro-Ag Engineering, Amarillo, Texas	Environmental Engineering and Waste Management Design and Cost	2006-2023
Source 22	Environmental Engineer 5 Rivers	Environmental Engineering and Waste Management Design and Cost	2020, 2021, 2022, 2023
Source 23	Hicks Construction Group, Lubbock, Texas	Grain Elevator and Grain Bin Cost	2023

Cost Source Summary

The most recent cost sources were surveyed and analyzed. The most recent cost sources included the Trans Pecos Real Estate Database; R&R Mill Construction in Dalhart; West Texas Mill Rights of Hereford, Texas; Renner Consulting; Teichroeb Construction; Max Jantz Excavating, from Montezuma, Kansas; SETTJE Agri-Services and Engineering Inc.; Komline-Sanderson; Five Rivers Engineering; and Hicks Construction Group. The market cost information was used to estimate the replacement cost new of the subject feedyard facility. The costs include all soft cost, hard cost, and builder's profit.

Since most agricultural improvements are constructed for special purpose uses where there is no anticipation of additional profit, an entrepreneurial profit percentage would not be applied.

COST APPROACH SCHEDULE - RCN Feed Mill Improvements Plus Attached Equipment		
Improvement	Size Per Unit	Condition
Feed Mill Building	4,150 SF	Poor. No Contributory Value.
1 x Holman 400 HP Boiler (Removed from the Building)	1 Unit	Poor. No Contributory Value.
1 x Williams & Davis 300 HP Boiler	1 Unit	Poor. No Contributory Value.
1 x Water Softener System	1 Unit	Poor. No Contributory Value.
5 x 18" x 36" Panhandle Rolls 60 HPEM Spring Tension Plus 20' Steam Chest and Soak Tanks	5 Units	Poor. No Contributory Value.
3 x 24" x 48" R&R Rolls Hyd. Tension Plus 25' Steam Chest and Soak Tanks	3 Units	Poor. No Contributory Value.
Motor Control Center	1 Unit	Poor. No Contributory Value.
1 x 12,000 Gallon Diesel Storage Tank Plus Pump	1 Unit	No Contributory Value.
1 x 1,800 Gallon Gasoline Storage Tank Plus Pump	1 Unit	No Contributory Value.
1 x 500 Gallon Propane Storage Tanks	1 Unit	No Contributory Value.
The above feed mill improvements and attached feed mill equipment are currently in poor condition with no contributory value. Mr. McClain's plans when he purchased the property in 2019 was to not use the feed mill and scrap the feed mill improvements and attached equipment and sell off as parts. In 2019, As Is/Was, attached to the real property, the estimated cost to repair or replace the feed mill and attached equipment and make them functional would have been more than what the entire property was selling for and would appraise for at the time it was purchased in 2019. As of July 2023, nothing has changed other than the feed mill improvements and attached equipment have deteriorated more than in 2019. The additional fuel storage tanks with pumps are old and have not been used in over six years. No value was given to these improvements.		

COST APPROACH SCHEDULE - RCN Feedyard and Feed Mill Improvements Plus Attached Equipment		
Improvement	Size Per Unit	Condition
72,000 -32,365 = 39,635 LF of Concrete Feed Bunk and Feed Pens, Shipping and Receiving Pens with Loading Chutes, Drive Lanes, Livestock Drinkers and Concrete Pads, Underground Pipelines, Plumbing, Water Storage Tanks and Dirt-Excavation Work.	39,365 LF	Poor. No Contributory Value.
170 LF of Concrete Feed Bunk x 140' Pen Width North	170 LF	No Contributory Value.
1,050 LF of Concrete Feed Bunk x 185' Pen Width North	1,050 LF	No Contributory Value.
700 LF of Concrete Feed Bunk x 110' Pen Width North	700 LF	No Contributory Value.
2 x Concrete and Steel Dump Pit Receiving Areas, 2 x Elevator Legs, 2 x Distributors, and Spouting. Rated at 3,000 BPH Each.	2 Units	Poor. No Contributory Value.
6 x 13,000 Bushel Steel Hopper-Bottom Grain Bins. Total Capacity 78,000 Bushels. 1 x Elevator Leg, Distributor, Spouting, and Drags.	78,000 Bushels	Poor. No Contributory Value.
West Mixer Barn Plus Electrical Room and Control Room 14	2,625 SF	Poor. No Contributory Value.
Main Receiving Shed 17	1,650 SF	Poor. No Contributory Value.

North Mixer Leg, Distributor, Spouting, Overhead Finished Feed Bins With Clamshell Bins, and Truck Loadout	1 Unit	Poor. No Contributory Value.
West Mixer Leg, Distributor, Spouting, Overhead Finished Feed Bins With Clamshell Doors, 2 Supplement Bins, and Truck Loadout	1 Unit	Poor. No Contributory Value.
Flake Corn Leg, Distributor, Spouting, and Drags	1 Unit	Poor. No Contributory Value.
2 Stationary Scale Hoppers With Roto-Mixers (60 TPH Total)	2 Units	No Contributory Value.
6 x Liquid Storage Tanks Consisting of 2 Fat Tanks, 1 Finisher Tanks, 2 Whey Tanks, and 1 Glycerin Tanks.	6 Units	Poor. No Contributory Value.
2 Story Office Building	5,811 SF	Poor. No Contributory Value.
Hospital 1 South	512 SF	No Contributory Value.
Loathing Shed South 1	646 SF	No Contributory Value.
Hospital 2 South	419 SF	No Contributory Value.
Hospital 3 South	1,600 SF	No Contributory Value.
Processing Barn South 4	3,000 SF	No Contributory Value.
Loafing Shed 5 South	768 SF	No Contributory Value.
Hospital 5 South	826 SF	No Contributory Value.
Storage East 6	780 SF	No Contributory Value.
Loafing Shed 7	1,760 SF	No Contributory Value.
Loafing Shed 10	3,600 SF	No Contributory Value.
Old Horse Barn Plus Runs 11	2,740 SF	No Contributory Value.
East Loading Apron	1,500 SF	No Contributory Value.
1 x W&W Hyd. Working Chute Plus Snake and Tub System (Hospital 1 South)	1 Unit	No Contributory Value.
1 x Hydraulic Working Chute Plus Snake and Tub System (Hospital 2 South)	1 Unit	No Contributory Value.
1 x W&W Hyd. Working Chute Plus Snake and Tub System (Hospital 3 South)	1 Unit	No Contributory Value.
1 x W&W Hydraulic Working Chute Plus Snake and Tub System (Processing Barn South)	1 Unit	No Contributory Value.
1 x Hydraulic Working Chute Plus Snake and Tub System (Hospital 5 South)	1 Unit	No Contributory Value.
1 x 12 x 70 x 120,000 lb. Fairbanks Moose Truck Scale (Office)	1 Unit	No Contributory Value.
1 x 12 x 70 x 120,000 lb. Southwestern Arizona Cattle Scale (South)	1 Unit	No Contributory Value.
1 x Grain Probe System (Office)	1 Unit	No Contributory Value.
Site Improvements Including Building Pads, Roads, Misc. Fencing, and Dirt Work for Feed Pens and Bunk.	1 Unit	No Contributory Value.

The above feed mill improvements and attached feed mill equipment are currently in poor condition with no contributory value. Mr. McClain's plans when he purchased the property in 2019 was to not use the feed mill and scrap the feed mill improvements and attached equipment and sell off as parts. In 2019, As Is/Was, attached to the real property, the estimated cost to repair or replace the feed mill and attached equipment and make them functional would have been more than what the entire property was selling for and would appraise for at the time it was purchased in 2019. As of July 2023, nothing has changed other than the feed mill improvements and attached equipment have deteriorated more than in 2019. The additional fuel storage tanks with pumps are old and have not been used in over six years. No value was given to these improvements.

COST APPROACH SCHEDULE - RCN
Cost Per Unit Method - HEC Feedyard - 410.0 Acre Tract
Improvements and Attached Equipment Valued in the Appraisal

Improvement	Size Per Unit	RCN Per Unit	RCN
72,000 - 39,635 LF = 32,365 of Concrete Feed Bunk and Feed Pens, Shipping and Receiving Pens with Loading Chutes, Drive Lanes, Livestock Drinkers and Concrete Pads, Underground Pipelines, Plumbing, Water Storage Tanks and Dirt-Excavation Work.	32,365 LF	\$260	\$8,414,900
North Commodity Barn 16 With Internal Mixing Area	7,920 SF	\$30	\$237,600
Flake Corn Bin Commodity Barn 14	3,000 SF	\$30	\$90,000
Main Concrete Loading Apron 14	10,080 SF	\$5	\$50,400
East Commodity Barn 15	2,520 SF	\$30	\$75,600
East Feed Barn 15	2,025 SF	\$14	\$28,350
Hospital 7 North	256 SF	\$30	\$7,680
Main Processing Barn 8 North	3,600 SF	\$30	\$108,000
Main Horse Barn 9 North	15,712 SF	\$14	\$219,968
Horse Barn Internal Saddle Shed 9 North	836 SF	\$20	\$16,720
Hospital 10 North	288 SF	\$30	\$8,640
Hospital 12 North	288 SF	\$30	\$8,640
Shop Building 13	3,850 SF	\$35	\$134,750
Quonset Building 13	750 SF	\$20	\$15,000
1 Bowman Super Duty 4000 Hydraulic Chute Plus Snake and Tub (North Processing Barn 8)	1 Unit	\$65,000	\$65,000
1 Trojan Hydraulic Chute Plus Snake and Tub (Hospital 7 North)	1 Unit	\$50,000	\$50,000
1 Trojan Hydraulic Chute Plus Snake and Tub (Hospital 10 North)	1 Unit	\$50,000	\$50,000
1 Hydraulic Chute Plus Snake and Tub (Hospital 12 North)	1 Unit	\$50,000	\$50,000
1 x 12 x 70 x 120,000 lb. Fairbanks Moorse Cattle Scale North	1 Unit	\$80,000	\$80,000
Scale House North 8	149 SF	\$12	\$1,788
Site Improvements Including 2 x Lagoons and Drainage Systems, Building Pads, 4 x Silage Pits, Roads, and Exterior Fencing. (Dirt Work for Feed Pens and Bunk is Included in Previous Pen and Bunk Cost).	1	\$650,000	\$650,000

Total RCN			\$10,363,036
Total Linear Feet			32,365
Total RCN Per Linear Foot			\$320
Total Head Capacity at 170 SF Per Animal Unit (27,454 Head)			27,454
Total RCN Per Head at 170 SF Per Animal Unit (27,454 Head)			\$377
Total Head Capacity at 311 SF Per AU (15,000 Head Practical Capacity)			15,000
Total RCN Per Head at 311 SF Per AU (15,000 Head Practical Capacity)			\$691

Feed Bunk and Pen Space						
Feed Bunk Rows - North to South	West Bunk and Pen Linear Feet	West Pen Row Width	Total Square Feet	East Bunk and Pen Linear Feet	East Pen Row Width	Total Square Feet
1	995	140	139,300	950	140	133,000
2	995	150	149,250	950	150	142,500
3	995	140	139,300	755	140	105,700
4	995	140	139,300	0	0	0
5	995	140	139,300	0	0	0
6	995	140	139,300	0	0	0
7	995	140	139,300	0	0	0
8	995	140	139,300	0	0	0
9	995	140	139,300	0	0	0
10	995	140	139,300	0	0	0
11	995	140	139,300	0	0	0
12	995	140	139,300	0	0	0
13	995	140	139,300	0	0	0
14	995	150	149,250	950	150	142,500
15	540	140	75,600	950	140	133,000
16	540	140	75,600	950	140	133,000
17	540	140	75,600	950	140	133,000
18	540	140	75,600	950	140	133,000
19	540	140	75,600	950	140	133,000
20	600	140	84,000	945	140	132,300
21	1,000	150	150,000	945	150	141,750

22	1,000	160	160,000	945	160	151,200
23	1,000	160	160,000	945	160	151,200
Total	20,230		2,902,100	12,135		1,765,150
	Linear Feet of Bunk			Pen Square Footage		
Total	32,365			4,667,250		
Total Pen SF	4,667,250					
SF Per AU	170					
Total Capacity	27,454					
SF Per AU	200					
Total Capacity	23,336					
Total Practical Capacity	15,000					
SF Per AU	311					
Total LF	32,365					
Total LF x 12"	388,380					
Total Capacity Based on 170 SF Per Animal Unit	27,454					
Total Inches / Total Capacity of 27,454 Head	14,14657					
Times Total Practical Capacity of 15,000 Head	15,000					
Required Inches for Practical Capacity of 15,000 Head	212,199					
Divided by 12"	12					
Required LF for Practical Capacity of 15,000 Head at 170 SF Per Animal Unit	17,683					
Total Linear Feet of Bunk	32,365					

Difference in Total Feed Bunk LF and Practical Feedbunk LF	14,682	
Excess Super Adequate Feed Bunk LF	14,682	
RCN Per LF	\$260	
Super Adequate Feed Bunk x RCN	\$3,817,264	
Feed Bunk and Pen RCN Only	\$8,414,900	
Super Adequate Feed Bunk and Pen RCN %	45.36%	

The subject feedyard has a CAFO Permit for 115,000 head.

Accrued Depreciation

Loss in value due to accrued depreciation is considered for all existing improvements of the subject property as of the date of the appraisal. Accrued depreciation is the difference between an improvement's replacement or replacement cost and its value as of the date of the appraisal. It is necessary for an appraiser to identify depreciation due to physical deterioration, functional obsolescence, and external obsolescence by analyzing improvements and the market's reaction to their observed condition.

The five basic types of accrued depreciation are 1) curable physical deterioration which refers to items of deferred maintenance, 2) incurable physical deterioration which refers to deterioration that is not practical or currently feasible to correct, 3) curable functional obsolescence which refers to defects in design which are economically feasible to correct, 4) incurable functional obsolescence which refers to deficiencies or superadequacies which are not economically feasible to correct and 5) external obsolescence which refers to external influences which result in a loss in value to the subject.

Physical Deterioration

Physical deterioration is classified as either curable or incurable.

Curable physical deterioration - refers to items of deferred maintenance. The estimate of curable physical deterioration applies only to the items in need of repair on the date of the appraisal. It is measured by the cost of restoring to new or reasonably new condition. The subject feedyard facility and associated improvements and attached equipment are in fair to average condition with some deferred maintenance.

The improvements and attached equipment that are in poor condition or unusable condition were not given any value. A list of the improvements and attached equipment with no value are listed in this Cost Analysis, as well as, the improvements and attached equipment with value. Please see the previous charts.

Structures with deferred maintenance:

- 1) The feed bunk, pens, drinkers and water system will require repair costs to get water system back working along with miscellaneous pen repairs. Approximately \$50,000 is allocated for bringing the improvements to average working condition. This is an estimate only. The exact amount would not be known until the water system is up and operating.
- 2) The north cattle scales associated with the north feedyard pens and bunk and north shipping and receiving will require maintenance and testing to be re-certified to weigh cattle. A \$5,000 repair cost is allocated to bring the scales to average working condition,

The total estimated deferred maintenance is \$55,000 or \$3.67 per head based on a 15,000 head feeding capacity.

It is noted that the subject grow-yard / feedyard is currently vacant. The deferred maintenance cost estimated in this appraisal is based on items that were identified from a physical walk-through during the appraisal inspection and from talking with feedyard operators experienced in repair cost. Because there was no owner-operator or manager to obtain additional information from, there could be additional deferred maintenance unknown to the appraiser.

If it is determined that there is additional deferred maintenance that affects the function of the feedyard, the physical condition of structures, and the overall value of the property, the appraiser reserves the right to re-evaluate the property to account for the additional deferred maintenance and adjust the value based on market evidence.

Incurable physical deterioration - is the normal wear and tear that a property has incurred. To estimate incurable physical deterioration, the age/life method which provides for a depreciation percentage based on the estimated effective age of the improvements as compared to the typical economic life of such an improvement has been used. Physical depreciation percentages have been calculated by extracting them from the comparable feedyard sales.

It is noted that feedyard facilities, dairies, feed mills and other types of farm and ranch structures are usually constructed over a period of several years, therefore, improvements and equipment can vary in age, effective age, and remaining economic lives. The depreciation attributable to the subject's improvements and attached equipment was estimated based on the effective age and remaining economic life of each separate improvement or piece of attached equipment.

The subject feedyard improvements and attached equipment were constructed from 1968 to 1996. Some updating was completed until 2014-2015. The property was vacant from 2014-2015 until it was purchased by McClain in 2019. McClain operated a portion of the feedyard as a grow-yard until mid-year 2023 when he passed away. McClain did not use the south end of the feedyard or the office or feedmill after he purchased the property in 2019. He only used the northern portion of the feedyard to grow cattle which is the newest portion of the feedyard. The southern portion of the feedyard, the office and the feedmill had little to no value when he purchased the property in 2019. The southern portion of the yard, the feed mill, and the office were not given any value in the appraisal. The only improvements that were valued in this appraisal were located in the northern portion of the property. These improvements have been stated in this section of the report. Normal physical incurable depreciation was noted in the improvements with value.

The total economic life of the feedyard improvements was estimated at 40 years. The effective ages ranged from 20 to 35 years. The remaining economic lives ranged from 5 to 20 years.

The total economic life of the feedyard attached hydraulic working chutes and scales were estimated at 30 years. The effective ages ranged from 22 to 23 years. The remaining economic lives ranged from 7 to 8 years.

Functional Obsolescence

The subject property improvements and attached equipment were designed to be used for feeding and growing commercial beef cattle. The property is currently being used as a commercial beef cattle grow-yard / feedyard. The improvements and attached equipment that are valued in the appraisal have been stated in this analysis and they are in fair to average condition. There is apparent super-adequate functional obsolescence noted in the pens and bunk. There are more pens and bunk on the feedyard than there is enough water to service. There is only enough water on the property to service 15,000 head of cattle adequately. The additional pen space and bunk were considered to be super-adequate and required an adjustment under functional obsolescence.

External Obsolescence

The last form of depreciation observed was external obsolescence. External obsolescence is defined as: "Impairment of desirability or useful life arising from factors external to the property, such as economic forces or environmental changes which affect supply-demand relationships in the market." Traditionally, external obsolescence has always been considered to be incurable. External obsolescence is that loss from cost new, as of the date of the report, due to influences outside the site and is incurable on the part of the owner, landlord, or tenant. External obsolescence can be caused by a decline in either the property's location, the neighborhood, the city and region, or in a decline in overall market conditions.

There was external obsolescence noted in the subject grow-yard / feedyard. The obsolescence is due to the overall soft market for commercial cattle grow-yard and feedyard facilities. Historically, it has always cost more to construct a grow-yard and feedyard facility on land than what it would sell for in the market. This type of external obsolescence was considered to be typical and exists in most all grow-yard / feedyard facility improvements and attached grow-yard / feedyard equipment. An external obsolescence charge was applied to subject feedyard improvements and attached equipment. The subject grow-yard / feedyard obtains all of its fresh water from onsite water wells. There are no sprinkler irrigation systems located on the subject property. When necessary, the lagoons are dewatered on adjacent non-owned off-site land through wastewater agreements. Copies of the legal wastewater agreements are located in the Appraisal Addendum. External obsolescence charges are typically not applied to site improvements such as water wells or attached sprinkler irrigation systems.

External obsolescence percentages were extracted from the comparable grow-yard / feedyard sales. Please see the comparable grow-yard / feedyard sale write-ups in the Sales Comparison Analysis and the following External Obsolescence chart and analysis. Also see the appraisal addendum for the Definitions of Market Extraction.

Grow-yards and feedyards usually have improvements that are constructed over a period of several years. Due to the difficulty in determining the exact actual ages of multiple improvements, effective ages were used to analyze the subject and the comparable sales and extract depreciation percentages. The following depreciation rates were extracted from the market.

Depreciation Extraction - External Obsolescence								
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Ext. Sale A	Ext. Sale B
Location	Parmer County Texas	Deaf Smith County Texas	Donley County Texas	Hutchinson County Texas	Wheeler County Texas	Hodgeman County Kansas	Castro County Texas	Deaf Smith County Texas
Date	Jul-2023	Jan-2023	Nov-2020	Oct-2022	Sep-2019	Sep-2021	Sep-2019	Mar-2018
Feedyard	7M Cattle Feeders Grow-Yard	Dawn CCF Feedyard	Dry Fork Grow-Yard	McCloy Grow-Yard	Hall County Feeders	Capstone Feeders LLC	Double D Feedyard	Tierra Blanca Feed
Capacity Head	15,000	18,000	10,000	7,500	4,000	7,500	20,000	24,000
RCN Excluding Sprinklers		\$7,551,680	\$3,313,705	\$3,256,830	\$1,693,979	\$2,533,824	\$6,980,220	\$8,802,909
Phy. Depreciation		\$2,861,255	\$2,157,732	\$1,343,811	\$431,828	\$962,684	\$2,635,433	\$3,568,458
Phy. Dep. %		37.89%	65.12%	41.26%	25.49%	37.99%	37.76%	40.54%
Phy. Dep Value		\$4,690,425	\$1,155,973	\$1,913,019	\$1,262,151	\$1,571,140	\$4,344,787	\$5,234,451
Imp. Value from Sale		\$3,575,700	\$393,978	\$1,144,083	\$557,344	\$278,120	\$1,657,988	\$2,118,633
Diff. in Phy. Dep. Value and Imp. Value		\$1,114,725	\$761,995	\$768,936	\$704,807	\$1,293,020	\$2,686,799	\$3,115,818
Ext. Obsolescence %		23.77%	65.92%	40.19%	55.84%	82.30%	61.84%	59.53%
Cont. Value of Imp.		\$3,575,700	\$393,978	\$1,144,083	\$557,344	\$278,120	\$1,657,988	\$2,118,633
Cont. Value of Sprinklers		\$0	\$9,120	\$0	\$0	\$68,680	\$127,949	\$88,400
Land Value		\$424,300	\$471,902	\$315,918	\$142,656	\$1,003,200	\$1,704,815	\$1,302,967
Sale Price		\$4,000,000	\$875,000	\$1,460,001	\$700,000	\$1,350,000	\$3,490,752	\$3,510,000
External Obsolescence Extraction		23.77%	65.92%	40.19%	55.84%	82.30%	61.84%	59.53%
Mean								55.63%
Median								59.53%

External obsolescence remainder, expressed as a percentage of the physically and functionally depreciated value, mostly due to the soft real estate market, ranged from 23.77 to 82.30 percent. The mean is 55.63 percent and the median is 59.53 percent.

The following physical incurable depreciation rates were extracted from the market sales.

Total economic life for feedyard and feed mill building improvements was estimated at 40 years. Forty (40) years x 2.5 percent per year = 100 percent.

Total economic life for attached feedyard and feed mill equipment was estimated at 30 years. Thirty (30) years x 3.33 percent per year = 100 percent.

Total economic life for attached sprinkler irrigation equipment was estimated at 25 years. Twenty-five (25) years x 4.0 percent per year = 100 percent.

Total economic life for the dwelling improvements was estimated at 60 years. Sixty (60) years x 1.67 percent per year = 100 percent.

Total economic life for the mobile home improvements was estimated at 30 years. Thirty (30) years x 3.33 percent per year = 100 percent.

Based on recent market sales, the current demand for grow-yards and feedyards, the increasing interest rates on loans, and the higher price of cattle causing reduced cattle occupancy rates in feedyards, plus the subject's location, the current condition of the improvements with deferred maintenance, and because the subject is vacant with possible additional unknown repairs, an external obsolescence charge in the mid to upper range of the comparable sales was considered reasonable. A 65.0 percent external obsolescence charge for soft market will be applied to the subject in the following cost and depreciation analysis. The external obsolescence charge will be expressed as a percentage of the physically and functionally depreciated value of the subject's improvements.

Depreciation Extraction Summary

Feedyards usually have improvements that are constructed over a period of several years. Due to the difficulty in determining exact actual ages of multiple feedyard improvements, the effective ages of the improvements and equipment were used to analyze the subject for physical depreciation. There was physical curable depreciation present in the grow-yard / feedyard improvements. Physical incurable depreciation was estimated at 2.5 percent per year for the grow-yard / feedyard building structures plus feed bunk and pen improvements; and 3.33 percent per year for the attached feedyard equipment. There are no dwellings, mobile homes, or sprinkler irrigation systems located on the property. The feed mill, office, and the southern portion of the feedyard pens, bunk, and building structures have no contributory value. Super-adequate functional obsolescence was noted. External obsolescence percentages have been extracted from the comparable feedyard sales. A 65.0 percent external obsolescence charge for soft market will be applied to the subject in the following cost and depreciation analysis. The external obsolescence charge will be expressed as a percentage of the physically and functionally depreciated value of the subject's improvements.

SUBJECT FEEDYARD IMPROVEMENTS - COST ANALYSIS						
Item	Imp. 1	Imp. 2	Imp. 3	Imp. 4	Imp. 5	Imp. 6
Improvement Type	North Bunk-Pens 15,000 Head	North Processing Barn	2 x Hospitals 288 SF, 1 x Hosp. 256 SF	Horse Barn and Runs	Horse Barn Interior Building	Shop Building
Size	32,365	3,600	832	15,712	836	3,850
Unit	LF	SF	SF	SF	SF	SF
Utility	A	A	A	A	A	A
Condition	F	F	F	A	A	A
Total Economic Life	40	40	40	40	40	40
Effective Age	34	34	34	20	20	34
Remaining Economic Life	6	6	6	20	20	6
RCN/Unit	\$260	\$30	\$30	\$14	\$20	\$35
Total RCN	\$8,414,900	\$108,000	\$24,960	\$219,968	\$16,720	\$134,750
Physical Curable Depreciation	\$50,000	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$8,364,900	\$108,000	\$24,960	\$219,968	\$16,720	\$134,750
Physical Incurable Dep. %	85.00%	85.00%	85.00%	50.00%	50.00%	85.00%
Phys. Incurable Depreciation \$	\$7,110,165	\$91,800	\$21,216	\$109,984	\$8,360	\$114,538
Physically Depreciated Value	\$1,254,735	\$16,200	\$3,744	\$109,984	\$8,360	\$20,213
Functional Obsolescence %	45.36%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$569,148	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$685,587	\$16,200	\$3,744	\$109,984	\$8,360	\$20,213
External Obsolescence %	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
External Obsolescence \$	\$445,632	\$10,530	\$2,434	\$71,490	\$5,434	\$13,138
Total Cont. Value of Imp.	\$239,956	\$5,670	\$1,310	\$38,494	\$2,926	\$7,074
Contribution Per Unit	\$7.41	\$1.58	\$1.58	\$2.45	\$3.50	\$1.84
RCN Imp. 1-6						\$8,919,298
Phy. Dep. Value Imp. 1-6						\$1,413,236
Physical Depreciation 1-6						\$7,506,063
Functional Obsolescence 1-6						\$569,148
External Obsolescence 1-6						\$548,657
Total CV of Imp. 1-6						\$295,431

Item	Imp. 7	Imp. 8	Imp. 9	Imp. 10	Imp. 11	Imp. 12
Improvement Type	Quonset	North Commodity Barn	Flake Bin Commodity Barn	East Commodity Barn	East Feed Barn	Main Concrete Loading Apron
Size	750	7,920	3,000	2,520	2,025	10,080
Unit	SF	SF	SF	SF	SF	SF
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	F
Total Economic Life	40	40	40	40	40	40
Effective Age	30	34	34	35	35	35
Remaining Economic Life	10	6	6	5	5	5
RCN/Unit	\$20	\$30	\$30	\$30	\$14	\$5
Total RCN	\$15,000	\$237,600	\$90,000	\$75,600	\$28,350	\$50,400
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$15,000	\$237,600	\$90,000	\$75,600	\$28,350	\$50,400
Physical Incurable Dep. %	75.00%	85.00%	85.00%	87.50%	87.50%	87.50%
Phys. Incurable Depreciation \$	\$11,250	\$201,960	\$76,500	\$66,150	\$24,806	\$44,100
Physically Depreciated Value	\$3,750	\$35,640	\$13,500	\$9,450	\$3,544	\$6,300
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$3,750	\$35,640	\$13,500	\$9,450	\$3,544	\$6,300
External Obsolescence %	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
External Obsolescence \$	\$2,438	\$23,166	\$8,775	\$6,143	\$2,303	\$4,095
Total Cont. Value of Imp.	\$1,313	\$12,474	\$4,725	\$3,308	\$1,240	\$2,205
Contribution Per Unit	\$1.75	\$1.58	\$1.58	\$1.31	\$0.61	\$0.22
RCN Imp. 7-12						\$496,950
Phy. Dep. Value Imp. 7-12						\$72,184
Physical Depreciation 7-12						\$424,766
Functional Obsolescence 7-12						\$0
External Obsolescence 7-12						\$46,919
Total CV of Imp. 7-12						\$25,264

Item	Imp. 13	Imp. 14	Imp. 15	Imp. 16	Imp. 17	Imp. 18
Improvement Type	1 Bowman Plus 3 Add Hyd. Chutes	North Cattle Scales	North Scale House	Site Improvement	0	0
Size	4	1	149	1	1	1
Unit	Units	Unit	SF	Unit	Unit	Unit
Utility	A	A	A	A	A	A
Condition	F	F	F	F	A	A
Total Economic Life	30	30	40	40	40	40
Effective Age	23	22	30	30	0	0
Remaining Economic Life	7	8	10	10	40	40
RCN/Unit	\$53,750	\$80,000	\$12	\$650,000	\$0	\$0
Total RCN	\$215,000	\$80,000	\$1,788	\$650,000	\$0	\$0
Physical Curable Depreciation	\$0	\$5,000	\$0	\$0	\$0	\$0
RCN Remainder	\$215,000	\$75,000	\$1,788	\$650,000	\$0	\$0
Physical Incurable Dep. %	76.67%	73.33%	75.00%	75.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$164,833	\$55,000	\$1,341	\$487,500	\$0	\$0
Physically Depreciated Value	\$50,167	\$20,000	\$447	\$162,500	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$50,167	\$20,000	\$447	\$162,500	\$0	\$0
External Obsolescence %	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
External Obsolescence \$	\$32,608	\$13,000	\$291	\$105,625	\$0	\$0
Total Cont. Value of Imp.	\$17,558	\$7,000	\$156	\$56,875	\$0	\$0
Contribution Per Unit	\$4,389.58	\$7,000.00	\$1.05	\$56,875.00	\$0.00	\$0.00
RCN Imp. 13-18						\$946,788
Phy. Dep. Value Imp. 13-18						\$233,114
Physical Depreciation 13-18						\$713,674
Functional Obsolescence 13-18						\$0
External Obsolescence 13-18						\$151,524
Total CV of Imp. 13-18						\$81,590

Item	Imp. 19	Imp. 20	Imp. 21	Imp. 22	Imp. 23	Imp. 24
Improvement Type	0	0	0	0	0	0
Size	1	1	1	1	1	1
Unit	Unit	Unit	Unit	Unit	Unit	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	40
Effective Age	0	0	0	0	0	0
Remaining Economic Life	40	40	40	40	40	40
RCN/Unit	\$0	\$0	\$0.00	\$0	\$0	\$0
Total RCN	\$0	\$0	\$0	\$0	\$0	\$0
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$0	\$0	\$0	\$0	\$0	\$0
Physical Incurable Dep. %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$0	\$0	\$0	\$0	\$0	\$0
Physically Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
External Obsolescence %	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
External Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Total Cont. Value of Imp.	\$0	\$0	\$0	\$0	\$0	\$0
Contribution Per Unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RCN Imp. 13-18						\$0
Phy. Dep. Value Imp. 19-24						\$0
Physical Depreciation 19-24						\$0
Functional Obsolescence 19-24						\$0
External Obsolescence 19-24						\$0
Total CV of Imp. 19-24						\$0

Improvement Analysis and Obsolescence Conclusion						
Total RCN Imp. 1-24						\$10,363,036
Total Physical Dep. 1-24					83.42%	\$8,644,503
Physical Dep. Value Imp. 1-24					16.58%	\$1,718,533
Functional Obsolescence 1-24						\$569,148
External Obsolescence 1-24					65.00%	\$747,100
Total CV of Improvements 1-24						\$402,285
Land Value Opinion						\$650,000
Overall Value Opinion						\$1,052,285
Gross Acres						410.000
CV of Improvements Per Acre						\$981.18
Feedyard Capacity						15,000
RCN Per Head						\$690.87
CV Per Head Improvements						\$26.82
CV Per Head Overall - Structures, Land and Attached Equipment						\$70.15
Deferred Maintenance Estimate						\$55,000
Deferred Maintenance Per Head						\$3.67

CONTRIBUTORY VALUE OF REPLACEABLE FEEDYARD EQUIPMENT						
Attached Equipment						Contributory Value
4 x Hydraulic Chutes						\$17,558
12' x 70' Cattle Scales						\$7,000
Contributory Value						\$24,558
Rounded						\$25,000

Cost Approach Summary

In applying this approach, the first step is to form an opinion of value of the land, as if vacant. An as vacant land value opinion of \$650,000 was indicated for the subject 410.0 acre grow-yard / feedyard tract. The total estimated cost new (RCN) of the feedyard improvements and attached equipment including all soft and hard cost and engineering and permit fees amounted to \$10,363,036. Physical curable depreciation was estimated at \$55,000. Physical incurable depreciation was estimated at \$8,589,503. Total physical depreciation is \$8,644,503.

The physical curable depreciation was deducted from RCN. The physical incurable depreciation was deducted from RCN less deferred maintenance cost leaving the physically depreciated value of the improvements and attached equipment of \$1,718,533. A super-adequate functional obsolescence charge of \$569,148 was charged for overbuilt pens and feed bunk. An external obsolescence charge of \$747,100 was deducted from the physically and functionally depreciated value of the improvements and attached equipment of \$1,149,385, leaving a final depreciated value of the feedyard improvements and attached equipment of \$402,285.

The depreciated value of the grow-yard / feedyard improvements and attached equipment of \$402,285 was added to the value opinion of the land as if vacant of \$650,000, resulting in an overall value opinion of \$1,052,000 rounded. The following is a breakdown of the subject values determined in the Cost Approach.

Cost Approach Value Breakdown			
Subject	Contributory Value Conclusion Rd.	Feedyard Capacity (Head)	Value Per Head Rounded
Land Value Opinion As if Vacant (Includes Wells, Motors, Gearheads, and Pumps)	\$650,000	15,000	\$43
Feed Mill Complex Improvements and Attached Equipment	\$0	15,000	\$0
Feedyard Improvements and Attached Equipment	\$402,285	15,000	\$27
Attached Sprinkler Irrigation Equipment	\$0	15,000	\$0
Indicated Value of Land, Improvements and Attached Equipment	\$1,052,285	15,000	\$70
Rounded	\$1,052,000	15,000	\$70

The Sales Comparison Approach to Value

The Sales Comparison Approach Definition - ASFMRA

The Sales Comparison Approach is a set of procedures in which the appraiser derives a value by comparing the property being appraised to similar properties that have recently been sold, applying appropriate units of comparison, and making adjustments to the sale prices of the comparable sales.⁴³

The Sales Comparison Approach - Appraisal Institute

The sales comparison approach to value is the process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though when an adequate supply of comparable sales is available.⁴⁴

In the sales comparison approach, the appraiser develops an opinion of value by analyzing closed sales, listings, or pending sales of properties that are similar to the subject property. The comparative techniques of analysis applied in the sales comparison approach are fundamental to the valuation process. Estimates of market rent, expenses, land value, cost, depreciation, and other value parameters may be derived in the other approaches to value using comparative techniques.

Similarly, in applying the sales comparison approach appraisers often analyze conclusions derived in the other approaches to determine the adjustments to be made to the sale prices of comparable properties. In the sales comparison approach, an opinion of market value is developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are under contract (i.e., for which purchase offers and a deposit have been recently submitted). A major premise of the sales comparison approach is that an opinion of the market value of a property can be supported by studying the market's reaction to comparable and competitive properties.

Comparative analysis of properties and transactions focuses on similarities and differences that affect value, called *elements of comparison*, which may include variations in property rights, financing terms, market conditions, and physical characteristics, among others. Appraisers examine market evidence using paired data analysis, trend analysis, statistics, and other techniques to identify which elements of comparison within the data set of comparable sales are responsible for value differences.

⁴³ Valuing Rural America Foundations of Data Analysis, 2019, ASFMRA, Page 348.

⁴⁴ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 377.

Applicability - Appraisal Institute

The sales comparison approach is applicable to most types of real property interests when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market. For property types that are bought and sold regularly, the sales comparison approach often provides a credible indication of market value. When data is available, sales comparison can be the most straightforward and simple way to explain and support an opinion of market value.

Procedure - Appraisal Institute

To apply the sales comparison approach, appraisers follow a systematic procedure:

1. Research the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Information on agreements of sale, options, listings, and bona fide offers may also be collected. The characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints should be considered. The goal is to find a set of comparable sales or other evidence such as property listings or contracts as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.
2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property such as buyer motivation, economic characteristics (if the property is income-producing), value component allocations, and other significant factors as well as information about the market to ensure that comparisons are credible.
3. Select the most relevant units of comparison used by participants in the market (e.g., price per acre, price per square foot, price per front foot, price per dwelling unit) and develop a comparative analysis for each unit. The appraiser's goal is to define and identify a unit of comparison that explains market behavior.
4. Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then adjust the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, the appraiser should be concerned about comparability.

5. Reconcile the various value indications produced from the analysis of comparables into a value conclusion. A value opinion can be expressed as a single point estimate, as a range of values, or in terms of a relationship (e.g., more or less than a given amount).

The analysis and comparison of the market information utilized in this approach is included in this section of the report. A description and analysis of comparable feedyard properties follows.

Feedyard Sale 1

Dawn Custom Cattle Feeders to F Troop Feeders, Inc.

Transaction Data

Location	The feedyard is located 14 miles NE of Hereford and 5.5 miles north of US-60, along the north side of FM 1062, in Deaf Smith County, Texas.
Sale Date	January 31, 2023 Closed
Grantor	Dawn Custom Cattle Feeders
Grantee	F Troop Feeders, Inc.
Recording	Document 2023-0201
Legal Description	189.72 acres of land being the S W/4 of Section 21 and 29.72 acres out of the E/2 of S section 21, Block 7, Deaf Smith County, Texas.
Property Tax Parcel Numbers	25481, 25793, 26637
Terms of Sale	Cash to Seller
Sale Price	\$5,000,000
Declared Business Value (-)	\$0
Rolling Stock (-)	\$1,000,000
Personal Prop. (-)	\$0
Excess Land Allocation (-)	\$0
Sale Price for Real Property	\$4,000,000
Add Cost For Repairs (+)	\$0
Final Adjusted Sale Price	\$4,000,000
Feedyard Capacity (Head)	18,000
Total Sale Price Per Head Including Rolling Stock, Personal Property, and Excess Land	\$277.78
Business Value \$ Per Head	\$0.00
Rolling Stock \$ Per Head	\$55.56
Personal Property \$ Per Head	\$0.00
Excess Land \$ Per Head	\$0.00
Repair Cost \$ Per Head	\$0.00
Final Adjusted Price Per Head	\$222.22

Feedyard Sale 1

Dawn Custom Cattle Feeders to F Troop Feeders, Inc.

Land Data

Total Land Acres 189.720

Excess Land Acres 0.000

Land Acres Needed for CR 189.720

Total Acres / CR AU Ratio 0.011 1.0 Feedyard Animal Unit (AU)

Necessary Land Acres / CR AU 0.011 1.0 Feedyard Animal Unit (AU)

Topography The terrain is generally level ranging from 3,789 to 3,825 feet.

Minerals All owned conveyed.

Road Access Access is provided by FM 1062, 0.5 miles east of CR CC.

Land Mix and Improvement Contribution	Land Type	Ratio	Acres	\$ / Acre	Value
	Irrigated	100.00%	0.000	\$2,500	\$0
	Dry Crop	30.00%	0.000	\$750	\$0
	CRP	30.00%	0.000	\$750	\$0
	Pasture	20.00%	25.000	\$500	\$12,500
	Building Site	100.00%	164.720	\$2,500	\$411,800
	Roads / Waste	10.00%	0.000	\$250	\$0
	Total		189.720		\$424,300
	Total Price/Acre				\$2,236
	CEV Sale Price				\$4,000,000
	Imp. Contribution				\$3,575,700

Utilities and Water Typical rural utilities. There are irrigation/feedyard wells on the property that service the feedyard. There is no irrigated land. The feedyard pens are watered by a gravity continuous flow water system from the storage reservoirs through a system of underground pipelines.

Feedyard Sale 1**Dawn Custom Cattle Feeders to F Troop Feeders, Inc.**

Sprinklers	Sprinkler 1	Sprinkler 2	Sprinkler 3	Sprinkler 4	Sprinkler 5	Sprinkler 6
Improvement Type	0	0	0	0	0	0
Size	0	0	0	0	0	0
Unit	LF	LF	LF	LF	LF	LF
Utility	A	A	A	A	A	A
Condition	G	G	G	G	G	G
Total Economic Life	25	25	25	25	25	25
Effective Age	0	0	0	0	0	0
Remaining Economic Life	25	25	25	25	25	25
RCN/Unit	\$68	\$68	\$68	\$68	\$68	\$68
Total RCN	\$0	\$0	\$0	\$0	\$0	\$0
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$0	\$0	\$0	\$0	\$0	\$0
Physical Incurable Dep. %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$0	\$0	\$0	\$0	\$0	\$0
Physically Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
External Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
External Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Total Cont. Value of Imp.	\$0	\$0	\$0	\$0	\$0	\$0
Contribution Per Unit	??	??	??	??	??	??
RCN Imp. 1-6						\$0
Phy. Dep. Value Imp. 1-6						\$0
Physically Depreciation 1-6						\$0
Total CV of Sprinklers 1-6						\$0
Imp. + Spk CV to Sale Price						\$3,575,700
Less CV of Sprinklers						\$0
Remainder CV of Improvements to Sale						\$3,575,700

Feedyard Sale 1

Dawn Custom Cattle Feeders to F Troop Feeders, Inc.

Improvement Data	
Feed Bunk and Pens	The feedyard has 17,300 linear feet of concrete bunk space with attached feed pens. Based on an 11.53 inch spacing, the total feeding capacity of the pens with attached bunk is estimated at 18,000 head. The pens are constructed on an excavated site sloped for drainage. There are approximately 188 feeding pens. The pens have a total of 3,460,000 square feet of space which calculates to 192 square feet per animal. The pens are steel pipe and cable construction attached to concrete bunk with 10 foot and 6 foot aprons. The cattle are watered in the feed pens with livestock drinkers and a continuous flow water system. The feedyard has adequate shipping and receiving areas with confinement pens, loading chutes, and scales which are attached to the feed pens. The CAFO Permit at the time of sale was for 18,000 head. Beef Plotter says 18,000 head.
Processing and Hospital Barns	One (1) 972 SF processing barn with a total area of 972 square feet and two (2) hospital sheds. The processing barn has a medicine room, work area, snake, tub, and hydraulic working chute. The smaller hospital sheds have attached snakes and hydraulic chutes.
Office Building	The feedyard has one (1) one-story wood frame 2,000 SF office building with a steel panel roof and concrete slab. The building has private offices, break room, scale room and rest rooms. The building has textured and painted walls, vinyl floors, commercial ceiling tiles, florescent lighting and central heat and air. There is a 12' x 70' in-ground truck-cattle scale located adjacent to the front of the building. The scale room has a digital weight indicator.
Hay Barn	The feedyard is improved with one (1) hay barn.
Horse Barn	The horse barn is a steel construction structure containing 2,160 S F. The horse barn has horse stalls, runs, a tack room, feed room, and break room.
Additional Equipment	One 12' x 70' truck-cattle scale, hydraulic working chutes, and emergency power-plant.
Feed Mill and Equipment	The feed mill complex includes three (3) buildings totaling 7,440 S F. The feed mill has 22,000 bushels of dry grain storage in upright steel grain bins; 2 x 18" x 36" Ferroll Ross Steam Flakers with attached 20' stainless steel steam cabinets; and one (1) Superior 150 HP boiler. The mill has a truck receiving bay with dump pit with 12' roll-up doors and one (1) load-out bay with 12' roll-up doors. The mill building also has a separate micro ingredient system room. The commodity barn and 7,500 S F loading apron are located adjacent to the mill building. The finished feed and commodities are mixed on the trucks.
Site Improvements and Land Use	The site improvements include excavation and dirt work for the pens and feed lanes, the building improvements, roads, parking, and lagoons. A dditional site improvements included underground pipe lines and utilities. Water is provided by private wells that are attached to a continuous flow water system to the feed pens. The water wells are considered to be a component of the land value.
Rolling Stock	The rolling stock was calculated at \$1,000,000.
YOC and Effective Age	The feedyard was constructed in 1995. The mill was renovated in 2019. The overall composite effective age was estimated at 15 years.
Comments	Beef Plotter indicated 18,000 head. The feedyard has a feeding capacity of 18,000 head and the CA FO Permit is for 18,000 head.

Feedyard Sale 1

Dawn Custom Cattle Feeders to F Troop Feeders, Inc.

Imp. Analysis 1-6

Item	Imp. 1	Imp. 2	Imp. 3	Imp. 4	Imp. 5	Imp. 6
Improvement Type	Pens Bunk 18,000 head	Processing Barn	2 x Hospitals	Office	Horse Barn	Hay Barn
Size	17,300	972	700	2,000	2,160	1
Unit	LF	SF	SF	SF	SF	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	40
Effective Age	15	15	15	15	15	15
Remaining Economic Life	25	25	25	25	25	25
RCN/Unit	\$275	\$30	\$13	\$90	\$12	\$30,000
Total RCN	\$4,757,500	\$29,160	\$9,100	\$180,000	\$25,920	\$30,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$4,757,500	\$29,160	\$9,100	\$180,000	\$25,920	\$30,000
Physical Incurable Dep. %	37.50%	37.50%	37.50%	37.50%	37.50%	37.50%
Phys. Incurable Depreciation \$	\$1,784,063	\$10,935	\$3,413	\$67,500	\$9,720	\$11,250
Physically Depreciated Value	\$2,973,438	\$18,225	\$5,688	\$112,500	\$16,200	\$18,750
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$2,973,438	\$18,225	\$5,688	\$112,500	\$16,200	\$18,750
External Obsolescence %	23.77%	23.77%	23.77%	23.77%	23.77%	23.77%
External Obsolescence \$	\$706,666	\$4,331	\$1,352	\$26,737	\$3,850	\$4,456
Total Cont. Value of Imp.	\$2,266,771	\$13,894	\$4,336	\$85,763	\$12,350	\$14,294
Contribution Per Unit	\$131.03	\$14.29	\$6.19	\$42.88	\$5.72	\$14,293.88
RCN Imp. 1-6						\$5,031,680
Phy. Dep. Value Imp. 1-6						\$3,144,800
Physically Depreciation 1-6						\$1,886,880
Total CV of Imp. 1-6						\$2,397,408

Feedyard Sale 1

Dawn Custom Cattle Feeders to F Troop Feeders, Inc.

Imp. Analysis 7-12

Item	Imp. 7	Imp. 8	Imp. 9	Imp. 10	Imp. 11	Imp. 12
Improvement Type	Feed Mill Complex	Truck-Cattle Scales	3 Hydraulic Chutes	Powerplant	Water Reservoirs	Site Imps.
Size	18,000	1	1	1	1	1
Unit	Head	Unit	Unit	Unit	Unit	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	30	30	30	40
Effective Age	15	15	15	15	15	15
Remaining Economic Life	25	25	15	15	15	25
RCN/Unit	\$95	\$75,000	\$60,000	\$75,000	\$100,000	\$500,000
Total RCN	\$1,710,000	\$75,000	\$60,000	\$75,000	\$100,000	\$500,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$1,710,000	\$75,000	\$60,000	\$75,000	\$100,000	\$500,000
Physical Incurable Dep. %	37.50%	37.50%	50.00%	50.00%	50.00%	37.50%
Phys. Incurable Depreciation \$	\$641,250	\$28,125	\$30,000	\$37,500	\$50,000	\$187,500
Physically Depreciated Value	\$1,068,750	\$46,875	\$30,000	\$37,500	\$50,000	\$312,500
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$1,068,750	\$46,875	\$30,000	\$37,500	\$50,000	\$312,500
External Obsolescence %	23.77%	23.77%	23.77%	23.77%	23.77%	23.77%
External Obsolescence \$	\$253,999	\$11,140	\$7,130	\$8,912	\$11,883	\$74,269
Total Cont. Value of Imp.	\$814,751	\$35,735	\$22,870	\$28,588	\$38,117	\$238,231
Contribution Per Unit	\$45.26	\$35,734.70	\$22,870.21	\$28,587.76	\$38,117.02	\$238,231.34
RCN Imp. 7-12						\$2,520,000
Phy. Dep. Value Imp. 7-12						\$1,545,625
Physically Depreciation 7-12						\$974,375
Total CV of Imp. 7-12						\$1,178,292

Feedyard Sale 1

Dawn Custom Cattle Feeders to F Troop Feeders, Inc.

**Improvement Analysis and
Obsolescence Conclusion**

Total RCN Imp. 1-12		\$7,551,680
Total Phy. Dep Value Imp. 1-12		\$4,690,425
Total Physical Dep. 1-12	37.89%	\$2,861,255
Improvement Value From Sale		\$3,575,700
Difference in Physically Depreciated Value and Improvement Value	23.77%	\$1,114,725
Obsolescence Estimate % (Ext)		23.77%
Total CV of Improvements 1-12		\$3,575,700
CV of Sprinklers		\$0
Land Value		\$424,300
Total Value = Sale Price		\$4,000,000

Income Analysis

Market Rates Typical lease rates range from \$0.03 to \$0.06 per head per year. Vacancy Rates are estimated at 10 to 20 percent. Lease rates are triple net. Expenses are estimated at 5 percent for management only.

	Head / AU	Lease Rate Per Head	Days, Months, or Year	
Feedyard Income	18,000.000	\$0.050	365	\$328,500
Irrigated Cropland	0.000	\$0.000	1	\$0
Dry Cropland	0.000	\$0.00	1	\$0
Potential Gross Income				\$328,500
Vacancy and Credit Loss			-15%	(\$49,275)
Effective Gross Income				\$279,225
Operating Expense			-5%	(\$13,961)
Net Operating Income				\$265,264
Sale Price				\$4,000,000
Overall Rate				6.63%

Aerial Map

Dawn Cattle Feeders to F-Troop



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Boundary Center: 34° 59' 23.87, -102° 14' 2.81

0ft 1057ft 2115ft



Maps Provided By:



Deaf Smith County
Texas

7/21/2023

Field borders provided by Farm Service Agency as of 5/21/2008.

Feedyard Sale 2

Lone Star Bank of West Texas to Dry Fork Holdings LLC

Transaction Data

Location	The feedyard / grow yard is located 1.5 miles SE of Hedley along the south side of CR W and the east side east and west sides of CR 27, in Donley County, Texas.
Sale Date	November 25, 2020 Closed
Grantor	Lone Star Bank of West Texas
Grantee	Dry Fork Holdings LLC
Recording	V-120, P-784, Document 50482
Legal Description	Tract 1: 201.29 acres of land out of Section 95, Block 20, H&GN Ry. Co. Survey and Tract 2: 214.13 acres of land out of Section 96, Block 20, H&GN Ry. Co. Survey, Donley County, Texas.
Property Tax Parcel Numbers	3165 and 3171
Terms of Sale	Cash to Seller
Sale Price	\$875,000
Declared Business Value (-)	\$0
Rolling Stock (-)	\$0
Personal Prop. (-)	\$0
Excess Land Allocation (-)	\$0
Sale Price for Real Property	\$875,000
Add Cost For Repairs (+)	\$0
Final Adjusted Sale Price	\$875,000
Feedyard Capacity (Head)	10,000
Total Sale Price Per Head Including Rolling Stock, Personal Property, and Excess Land	\$87.50
Business Value \$ Per Head	\$0.00
Rolling Stock \$ Per Head	\$0.00
Personal Property \$ Per Head	\$0.00
Excess Land \$ Per Head	\$0.00
Repair Cost \$ Per Head	\$0.00
Final Adjusted Price Per Head	\$87.50

Feedyard Sale 2

Lone Star Bank of West Texas to Dry Fork Holdings LLC

Land Data

Total Land Acres 415.420

Excess Land Acres 0.000

Land Acres Needed for CR 415.420

Total Acres / CR AU Ratio 0.042 1.0 Feedyard Animal Unit (AU)

Necessary Land Acres / CR AU 0.042 1.0 Feedyard Animal Unit (AU)

Topography The terrain is gently rolling to rolling. The property has 40 acres irrigated, 255.42 acres in grass, and 120.0 acres in feedyard and building sites. The 40.0 acre circle is used for wastewater application.

Minerals All owned mineral interested conveyed to the buyer.

Road Access Access is provided by CR W and CR 27 in Donley County, Texas.

Land Mix and Improvement Contribution	Land Type	Ratio	Acres	\$ / Acre	Value
	Irrigated	100.00%	40.000	\$1,800	\$72,000
	Dry Crop	50.00%	0.000	\$900	\$0
	CRP	50.00%	0.000	\$900	\$0
	Pasture	40.00%	255.420	\$720	\$183,902
	Building Site	100.00%	120.000	\$1,800	\$216,000
	Roads / Waste	10.00%	0.000	\$180	\$0
	Total		415.420		\$471,902
	Total Price/Acre				\$1,136
	CEV Sale Price				\$875,000
	Imp. Contribution				\$403,098

Utilities and Water Typical rural utilities. There property has irrigation wells and livestock wells. The feedyard pens are watered by a gravity continuous flow water system from the storage tanks through a system of underground pipelines.

Feedyard Sale 2

Lone Star Bank of West Texas to Dry Fork Holdings LLC

Sprinklers	Sprinkler 1	Sprinkler 2	Sprinkler 3	Sprinkler 4	Sprinkler 5	Sprinkler 6
Improvement Type	4-Tower	0	0	0	0	0
Size	760	0	0	0	0	0
Unit	LF	LF	LF	LF	LF	LF
Utility	A	A	A	A	A	A
Condition	G	G	G	G	G	G
Total Economic Life	25	25	25	25	25	25
Effective Age	20	0	0	0	0	0
Remaining Economic Life	5	25	25	25	25	25
RCN/Unit	\$60	\$68	\$68	\$68	\$68	\$68
Total RCN	\$45,600	\$0	\$0	\$0	\$0	\$0
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$45,600	\$0	\$0	\$0	\$0	\$0
Physical Incurable Dep. %	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$36,480	\$0	\$0	\$0	\$0	\$0
Physically Depreciated Value	\$9,120	\$0	\$0	\$0	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$9,120	\$0	\$0	\$0	\$0	\$0
External Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
External Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Total Cont. Value of Imp.	\$9,120	\$0	\$0	\$0	\$0	\$0
Contribution Per Unit	\$12.00	??	??	??	??	??
RCN Imp. 1-6						\$45,600
Phy. Dep. Value Imp. 1-6						\$9,120
Physically Depreciation 1-6						\$36,480
Total CV of Sprinklers 1-6						\$9,120
Imp. + Spk CV to Sale Price						\$403,098
Less CV of Sprinklers						\$9,120
Remainder CV of Improvements to Sale						\$393,978

Feedyard Sale 2

Lone Star Bank of West Texas to Dry Fork Holdings LLC

Improvement Data	
Feed Bunk and Pens	The feedyard The CAFO Permit at the time of sale was for 14,900 head. The feedyard facility has approximately 99 pens and 10,000 linear feet of bunk space. The pens with feed bunk are constructed on land with a natural slope for drainage. All of the pens have adequate livestock drinkers with concrete aprons that are connected a continuous flow water system. All feed alleys are caliche and cattle alleys are dirt. The feedyard has one (1) main shipping and receiving area with adjacent processing and hospital facilities. The shipping and receiving area has eight (8) sorting and loading pens. The pens and bunk were in fair to average condition at the time of sale. Additional information obtained by the appraiser indicated that the feedyard had a total capacity of 10,000 head. The bunk space per animal is calculated at 10,000 linear feet x 12 inches = 120 inches / 10,000 head = 12 inches per animal. The pen space is approximately 47.25 acres x 43,560 square feet = 2,058,210. The pen space per animal is 2,058,210 square feet / 10,000 head = 206 square feet per animal.
Processing and Hospital Barns	The grow yard is improved with 1 x 25' x 40' = 1,000 square foot processing and hospital facility and 1 x 30' x 55' = 1,650 square foot covered cattle shed.
Office Building	The grow yard is improved with 1 x 25' x 40' = 1,000 square foot processing and hospital facility and 1 x 30' x 55' = 1,650 square foot covered cattle shed.
Shop Building and Equipment Shed	The shop building is a steel construction structure constructed on a reinforced concrete slab with 40' x 40' = 1,600 square feet of space. The building is used for the maintenance and storage of farm and feedyard equipment. There is 1 x 12' x 30' equipment shed located north of the office building.
Horse Barn and Cattle Shades	The horse barn has an enclosed section that is 20' x 40' and a section open to one side that is 15' x 50' feet. The barn is a steel construction structure with 1,550 square feet of space. The open sided portion of the barn has attached horse pens. The eastern portion of the yard is improved with 1 x 45' x 70' steel construction horse shed with attached pens. There are 5 x 20' x 120' cow shade structures located in the feedyard feed pens. The shades are steel construction with a dirt floor.
Dwellings	None
Feed Mill and Equipment and Associated Equipment	The feed mill is a basic bunker style mill with 2 x 18" X 36" steam rolls and boiler. Improvements to the mill were completed in 2010. Improvements were made to the steam rolls and steam chest. In mid/late 2016 there was around \$600,000 spent on the mill replacing legs, roof on mill, distributor, scalpers, augers, soaker tanks, wiring, grain dump pit, as well as new corrugated grain bin. The grain bin capacity is approximately 12,500 bushels. Feed mill building and commodity barn is approximately 5,840 square feet. The grow yard is improved with 1 x 120,000 pound 10' x 70' truck scale with a digital read-out located adjacent to the office. The property is also improved with a 4-Tower 760 linear foot sprinkler and one (1) hydraulic working chute.
Site Improvements and Land Use	The site improvements include excavation and dirt work for the pens and building improvements, gravel drives and parking, lagoons, water wells, and underground utilities and pipelines.
Rolling Stock	No rolling stock.
YOC and Effective Age	The feedyard was constructed in 1974. Additions were made in 2008. The overall composite effective age was estimated at 25 years.
Comments	The sale was confirmed with the listing broker, Brock Thompson of Amarillo, Texas. Property Tax ID 4221749. \$925,000 - 416 acres Sold County RD 27, Hedley, TX 79237 - Donley County, Texas.

Feedyard Sale 2

Lone Star Bank of West Texas to Dry Fork Holdings LLC

Imp. Analysis 1-6

Item	Imp. 1	Imp. 2	Imp. 3	Imp. 4	Imp. 5	Imp. 6
Improvement Type	Office Bldg.	1 Processing Hospital	Cattle Shed	2 Horse Barns	Shop Building	Feed Mill Grain Stg. Complex
Size	2,023	1,000	1,650	4,700	1,600	10,000
Unit	SF	SF	SF	SF	SF	Head
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	30
Effective Age	25	25	25	25	25	25
Remaining Economic Life	15	15	15	15	15	5
RCN/Unit	\$75	\$25	\$14	\$10	\$15	\$40
Total RCN	\$151,725	\$25,000	\$23,100	\$47,000	\$24,000	\$400,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$151,725	\$25,000	\$23,100	\$47,000	\$24,000	\$400,000
Physical Incurable Dep. %	62.50%	62.50%	62.50%	62.50%	62.50%	83.33%
Phys. Incurable Depreciation \$	\$94,828	\$15,625	\$14,438	\$29,375	\$15,000	\$333,333
Physically Depreciated Value	\$56,897	\$9,375	\$8,663	\$17,625	\$9,000	\$66,667
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$56,897	\$9,375	\$8,663	\$17,625	\$9,000	\$66,667
External Obsolescence %	65.92%	65.92%	65.92%	65.92%	65.92%	65.92%
External Obsolescence \$	\$37,505	\$6,180	\$5,710	\$11,618	\$5,933	\$43,945
Total Cont. Value of Imp.	\$19,392	\$3,195	\$2,952	\$6,007	\$3,067	\$22,721
Contribution Per Unit	\$9.59	\$3.20	\$1.79	\$1.28	\$1.92	\$2.27
RCN Imp. 1-6						\$670,825
Phy. Dep. Value Imp. 1-6						\$168,226
Physically Depreciation 1-6						\$502,599
Total CV of Imp. 1-6						\$57,335

Feedyard Sale 2

Lone Star Bank of West Texas to Dry Fork Holdings LLC

Imp. Analysis 7-12

Item	Imp. 7	Imp. 8	Imp. 9	Imp. 10	Imp. 11	Imp. 12
Improvement Type	Bunk and Pens	Shades	Equipment Shed	Cattle Scales	Hyd. Chute	Site Imps.
Size	10,000	12,000	360 SF	60	1	1
Unit	LF	SF	Unit	Tons	Unit	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	30	30	40
Effective Age	25	25	25	20	20	25
Remaining Economic Life	15	15	15	10	10	15
RCN/Unit	\$230	\$5	\$8	\$1,000	\$20,000	\$200,000
Total RCN	\$2,300,000	\$60,000	\$2,880	\$60,000	\$20,000	\$200,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$2,300,000	\$60,000	\$2,880	\$60,000	\$20,000	\$200,000
Physical Incurable Dep. %	62.50%	62.50%	62.50%	66.67%	66.67%	62.50%
Phys. Incurable Depreciation \$	\$1,437,500	\$37,500	\$1,800	\$40,000	\$13,333	\$125,000
Physically Depreciated Value	\$862,500	\$22,500	\$1,080	\$20,000	\$6,667	\$75,000
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$862,500	\$22,500	\$1,080	\$20,000	\$6,667	\$75,000
External Obsolescence %	65.92%	65.92%	65.92%	65.92%	65.92%	65.92%
External Obsolescence \$	\$568,544	\$14,832	\$712	\$13,184	\$4,395	\$49,439
Total Cont. Value of Imp.	\$293,956	\$7,668	\$368	\$6,816	\$2,272	\$25,561
Contribution Per Unit	\$29.40	\$0.64	\$1.02	\$113.61	\$2,272.13	\$25,561.43
RCN Imp. 7-12						\$2,642,880
Phy. Dep. Value Imp. 7-12						\$987,747
Physically Depreciation 7-12						\$1,655,133
Total CV of Imp. 7-12						\$336,643

Feedyard Sale 2

Lone Star Bank of West Texas to Dry Fork Holdings LLC

**Improvement Analysis and
Obsolescence Conclusion**

Total RCN Imp. 1-12		\$3,313,705
Total Phy. Dep Value Imp. 1-12		\$1,155,973
Total Physical Dep. 1-12	65.12%	\$2,157,732
Improvement Value From Sale		\$393,978
Difference in Physically Depreciated Value and Improvement Value	65.92%	\$761,995
Obsolescence Estimate % (Ext)		65.92%
Total CV of Improvements 1-12		\$393,978
CV of Sprinklers		\$9,120
Land Value		\$471,902
Total Value = Sale Price		\$875,000

Income Analysis

Market Rates Typical lease rates range from \$0.03 to \$0.06 per head per year. Vacancy Rates are estimated at 10 to 20 percent. Lease rates are triple net. Expenses are estimated at 5 percent for management only.

	Head / AU	Lease Rate Per Head	Days, Months, or Year	
Feedyard Income	10,000.000	\$0.030	365	\$109,500
Irrigated Cropland	0.000	\$0.000	1	\$0
Dry Cropland	0.000	\$0.00	1	\$0
Potential Gross Income				\$109,500
Vacancy and Credit Loss			-25%	(\$27,375)
Effective Gross Income				\$82,125
Operating Expense			-5%	(\$4,106)
Net Operating Income				\$78,019
Sale Price				\$875,000
Overall Rate				8.92%

Aerial Map



Map Center: 34° 51' 15.43, -100° 37' 46.34

0ft 1208ft 2417ft

Donley County
Texas



3/5/2021

Maps Provided By:



surety
CUSTOMIZED ONLINE MAPPING

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Field borders provided by Farm Service Agency as of 5/21/2008.

Feedyard Sale 3

Rex McCloy Trustee to Spartan Holdings

Transaction Data

Location	The grow yard is located 12.5 miles northwest of Stinnett, 4.0 miles southwest of Morse, 1.5 miles south of FM 281, and 0.5 miles south of CR D, along the east side of CR 7, in Hutchinson County, Texas.
Sale Date	October 11, 2022 Closed
Grantor	Rex McCloy Trustee for the Thane McCloy Trust and Sue McCloy
Grantee	Spartan Holdings LLC
Recording	V-2319, P-246, Document 383609
Legal Description	157.42 acres of land in Section 99 and a portion of Section 102, Block 5-T, T&NO RR. Co. Survey, in Hutchinson County, Texas; Save and Except 1.742 acres of land more or less S situated in the SW/4 of Section 99, Block 5-T, T&NO RR Co. Survey, Hutchinson County, Texas.
Property Tax Parcel Numbers	90636 and 104282
Terms of Sale	Cash to Seller
Sale Price	\$2,050,000
Declared Business Value (-)	\$0
Rolling Stock (-)	\$410,000
Personal Prop. (-)	\$0
Excess Land Allocation (-)	\$180,000 House and 1.742 Acres Separate Transaction
Sale Price for Real Property	\$1,460,000
Add Cost For Repairs (+)	\$0
Final Adjusted Sale Price	\$1,460,000
Feedyard Capacity (Head)	7,500
Total Sale Price Per Head Including Rolling Stock, Personal Property, and Excess Land	\$273.33
Business Value \$ Per Head	\$0.00
Rolling Stock \$ Per Head	\$54.67
Personal Property \$ Per Head	\$0.00
Excess Land \$ Per Head	\$24.00
Repair Cost \$ Per Head	\$0.00
Final Adjusted Price Per Head	\$194.67

Feedyard Sale 3

Rex McCloy Trustee to Spartan Holdings

Land Data

Total Land Acres 159.162

Excess Land Acres 1.742 acres and House Separate Transaction

Land Acres Needed for CR 157.420

Total Acres / CR AU Ratio 0.021 1.0 Feedyard Animal Unit (AU)

Necessary Land Acres / CR AU 0.021 1.0 Feedyard Animal Unit (AU)

Topography The terrain is level to gently rolling. The property is 56.46 acres of grass and 100.96 acres of feedyard building site. Wastewater application when necessary is applied to adjacent land owners through long term wastewater agreements.

Minerals All owned mineral interested conveyed to the buyer.

Road Access Access is provided by CR 7 in Hutchinson County, Texas.

Land Mix and Improvement Contribution	Land Type	Ratio	Acres	\$ / Acre	Value
	Irrigated	100.00%	0.000	\$2,500	\$0
	Dry Crop	45.00%	0.000	\$1,125	\$0
	CRP	45.00%	0.000	\$1,125	\$0
	Pasture	45.00%	56.460	\$1,125	\$63,518
	Building Site	100.00%	100.960	\$2,500	\$252,400
	Roads / Waste	10.00%	0.000	\$250	\$0
	Total		157.420		\$315,918
	Total Price/Acre				\$2,007
	CEV Sale Price				\$1,460,000
	Imp. Contribution				\$1,144,083

Utilities and Water Typical rural utilities. There property has one (1) 70 GPM water well, two (2) 10 GPM water wells, and one (50) GPM well. Water is stored in one (1) 60,000 gallon storage tank and one (1) 10,000 gallon tank. The feedyard pens are watered by a gravity continuous flow water system from the storage tanks through a system of underground pipelines.

Feedyard Sale 3

Rex McCloy Trustee to Spartan Holdings

Sprinklers	Sprinkler 1	Sprinkler 2	Sprinkler 3	Sprinkler 4	Sprinkler 5	Sprinkler 6
Improvement Type	0	0	0	0	0	0
Size	0	0	0	0	0	0
Unit	LF	LF	LF	LF	LF	LF
Utility	A	A	A	A	A	A
Condition	G	G	G	G	G	G
Total Economic Life	25	25	25	25	25	25
Effective Age	0	0	0	0	0	0
Remaining Economic Life	25	25	25	25	25	25
RCN/Unit	\$68	\$68	\$68	\$68	\$68	\$68
Total RCN	\$0	\$0	\$0	\$0	\$0	\$0
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$0	\$0	\$0	\$0	\$0	\$0
Physical Incurable Dep. %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$0	\$0	\$0	\$0	\$0	\$0
Physically Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
External Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
External Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Total Cont. Value of Imp.	\$0	\$0	\$0	\$0	\$0	\$0
Contribution Per Unit	??	??	??	??	??	??
RCN Imp. 1-6						\$0
Phy. Dep. Value Imp. 1-6						\$0
Physically Depreciation 1-6						\$0
Total CV of Sprinklers 1-6						\$0
Imp. + Spk CV to Sale Price						\$1,144,083
Less CV of Sprinklers						\$0
Remainder CV of Improvements to Sale						\$1,144,083

Feedyard Sale 3

Rex McCloy Trustee to Spartan Holdings

Improvement Data	
Feed Bunk and Pens	Per Sale Brochure: The feedyard has 7,750 linear feet of concrete feed bunk with attached concrete apron and steel pipe and cable feed pens. There are 56 feed pens with 1,500,000 square feet of space. The practical feeding capacity is 7,500 head with 200 square feet of space per animal. The feed pens have in-place livestock drinkers and a continuous flow water system and sprinkler systems for cooling cattle. The feed pens are improved with windbreaks, loafing sheds, cattle traffic alleys, two (2) shipping and receiving areas, two (2) hospital sheds and one (1) main processing. The drive lanes adjacent to the feed bunk are improved with all-weather surface materials. The feedyard CAFO Permit is for 12,300 head.
Processing and Hospital Barns	The grow yard is improved with 1 x 21' x 30' = 630 square foot processing barn with a Bowman hydraulic chute, alley and snake. There are two small hospitals located within the feed pens.
Office Building	The grow yard is improved with 1 x 1,200 square foot steel construction office building with private offices, a lobby, scale room, restrooms, conference room and kitchen. There is a 10' x 80' set of in-ground truck scales located adjacent to the office.
Shop Buildings	The feedyard is improved with a 3,600 square foot steel construction shop building and a separate 3,850 square foot steel construction welding shop building.
Horse Barn, Cattle Shades, Commodity Barns, and Hay Barn	Support buildings include 1 x 22' x 70' = 1,540 SF steel construction horse barn; 1 x 40' x 80' = 3,200 square foot open sided steel construction hay barn; 1 x 32' x 60' = 1,920 SF steel and concrete construction 3-bay commodity barn; 1 x 40' x 120' = 4,800 SF steel and concrete construction 6-bay commodity barn; 1 x 10' x 16' = 160 SF micro building; 1 x 20' x 30' steel construction farm storage building; 1 x 20' x 108' = 2,160 SF steel construction loafing shed; 1 x 20' x 142' = 2,840 SF steel construction loafing shed; 1 x 18' x 90' = 1,620 SF steel construction loafing shed.
Dwellings	The feedyard is improved with 1 x 1,600 SF wood frame brick veneer managers dwelling. The feedyard has a 4,000 SF wood frame brick veneer owners dwelling plus garage and out buildings located on a 1.742 adjacent acres that was purchased in a separate transaction from the feedyard transaction for \$180,000.
Other Structures and Equipment	The feedyard has 1 x 60,000 gallon water storage tank, 1 x 10,000 gallon water storage tank, 1 x 10,000 gallon fat tank, 1 x 10' x 80' 100,000 lb. Set of truck scales, 1 x high moisture concrete construction corn dump, 5 x silage pits with a total capacity of 56,000 tons, steel construction wind breaks,
Site Improvements and Land Use	The site improvements include excavation and dirt work for the pens and building improvements, gravel/caliche drives and parking, three (3) retention ponds/lagoons, (1) 70 GPM water well, two (2) 10 GPM water wells, one (1) 50 GPM water well, underground pipelines, and underground utility lines.
Rolling Stock	Rolling stock included one (1) 2005 Peterbilt truck with Roto-Mix 620-16 feed box; one (1) 2011 International Workstar truck with Roto-Mix 620-16 feed box; one (1) 1983 Ford tandem axle dump truck; one (1) 1988 Mack tandem axle dump truck; one (1) 1995 Mack tandem axle silage truck; one (1) 2018 JD 544L loader; one (1) 1987 Case International 9270 4WD tractor with front blade; one (1) 1990 JD 4960 4WD tractor; one (1) JD 2955 4WD tractor with bunk sweeper; one (1) 2000 New Holland TN65D tractor; one (1) 2018 Holcomb scraper; one (1) bunk cleaner; one (1) New Holland 32A front end loader; one (1) bale fork; one (1) bale trailer; one Miller 225 Bobcat welder mounted on a trailer with oxygen, acetylene and torch; one Lincoln electric mig welder; one (1) 2007 Chevy pickup; one (1) 2006 Dodge Ram 1500 pickup; one (1) high moisture corn grinder; and one (1) scraper. The rolling stock was valued at \$410,000.
YOC and Effective Age	The feedyard was constructed in the 1990's to 2000's. The overall composite effective age was estimated at 10 years.
Comments	The sale was confirmed with Dick Bretz, Listing Broker, Eslabon Properties. Listed at \$2,600,000.

Feedyard Sale 3

Rex McCloy Trustee to Spartan Holdings

Imp. Analysis 1-6						
Item	Imp. 1	Imp. 2	Imp. 3	Imp. 4	Imp. 5	Imp. 6
Improvement Type	Office Bldg.	1 Processing Hosp. Barn	3 x Cattle Sheds	1 x Horse Barn	2 x Shop Buildings	2 x Commodity Barns
Size	1,200	630	6,620	1,540	7,450	6,720
Unit	SF	SF	SF	SF	SF	SF
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	40
Effective Age	10	10	10	10	10	10
Remaining Economic Life	30	30	30	30	30	30
RCN/Unit	\$80	\$30	\$10	\$12	\$15	\$25
Total RCN	\$96,000	\$18,900	\$66,200	\$18,480	\$111,750	\$168,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$96,000	\$18,900	\$66,200	\$18,480	\$111,750	\$168,000
Physical Incurable Dep. %	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Phys. Incurable Depreciation \$	\$24,000	\$4,725	\$16,550	\$4,620	\$27,938	\$42,000
Physically Depreciated Value	\$72,000	\$14,175	\$49,650	\$13,860	\$83,813	\$126,000
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$72,000	\$14,175	\$49,650	\$13,860	\$83,813	\$126,000
External Obsolescence %	51.64%	51.64%	51.64%	51.64%	51.64%	51.64%
External Obsolescence \$	\$37,184	\$7,321	\$25,641	\$7,158	\$43,284	\$65,071
Total Cont. Value of Imp.	\$34,816	\$6,854	\$24,009	\$6,702	\$40,528	\$60,929
Contribution Per Unit	\$29.01	\$10.88	\$3.63	\$4.35	\$5.44	\$9.07
RCN Imp. 1-6						\$479,330
Phy. Dep. Value Imp. 1-6						\$359,498
Physically Depreciation 1-6						\$119,833
Total CV of Imp. 1-6						\$173,839

Feedyard Sale 3

Rex McCloy Trustee to Spartan Holdings

Imp. Analysis 7-12

Item	Imp. 7	Imp. 8	Imp. 9	Imp. 10	Imp. 11	Imp. 12
Improvement Type	Bunk/Pens 7,500 Head	Liquid Tanks	Dwelling	Truck Scales	Hyd. Chute	Site Imps.
Size	7,750	80,000	1,600	50	1	1
Unit	LF	Gallons	SF	Tons	Unit	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	30	60	30	30	40
Effective Age	10	10	10	10	10	10
Remaining Economic Life	30	20	50	20	20	30
RCN/Unit	\$250	\$1	\$100	\$1,500	\$25,000	\$400,000
Total RCN	\$1,937,500	\$80,000	\$160,000	\$75,000	\$25,000	\$400,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$1,937,500	\$80,000	\$160,000	\$75,000	\$25,000	\$400,000
Physical Incurable Dep. %	25.00%	33.33%	16.67%	33.33%	33.33%	25.00%
Phys. Incurable Depreciation \$	\$484,375	\$26,667	\$26,667	\$25,000	\$8,333	\$100,000
Physically Depreciated Value	\$1,453,125	\$53,333	\$133,333	\$50,000	\$16,667	\$300,000
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$1,453,125	\$53,333	\$133,333	\$50,000	\$16,667	\$300,000
External Obsolescence %	51.64%	51.64%	51.64%	51.64%	51.64%	51.64%
External Obsolescence \$	\$750,451	\$27,543	\$68,859	\$25,822	\$8,607	\$154,932
Total Cont. Value of Imp.	\$702,674	\$25,790	\$64,475	\$24,178	\$8,059	\$145,068
Contribution Per Unit	\$90.67	\$0.32	\$40.30	\$483.56	\$8,059.34	\$145,068.11
RCN Imp. 7-12						\$2,677,500
Phy. Dep. Value Imp. 7-12						\$2,006,458
Physically Depreciation 7-12						\$671,042
Total CV of Imp. 7-12						\$970,244

Feedyard Sale 3

Rex McCloy Trustee to Spartan Holdings

**Improvement Analysis and
Obsolescence Conclusion**

Total RCN Imp. 1-12		\$3,156,830
Total Phy. Dep Value Imp. 1-12		\$2,365,956
Total Physical Dep. 1-12	25.05%	\$790,874
Improvement Value From Sale		\$1,144,083
Difference in Physically Depreciated Value and Improvement Value	51.64%	\$1,221,873
Obsolescence Estimate % (Ext)		51.64%
Total CV of Improvements 1-12		\$1,144,083
CV of Sprinklers		\$0
Land Value		\$315,918
Total Value = Sale Price		\$1,460,000

Income Analysis

Market Rates Typical lease rates range from \$0.03 to \$0.06 per head per year. Vacancy Rates are estimated at 10 to 20 percent. Lease rates are triple net. Expenses are estimated at 5 percent for management only.

	Head / AU	Lease Rate Per Head	Days, Months, or Year	
Feedyard Income	7,500.000	\$0.050	365	\$136,875
Irrigated Cropland	0.000	\$0.000	1	\$0
Dry Cropland	0.000	\$0.00	1	\$0
Potential Gross Income				\$136,875
Vacancy and Credit Loss			-20%	(\$27,375)
Effective Gross Income				\$109,500
Operating Expense			-5%	(\$5,475)
Net Operating Income				\$104,025
Sale Price				\$1,460,000
Overall Rate				7.13%

Aerial Map



Boundary Center: 35° 59' 51.71, -101° 30' 40.72

0ft 595ft 1190ft

Hutchinson County
Texas



6/14/2023

Maps Provided By:



surety
CUSTOMIZED ONLINE MAPPING

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Field borders provided by Farm Service Agency as of 5/21/2008.

Feedyard Sale 4

Clifford Oldham to Hall Cattle Feeders LLC

Transaction Data

Location	The grow yard is located approximately 6.2 miles east of the Shamrock Central Business District, along the south side of IH-40 and the west side of FM 1802, in Wheeler County, Texas.
Sale Date	September 12, 2019 Closed
Grantor	Clifford Oldham
Grantee	Hall Cattle Feeders LLC
Recording	V-748, P-520, Document 56333
Legal Description	69.35 acres of land out of the E/2 of the NE/4 of Section 48, Block 13, H&GN Survey, Wheeler County, Texas.
Property Tax Parcel Numbers	3917, 3918 and 3919
Terms of Sale	Cash to Seller
Sale Price	\$850,000
Declared Business Value (-)	\$0
Rolling Stock (-)	\$150,000
Personal Prop. (-)	\$0
Excess Land Allocation (-)	\$0
Sale Price for Real Property	\$700,000
Add Cost For Repairs (+)	\$0
Final Adjusted Sale Price	\$700,000
Feedyard Capacity (Head)	4,000
Total Sale Price Per Head Including Rolling Stock, Personal Property, and Excess Land	\$212.50
Business Value \$ Per Head	\$0.00
Rolling Stock \$ Per Head	\$37.50
Personal Property \$ Per Head	\$0.00
Excess Land \$ Per Head	\$0.00
Repair Cost \$ Per Head	\$0.00
Final Adjusted Price Per Head	\$175.00

Feedyard Sale 4

Clifford Oldham to Hall Cattle Feeders LLC

Land Data

Total Land Acres 69.350

Excess Land Acres 0.000

Land Acres Needed for CR 69.350

Total Acres / CR AU Ratio 0.017 1.0 Feedyard Animal Unit (AU)

Necessary Land Acres / CR AU 0.017 1.0 Feedyard Animal Unit (AU)

Topography The terrain is generally level ranging from 2,273 to 2,292 feet.

Minerals Fractional

Road Access Access is provided by FM 1802.

Land Mix and Improvement Contribution	Land Type	Ratio	Acres	\$ / Acre	Value
	Irrigated	100.00%	0.000	\$3,110	\$0
	Dry Crop	30.00%	0.000	\$933	\$0
	CRP	30.00%	0.000	\$933	\$0
	Pasture	20.00%	29.350	\$622	\$18,256
	Building Site	100.00%	40.000	\$3,110	\$124,400
	Roads / Waste	10.00%	0.000	\$311	\$0
	Total		69.350		\$142,656
	Total Price/Acre				\$2,057
	CEV Sale Price				\$700,000
	Imp. Contribution				\$557,344

Utilities and Water Typical rural utilities. The feedyard operates off of a 12 inch water line from Shamrock. There are no wells on the property. Water costs run at the time of sale was \$1,000 per month in the summer at full capacity.

Feedyard Sale 4**Clifford Oldham to Hall Cattle Feeders LLC**

Sprinklers	Sprinkler 1	Sprinkler 2	Sprinkler 3	Sprinkler 4	Sprinkler 5	Sprinkler 6
Improvement Type	0	0	0	0	0	0
Size	0	0	0	0	0	0
Unit	LF	LF	LF	LF	LF	LF
Utility	A	A	A	A	A	A
Condition	G	G	G	G	G	G
Total Economic Life	25	25	25	25	25	25
Effective Age	0	0	0	0	0	0
Remaining Economic Life	25	25	25	25	25	25
RCN/Unit	\$68	\$68	\$68	\$68	\$68	\$68
Total RCN	\$0	\$0	\$0	\$0	\$0	\$0
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$0	\$0	\$0	\$0	\$0	\$0
Physical Incurable Dep. %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$0	\$0	\$0	\$0	\$0	\$0
Physically Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$0	\$0	\$0	\$0	\$0	\$0
External Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
External Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Total Cont. Value of Imp.	\$0	\$0	\$0	\$0	\$0	\$0
Contribution Per Unit	??	??	??	??	??	??
RCN Imp. 1-6						\$0
Phy. Dep. Value Imp. 1-6						\$0
Physically Depreciation 1-6						\$0
Total CV of Sprinklers 1-6						\$0
Imp. + Spk CV to Sale Price						\$557,344
Less CV of Sprinklers						\$0
Remainder CV of Improvements to Sale						\$557,344

Feedyard Sale 4

Clifford Oldham to Hall Cattle Feeders LLC

Improvement Data	
Feed Bunk and Pens	The feedyard has 3,149 LF of concrete bunk with attached apron. The feed pens are constructed with pipe and cable fencing. The pens have drinkers with concrete aprons that are connected a continuous flow water system. The pens and bunk are in average condition. The feeding capacity was estimated at 4,000 head which is 9.45 inches per AU and 157 square feet of space per AU.
Commodity Barn	The commodity barn is 30' x 137' = 4,110 SF. The building is concrete and steel construction with six (6) feed bays and a 25' concrete loading pad.
Horse Shed	The feedyard has one (1) 10' x 77' = 770 SF horse shed with tack room and four pens with runs.
Processing Barn	The feedyard is improved with one (1) 40' x 60' = 2,400 SF processing barn with attached Trojan hydraulic chute and cattle snake.
Dwellings	The feedyard property is improved with one (1) mobile home with no significant value.
Associated Attached Equipment	Attached equipment includes one (1) Trojan hydraulic working chute, and one (1) set of Rusty Weigh scales with a 20,000 pound capacity.
Feed Mill Complex and Attached Equipment	The grain storage system has a total capacity of 250,000 pounds. The feedyard has One (1) 10" x 36" R&R Machine Works dry roll mill with a 900 BPH milling capacity. The grow yard is also improved with 16,000 gallons of liquid storage.
Site Improvements and Land Use	The site improvements include excavation and dirt work for the pens and building improvements, gravel/caliche drives and parking, retention ponds/lagoons, utility connections, underground pipelines, and underground utility lines.
Rolling Stock	Rolling stock included one (1) 2006 Peterbilt truck with Roto-Mix 620-16 feed box; one (1) 2008 JD 444J High Lift with hydraulics, quick-tach hay forks, and bunk sweeper; and one (1) 2005 JD 317 Skid Steer Loader with hay fork. The rolling stock was valued at \$150,000 or \$37.50 per head based on a total capacity of 4,000 head.
YOC and Effective Age	The feedyard was constructed from 2001-2003. The overall composite effective age was estimated at 10 years.
Comments	The sale was confirmed with Dick Bretz, Listing Broker, Esplanon Properties. WCAD Property Tax ID Numbers 3917, 3918 and 3919. Annual property taxes are \$1,900.

Feedyard Sale 4

Clifford Oldham to Hall Cattle Feeders LLC

Imp. Analysis 1-6

Item	Imp. 1	Imp. 2	Imp. 3	Imp. 4	Imp. 5	Imp. 6
Improvement Type	Feed Pens and Bunk	Grain Storage Sys.	Processing Barn	Horse Barn	Commodity Barn	10" x 36" Dry Roll Mill
Size	4,000	4,032	2,400	770	4,110	1
Unit	LF	Bushels	SF	SF	SF	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	30
Effective Age	10	10	10	10	10	10
Remaining Economic Life	30	30	30	30	30	20
RCN/Unit	\$240	\$4	\$20	\$15	\$30	\$100,000
Total RCN	\$960,000	\$16,128	\$48,000	\$11,550	\$123,300	\$100,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$960,000	\$16,128	\$48,000	\$11,550	\$123,300	\$100,000
Physical Incurable Dep. %	25.00%	25.00%	25.00%	25.00%	25.00%	33.33%
Phys. Incurable Depreciation \$	\$240,000	\$4,032	\$12,000	\$2,888	\$30,825	\$33,333
Physically Depreciated Value	\$720,000	\$12,096	\$36,000	\$8,663	\$92,475	\$66,667
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$720,000	\$12,096	\$36,000	\$8,663	\$92,475	\$66,667
External Obsolescence %	55.84%	55.84%	55.84%	55.84%	55.84%	55.84%
External Obsolescence \$	\$402,060	\$6,755	\$20,103	\$4,837	\$51,640	\$37,228
Total Cont. Value of Imp.	\$317,940	\$5,341	\$15,897	\$3,825	\$40,835	\$29,439
Contribution Per Unit	\$79.48	\$1.32	\$6.62	\$4.97	\$9.94	\$29,438.86
RCN Imp. 1-6						\$1,258,978
Phy. Dep. Value Imp. 1-6						\$935,900
Physically Depreciation 1-6						\$323,078
Total CV of Imp. 1-6						\$413,278

Feedyard Sale 4

Clifford Oldham to Hall Cattle Feeders LLC

Imp. Analysis 7-12

Item	Imp. 7	Imp. 8	Imp. 9	Imp. 10	Imp. 11	Imp. 12
Improvement Type	Cattle Scales	Hyd. Chute	Site Imp.	0	0	0
Size	1	1	1	1	1	1
Unit	Unit	Unit	Unit	Unit	Unit	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	40
Effective Age	10	10	10	0	0	0
Remaining Economic Life	30	30	30	40	40	40
RCN/Unit	\$35,000	\$1	\$400,000	\$0	\$0	\$0
Total RCN	\$35,000	\$1	\$400,000	\$0	\$0	\$0
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$35,000	\$1	\$400,000	\$0	\$0	\$0
Physical Incurable Dep. %	25.00%	25.00%	25.00%	0.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$8,750	\$0	\$100,000	\$0	\$0	\$0
Physically Depreciated Value	\$26,250	\$1	\$300,000	\$0	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$26,250	\$1	\$300,000	\$0	\$0	\$0
External Obsolescence %	55.84%	55.84%	55.84%	55.84%	55.84%	55.84%
External Obsolescence \$	\$14,658	\$0	\$167,525	\$0	\$0	\$0
Total Cont. Value of Imp.	\$11,592	\$0	\$132,475	\$0	\$0	\$0
Contribution Per Unit	\$11,591.55	\$0.33	\$132,474.88	\$0.00	\$0.00	\$0.00
RCN Imp. 7-12						\$435,001
Phy. Dep. Value Imp. 7-12						\$326,251
Physically Depreciation 7-12						\$108,750
Total CV of Imp. 7-12						\$144,067

Improvement Analysis and

Feedyard Sale 4

Clifford Oldham to Hall Cattle Feeders LLC

Obsolescence Conclusion

Total RCN Imp. 1-12		\$1,693,979
Total Phy. Dep Value Imp. 1-12		\$1,262,151
Total Physical Dep. 1-12	25.49%	\$431,828
Improvement Value From Sale		\$557,344
Difference in Physically Depreciated Value and Improvement Value	55.84%	\$704,807
Obsolescence Estimate % (Ext)		55.84%
Total CV of Improvements 1-12		\$557,344
CV of Sprinklers		\$0
Land Value		\$142,656
Total Value = Sale Price		\$700,000

Income Analysis

Market Rates Typical lease rates range from \$0.03 to \$0.06 per head per year. Vacancy Rates are estimated at 10 to 20 percent. Lease rates are triple net. Expenses are estimated at 5 percent for management only.

	Head / AU	Lease Rate Per Head	Days, Months, or Year	
Feedyard Income	4,000.000	\$0.040	365	\$58,400
Irrigated Cropland	0.000	\$0.000	1	\$0
Dry Cropland	0.000	\$0.00	1	\$0
Potential Gross Income				\$58,400
Vacancy and Credit Loss			-15%	(\$8,760)
Effective Gross Income				\$49,640
Operating Expense			-5%	(\$2,482)
Net Operating Income				\$47,158
Sale Price				\$700,000
Overall Rate				6.74%

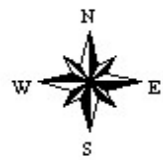
Aerial Map



Map Center: 35° 13' 26.17, -100° 7' 58.62

0ft 764ft 1529ft

**Wheeler County
Texas**



8/12/2019

Field borders provided by Farm Service Agency as of 5/21/2008.

Feedyard Sale 5**Kansas Feedyard / Centera Bank to Capstone Feeders LLC****Transaction Data**

Location	The grow yard is located approximately 13.5 miles southwest of the Jetmore Kansas and 2.5 miles south of SH-156, along the west side of SW CR 205, the north side of H Road, and the north and south sides of I Road, in Hodgeman County, Kansas. The physical address is 17485 SW 205 Road, Jetmore, Kansas 67854.
Sale Date	September 24, 2021 Closed
Grantor	Kansas Feedyard / Centera Bank
Grantee	Capstone Feeders LLC
Recording	HCDR
Legal Description	466.0 acres out of the SE/4 of Section 23 and the E/2 of Section 26, T23S, R26W, Hodgeman County, Kansas.
Property Tax Parcel Numbers	HCA
Terms of Sale	Cash to Seller
Sale Price	\$1,450,000
Declared Business Value (-)	\$0
Rolling Stock (-)	\$100,000 Wheat Crop, Silage and Feed Commodities
Personal Prop. (-)	\$0
Excess Land Allocation (-)	\$0
Sale Price for Real Property	\$1,350,000
Add Cost For Repairs (+)	\$0
Final Adjusted Sale Price	\$1,350,000
Feedyard Capacity (Head)	7,500
Total Sale Price Per Head Including Rolling Stock, Personal Property, and Excess Land	\$193.33
Business Value \$ Per Head	\$0.00
Rolling Stock \$ Per Head	\$13.33
Personal Property \$ Per Head	\$0.00
Excess Land \$ Per Head	\$0.00
Repair Cost \$ Per Head	\$0.00
Final Adjusted Price Per Head	\$180.00

Feedyard Sale 5

Kansas Feedyard / Centera Bank to Capstone Feeders LLC

Land Data

Total Land Acres 466.000

Excess Land Acres 0.000

Land Acres Needed for CR 466.000

Total Acres / CR AU Ratio 0.062 1.0 Feedyard Animal Unit (AU)

Necessary Land Acres / CR AU 0.062 1.0 Feedyard Animal Unit (AU)

Topography The terrain is generally level ranging from 2,562 to 2,584 feet.

Minerals Fractional

Road Access Access is provided by SW CR 205, CR H and CR I.

Land Mix and Improvement Contribution	Land Type	Ratio	Acres	\$ / Acre	Value
	Irrigated	100.00%	212.000	\$3,000	\$636,000
	Dry Crop	30.00%	188.000	\$900	\$169,200
	CRP	30.00%	0.000	\$900	\$0
	Pasture	20.00%	0.000	\$600	\$0
	Building Site	100.00%	66.000	\$3,000	\$198,000
	Roads / Waste	10.00%	0.000	\$300	\$0
	Total		466.000		\$1,003,200
	Total Price/Acre				\$2,153
	CEV Sale Price				\$1,350,000
	Imp. Contribution				\$346,800

Utilities and Water Typical rural utilities. The feedyard operates off of one (1) main 150 G PM well with a total legal water right of 211.75 acre feet per year (Water Right 43288). There are two (2) additional good wells that are drilled and capped off. Therefore 211.75 AF x 325,850 gallons per AF = 68,998,738 gallons of annual water. 68,998,738 gallons / 365 days = 189,038 gallons per day / 13 gallons per animal = 14,541 head capacity or 189,038 gallons per day / 7,500 head feeding capacity = 25 gallons of water per animal per day water right. The actual pumping rate of the one (1) functioning well is 150 GPM. Therefore, 150 GPM x 60 minutes = 9,000 gallons of water per hour x 12 hours = 108,000 gallons of water per day / 7,500 head = 14.4 gallons of water per animal per day available. The feedyard farmland is improved with one (1) 125 GPM irrigation well, one (1) 155 GPM irrigation well, and one (1) 160 GPM irrigation well. The irrigation well right permit number is 23522. The total pumping rate is 440 GPM. Therefore, 440 GPM / 212 sprinkler irrigated acres = 2.08 GPM per irrigated acre. Lagoon wastewater is also applied to the irrigated land. The irrigation wells can be diverted to the feedyard if necessary.

Feedyard Sale 5**Kansas Feedyard / Centera Bank to Capstone Feeders LLC**

Sprinklers	Sprinkler 1	Sprinkler 2	Sprinkler 3	Sprinkler 4	Sprinkler 5	Sprinkler 6
Improvement Type	7-T Valley	7-T Valley	0	0	0	0
Size	1,305	1,220	0	0	0	0
Unit	LF	LF	LF	LF	LF	LF
Utility	A	A	A	A	A	A
Condition	G	G	G	G	G	G
Total Economic Life	25	25	25	25	25	25
Effective Age	15	15	0	0	0	0
Remaining Economic Life	10	10	25	25	25	25
RCN/Unit	\$68	\$68	\$68	\$68	\$68	\$68
Total RCN	\$88,740	\$82,960	\$0	\$0	\$0	\$0
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$88,740	\$82,960	\$0	\$0	\$0	\$0
Physical Incurable Dep. %	60.00%	60.00%	0.00%	0.00%	0.00%	0.00%
Phys. Incurable Depreciation \$	\$53,244	\$49,776	\$0	\$0	\$0	\$0
Physically Depreciated Value	\$35,496	\$33,184	\$0	\$0	\$0	\$0
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$35,496	\$33,184	\$0	\$0	\$0	\$0
External Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
External Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Total Cont. Value of Imp.	\$35,496	\$33,184	\$0	\$0	\$0	\$0
Contribution Per Unit	\$27.20	\$27.20	??	??	??	??
RCN Imp. 1-6						\$171,700
Phy. Dep. Value Imp. 1-6						\$68,680
Physically Depreciation 1-6						\$103,020
Total CV of Sprinklers 1-6						\$68,680
Imp. + Spk CV to Sale Price						\$346,800
Less CV of Sprinklers						\$68,680
Remainder CV of Improvements to Sale						\$278,120

Feedyard Sale 5

Kansas Feedyard / Centera Bank to Capstone Feeders LLC

Improvement Data	
Feed Bunk and Pens	The feedyard has 5,940 LF of concrete bunk with attached apron and pipe pens. The feed pens are constructed with pipe and cable fencing. The pens have Johnson livestock drinkers with concrete aprons that are connected a continuous flow water system. The pens and bunk are in average condition. The feeding capacity was estimated at 7,500 head which is 9.5 inches per AU and 148 square feet of space per AU. The feedyard was permitted for 13,000 head at the time of sale.
Office	The office building is 34' x 34' = 1,156 SF with three (3) individual offices, lobby, scale room, and restrooms. The building is steel construction with a steel panel roof system constructed on a concrete slab.
Horse Barn / Livestock Shed	The feedyard is improved with a steel construction 15' x 68' = 1,020 SF horse barn with three (3) attached pens / runs and attached 22' x 28' = 616 SF tack room. The total building square footage is 1,636 SF. The feedyard is also improved with one (1) 2,920 SF steel construction livestock loafing shed with four (1) attached pens / runs and alley.
Processing Barn	The feedyard is improved with one (1) 44' x 80' = 3,520 SF processing barn with interior pens and attached Silencer hydraulic chute and cattle snake.
Dwellings	The feedyard contained a dwelling but the dwelling and a small amount of acreage was separated from the feedyard and sold to the feedyards original owner's widow. The dwelling and small acreage was not part of this feedyard sale.
Associated Attached Equipment	Attached equipment includes one (1) Silencer hydraulic working chute, one (1) set of 14' x 80' J&S combination cattle and truck scales, one (1) 110,000 lb liquid storage tank, one (1) 75,000 lb liquid storage tank, one (1) 15 to 20 year old 7-Tower 1,305 LF Valley sprinkler, and one (1) 15 to 20 year old 7-Tower 1,220 LF Valley sprinkler.
Feed Mill Grain Storage Complex Plus Commodity Barn	The grain storage system is includes five (5) steel grain bins with a total capacity of 50,000 bushels, one (1) 110' tall grain elevator leg, and a 300 bushel in-ground unloading pit. The feedmill building is a steel construction 4,265 square feet structure improved with interior commodity bins and one (1) Denver dry roll mill. There are two (2) steel construction cone bottom supplement bins located outside of the feed mill building and one (1) 30' x 40' = 1,200 SF steel and concrete construction commodity barn with attached 15' x 30' = 450 SF open concrete pad with push wall located outside the feed mill building.
Site Improvements and Land Use	The site improvements include excavation and dirt work for the pens and building improvements, gravel/caliche drives and parking, retention ponds/lagoons, utility connections, underground pipelines, and underground utility lines. Additional improvements include a 140' x 275' roping pen with return alley, some small sheds, and one (1) small horse shed with two (2) attached pens. The wells that were previously mentioned are a component of the land value. Other site improvements included two (2) retention ponds and one (1) settling basin.
Rolling Stock	Rolling stock included onsite silage, onsite feed commodities, and an unharvested wheat in the field. The rolling stock was valued at \$100,000.
YOC and Effective Age	The feedyard was constructed in the 1990's and 2000's. The overall composite effective age was estimated at 15 years.
Comments	The sale was confirmed with Dick Bretz, Listing Broker, Eslabon Properties. The property was marketed by Eslabon Properties and exposed to the open market prior to selling. The sale price was market value.

Feedyard Sale 5

Kansas Feedyard / Centera Bank to Capstone Feeders LLC

Imp. Analysis 1-6

Item	Imp. 1	Imp. 2	Imp. 3	Imp. 4	Imp. 5	Imp. 6
Improvement Type	Feed Pens and Bunk	Grain Storage Sys.	Processing Barn	Horse Barn	Commodity Barn	Denver Dry Roll Mill
Size	5,940	50,000	3,520	1,636	1,200	1
Unit	LF	Bushels	SF	SF	SF	Unit
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	30
Effective Age	15	15	15	15	15	15
Remaining Economic Life	25	25	25	25	25	15
RCN/Unit	\$240	\$3	\$25	\$14	\$25	\$100,000
Total RCN	\$1,425,600	\$150,000	\$88,000	\$22,904	\$30,000	\$100,000
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$1,425,600	\$150,000	\$88,000	\$22,904	\$30,000	\$100,000
Physical Incurable Dep. %	37.50%	37.50%	37.50%	37.50%	37.50%	50.00%
Phys. Incurable Depreciation \$	\$534,600	\$56,250	\$33,000	\$8,589	\$11,250	\$50,000
Physically Depreciated Value	\$891,000	\$93,750	\$55,000	\$14,315	\$18,750	\$50,000
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$891,000	\$93,750	\$55,000	\$14,315	\$18,750	\$50,000
External Obsolescence %	82.30%	82.30%	82.30%	82.30%	82.30%	82.30%
External Obsolescence \$	\$733,277	\$77,155	\$45,264	\$11,781	\$15,431	\$41,149
Total Cont. Value of Imp.	\$157,723	\$16,595	\$9,736	\$2,534	\$3,319	\$8,851
Contribution Per Unit	\$26.55	\$0.33	\$2.77	\$1.55	\$2.77	\$8,850.90
RCN Imp. 1-6						\$1,816,504
Phy. Dep. Value Imp. 1-6						\$1,122,815
Physically Depreciation 1-6						\$693,689
Total CV of Imp. 1-6						\$198,758

Feedyard Sale 5

Kansas Feedyard / Centera Bank to Capstone Feeders LLC

Imp. Analysis 7-12						
Item	Imp. 7	Imp. 8	Imp. 9	Imp. 10	Imp. 11	Imp. 12
Improvement Type	Cattle Scales	Hyd. Chute	Site Imp.	Livestock Bldg.	Office Building	Mill Building
Size	1	1	1	2,920	1,156	4,240
Unit	Unit	Unit	Unit	SF	SF	SF
Utility	A	A	A	A	A	A
Condition	A	A	A	A	A	A
Total Economic Life	40	40	40	40	40	40
Effective Age	15	15	15	15	15	15
Remaining Economic Life	25	25	25	25	25	25
RCN/Unit	\$80,000	\$25,000	\$400,000	\$12	\$80	\$20
Total RCN	\$80,000	\$25,000	\$400,000	\$35,040	\$92,480	\$84,800
Physical Curable Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
RCN Remainder	\$80,000	\$25,000	\$400,000	\$35,040	\$92,480	\$84,800
Physical Incurable Dep. %	37.50%	37.50%	37.50%	37.50%	37.50%	37.50%
Phys. Incurable Depreciation \$	\$30,000	\$9,375	\$150,000	\$13,140	\$34,680	\$31,800
Physically Depreciated Value	\$50,000	\$15,625	\$250,000	\$21,900	\$57,800	\$53,000
Functional Obsolescence %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Functional Obsolescence \$	\$0	\$0	\$0	\$0	\$0	\$0
Phys/Func. Depreciated Value	\$50,000	\$15,625	\$250,000	\$21,900	\$57,800	\$53,000
External Obsolescence %	82.30%	82.30%	82.30%	82.30%	82.30%	82.30%
External Obsolescence \$	\$41,149	\$12,859	\$205,746	\$18,023	\$47,568	\$43,618
Total Cont. Value of Imp.	\$8,851	\$2,766	\$44,254	\$3,877	\$10,232	\$9,382
Contribution Per Unit	\$8,850.90	\$2,765.91	\$44,254.49	\$1.33	\$8.85	\$2.21
RCN Imp. 7-12						\$717,320
Phy. Dep. Value Imp. 7-12						\$448,325
Physically Depreciation 7-12						\$268,995
Total CV of Imp. 7-12						\$79,362

Feedyard Sale 5

Kansas Feedyard / Centera Bank to Capstone Feeders LLC

**Improvement Analysis and
Obsolescence Conclusion**

Total RCN Imp. 1-12		\$2,533,824
Total Phy. Dep Value Imp. 1-12		\$1,571,140
Total Physical Dep. 1-12	37.99%	\$962,684
Improvement Value From Sale		\$278,120
Difference in Physically Depreciated Value and Improvement Value	82.30%	\$1,293,020
Obsolescence Estimate % (Ext)		82.30%
Total CV of Improvements 1-12		\$278,120
CV of Sprinklers		\$68,680
Land Value		\$1,003,200
Total Value = Sale Price		\$1,350,000

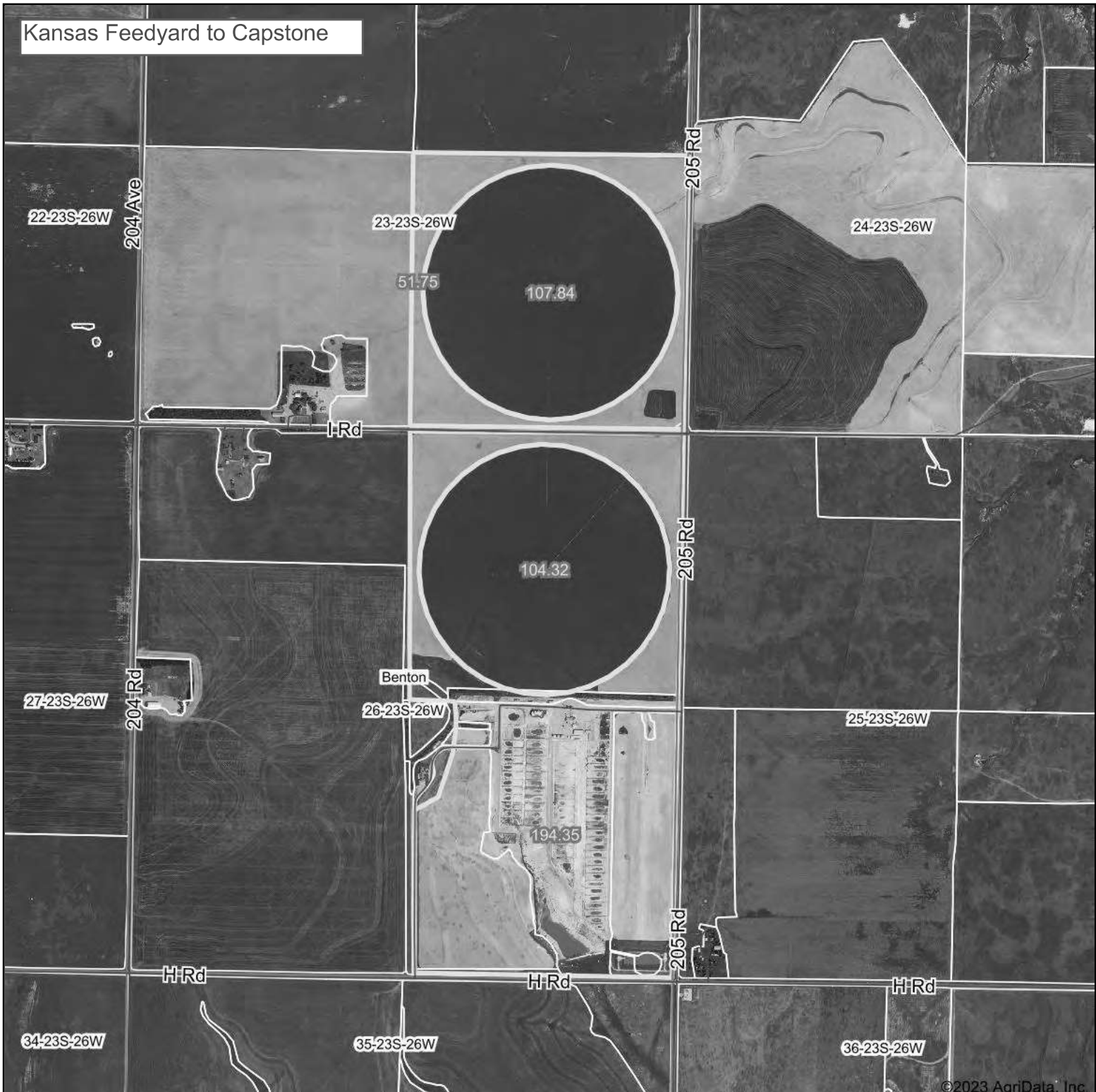
Income Analysis

Market Rates Typical lease rates range from \$0.03 to \$0.06 per head per year. Vacancy Rates are estimated at 10 to 20 percent. Lease rates are triple net. Expenses are estimated at 5 percent for management only.

	Head / AU	Lease Rate Per Head	Days, Months, or Year	
Feedyard Income	7,500.000	\$0.040	365	\$109,500
Irrigated Cropland	0.000	\$0.000	1	\$0
Dry Cropland	0.000	\$0.00	1	\$0
Potential Gross Income				\$109,500
Vacancy and Credit Loss			-20%	(\$21,900)
Effective Gross Income				\$87,600
Operating Expense			-5%	(\$4,380)
Net Operating Income				\$83,220
Sale Price				\$1,350,000
Overall Rate				6.16%

Aerial Map

Kansas Feedyard to Capstone



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Boundary Center: 38° 1' 33.79, -100° 8' 23.38

0ft 1500ft 3000ft

26-23S-26W
Hodgeman County
Kansas



Maps Provided By:



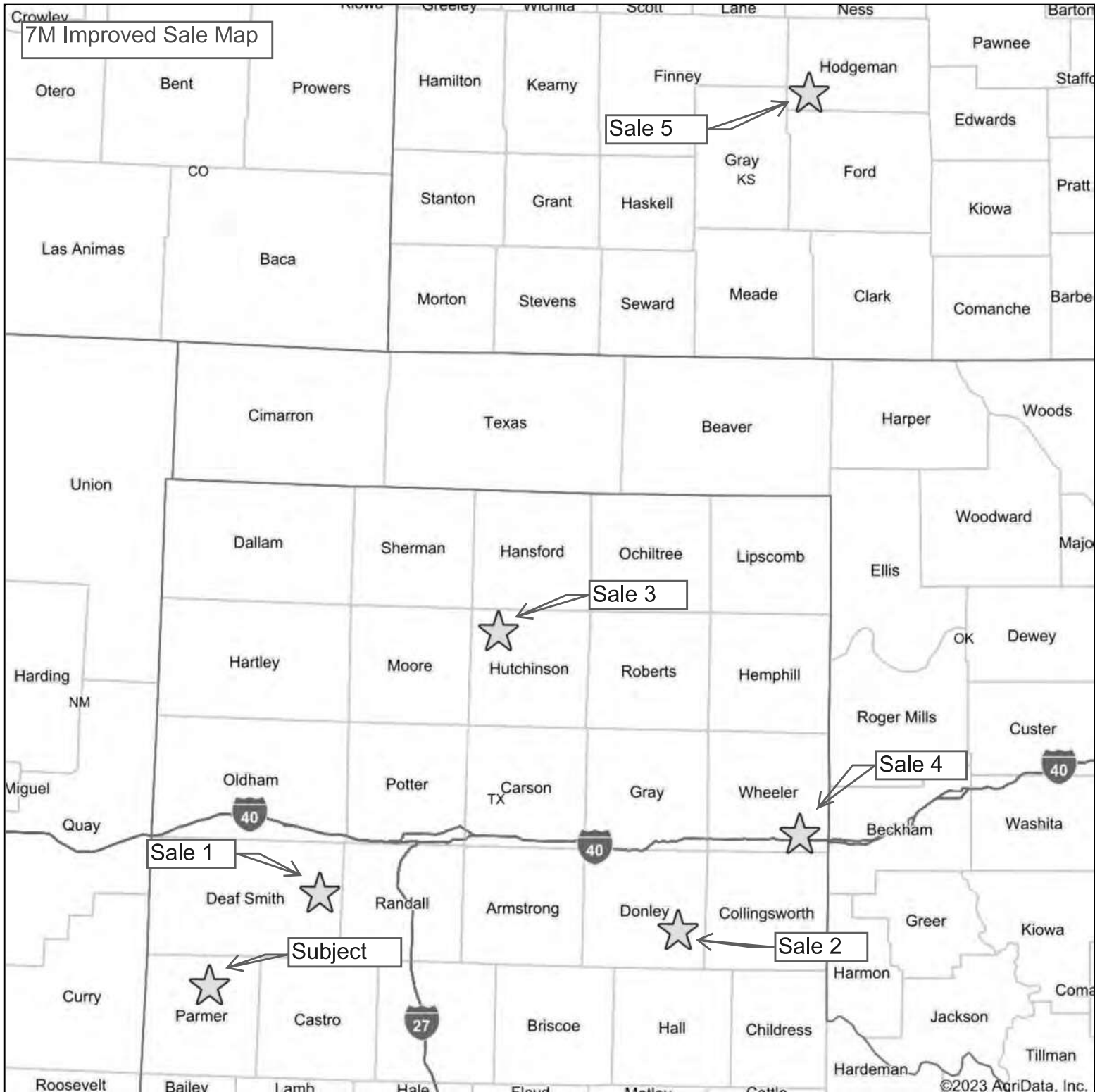
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8/27/2023

Field borders provided by Farm Service Agency as of 5/21/2008.

Aerial Map



Map Center: 36° 15' 41.79, -101° 12' 53.68

0mi 39.4mi 78.9mi



**Hansford County
Texas**

Maps Provided By:
surety
CUSTOMIZED ONLINE MAPPING
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9/15/2023

Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.

Comparable Sale Adjustment Comments

An extensive market data investigation was conducted, including a thorough search of active grow-yard and feedyard markets in Texas, Kansas, Oklahoma, Colorado, Nebraska and other important feedyard regions of the U.S. Deed Records were searched and local real estate brokers, investors and mortgage lenders were contacted. All sales data was reviewed and the most recent and relevant sales were investigated. The basic criteria in searching for comparable sales was the date of sale, location, size, age, type of grow-yard or feedyard facility, feeding capacity, permitted capacity, highest and best use, and existing use.

Several sales of commercial beef cattle grow-yard and feedyard properties were identified within the region. The data obtained from these sales was considered to be accurate and reliable. **Five (5)** of the most similar grow-yard and feedyard sales were chosen for comparison with the subject, because of their location, size, date of sale, grow-yard or feedyard type, and their overall similarity to the subject property. The sales used for comparison were located in Texas and Kansas. Each sale was analyzed and adjusted to provide an indicated value for the property appraised.

The sales used for comparison ranged in effective age from 10 to 25 years, in feeding capacity size from 4,000 to 18,000 head, and in price per head after rolling stock and excess land was deducted from \$87.50 to \$222.22. The market data included in this analysis, although somewhat diverse, is considered to be the best available in today's market and to be indicative of current market trends.

Commercial grow-yard and feedyard properties are purchased by users who are also acting as investors. The typical user occupies the property for the purpose of conducting his or her business and the typical investor acquires the property for the production of income. The user analyzes the property based on its cost relative to other available properties (e.g., price per feeding head) and the investor analyzes the property based on its ability to produce income. The subject grow-yard is currently vacant. Prior to becoming vacant due to mismanagement and other factors, the subject was owner-occupied and operated under 7M Cattle Feeders (Brian McClain). In this analysis, the price per head capacity was considered to be the primary unit of comparison used to value grow-yard / feedyard properties.

The improved comparable sales are indicating that grow-yard or feedyard properties are being purchased primarily by owner-occupants. All of the sales used in the analysis were purchased by owner-occupants. When the market is dominated by purchasers who intend to occupy the property, the sales comparison approach is a strong indicator of value.

Feedyard Grow Yard Units of Comparison

An investigation of the market, showed there were a number of units of comparison that can be extracted from available sales data. The most common unit of comparison in the marketplace for feedyards is the overall sales price per head of feeding capacity. The feeding capacity is usually derived by a combination of pen size square footage and linear feet of bunk space, which can also be affected by the property's legal permitted capacity. In most situations, feedyards have larger environmental CAFO permits than their actual capacity for some expansion. Most grow-yards and larger feedyards consider it takes at least 150 to 250 square feet per animal and typical bunk spacing can be 8", 9", 10", 11", 12" or 13" to 18" per animal. The most modern and efficient standards for grow-yards and feedyards with square or rectangular pens would require a 9 to 12 inch spacing and 150 to 220 plus square feet per feedyard animal unit (AU). Round feedyard facilities with pie or rectangular shaped pens would require a wider spacing per AU to obtain the same square footage per AU.

The subject grow-yard / feedyard has a total of 72,000 linear feet of feed bunk. The north 32,365 linear feet of feed bunk with attached pens is usable and valued in the appraisal. The south 39,635 linear feet of feed bunk with attached pens is not usable and not given any contributory value in the appraisal. The 32,365 linear feet of usable feed bunk has a total of 4,667,250 square feet of attached pen space. At 170 to 200 square feet per feedyard animal unit, approximately 23,336 to 27,454 head can be confined to the usable bunk and pens. However, based on the available onsite water on the property, the practical feeding capacity of the feedyard is limited to approximately 15,000 head. At 15,000 head, the bunk spacing would be approximately 26 inches per animal and 311 square feet per animal using the total 32,365 linear feet of bunk with attached pens. Only 14 inches per animal and 170 square feet per animal is necessary to confine 15,000 head. The super-adequate bunk and pen space was addressed in the Cost Approach section. The subject is valued in the Sales Comparison Approach as a 15,000 head facility because of livestock water limitations.

The sale price per head of feeding capacity, unit of comparison, will be analyzed in the summary and adjustment charts located in this section of the report in order to arrive at an opinion of value for the appraised property. Grow-yard and feedyard properties are typically purchased by owner-users. Thus, the other most common unit of comparison the Gross Income Multiplier has not been utilized in this analysis.

The value opinion of the subject is formed by use of the overall feeding capacity of the grow-yard operation, rather than being based upon building square footage which is typically utilized on many other types of commercial properties. An indication of value is provided through this approach for the property appraised, based on the attitudes and actions of typical buyers and sellers in the market.

These attitudes and actions are reflected through current transactions of similar type properties. Use of this approach involves gathering market data of similar properties and verifying that the data obtained is factually accurate. Sufficient information was available for the comparable sales to derive a reasonable opinion of the subject's value.

Elements of Comparison

Elements of comparison generally used to estimate the value of feedyard properties are numerous. The elements considered are 1) property rights conveyed, 2) excess land, 3) rolling stock and personal property, 4) financing, 5) conditions of sale, 6) market conditions, 7) location, 8) age, effective age, 9) condition, 10) land to animal unit ratio, 11) size or capacity, 12) quality of construction and overall efficiency including feed mills, 13) dwelling contributory value, and 14) water availability and waste management.

Real Property Rights Conveyed

All of the comparable properties sold herein were based on fee simple transactions, thus, no adjustment for this factor was indicated.

Excess Land and Rolling Stock

A large percentage of the grow-yards and feedyards that sale include rolling stock and some include excess land. To allocate the value of the grow-yard and feedyard real property and the land necessary for the function of the grow-yard and feedyard, adjustments for these elements must be considered. Adjustments were made in the comparable sale write-ups for excess land and rolling stock. These adjustments are also indicated in the adjustment grid following this comments section.

Sales 1, 3, 4 and 5 included rolling stock. These sales required negative adjustment to account of the additional rolling stock value. Sale 2 did not included rolling stock, therefore, no adjustment was required.

Sales 1, 2, 4 and 5 did not include excess land, additional land, or additional land with building improvements. Sales 1, 2, 4 and 5 were considered to be similar to the subject from a market standpoint, therefore, no adjustments were required. Sale 3 included a dwelling on additional acreage that was purchased as part of the sale in a separate transaction. An adjustment was made for the separate price.

Financing Terms

Financing terms are significant, since cash or financing often influences the consideration paid for a particular property. The transaction price of one property may differ from that of an identical property due to different financing arrangements. All of the sales were cash to seller transactions or terms that were equivalent to cash. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale typically reflect the motivations of the buyer and the seller. For example, a buyer may pay more than market value for a property located adjacent to one already owned for assemblage purposes or additional parking because of acting under duress. In rural properties, a dairy, grow-yard or feedyard owner-operator may pay more than market value for an adjacent property or a property located within a reasonable distance of their operation for growing forage or for expansion purposes. Conversely, a sale may be transacted at below market value because the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of the property. When non-market conditions of sale are detected in a transaction, the sale must be adjusted accordingly.

Sales 1, 3, 4 and 5 were considered to be arm's length transactions and no undue duress or non-typical motives were noted, thus, no adjustments were required.

Sale 2 was a distressed sale, sold by a lending institution at below market. The feedyard was vacant and it was marketed with a local broker for a while at Tru Land Realty Group, Keller Williams, in Amarillo, Texas. The property had a listing price of \$925,000 or \$92.50 per head. Based on personal knowledge of feedyard and grow-yard sales in the subject market, a feedyard similar to this property would have a value range of \$1,000,000 to \$1,200,000 or \$100 to \$120 per head which is the low end of the grow-yard feedyard market for a grow-yard or feedyard in average condition with an adequate amount of land area in the subject market. The property was marketed locally with limited exposure to the larger feedyard market and it took a few months for the property to sell. Because the property was vacant and sold below market as a bank sale, a positive adjustment for conditions of sale was required. The appraiser has used a 25 percent adjustment for conditions of sale.

Sale 5 was also sold by a lender and marketed with a very competent brokerage with a large buyer and seller base that specializes in selling feedyards and grow-yards. The Listing and Selling Broker was Richard Bretz with Eslabon Properties. Mr. Bretz primarily markets and sells feedyards and grow-yards. Mr. Bretz is also a past feedyard manager and has a very large buyer and seller base. This property was exposed to the open market for an adequate amount of time and it sold at the upper end of the feedyard market for the full listing price of \$1,450,000 or \$193.33 per head which included rolling stock value. The real property sale price was \$180.00 per head. Therefore, this property sold at market value and did not require an adjustment.

Market Conditions

Each of the previous sales have been given consideration for the market conditions between the date of sale and the effective date of this appraisal. The comparable sales occurred between September 2019 and January 2023. All of the sales are considered to be current, therefore, no adjustments were required.

Location and Access Adjustment

This adjustment typically reflects the relative differences in desirability of the physical location, surrounding uses, traffic exposure, accessibility and distance to services noted between the comparable sales and the subject site.

The subject grow-yard / feedyard is located in the Texas High Plains Region northwest of Friona, Texas in an agricultural area with good adequacy to livestock grazing operations, available feed and commodities, adequate groundwater, veterinarian services, slaughter plants, and other feedyards and grow-yards. The subject has good access along the east side of CR 15 approximately 1.0 mile north of State FM Road 2397/2013, in Parmer County, Texas. State FM 2397/2013 intersects with U.S. Highway 60 approximately 2.6 miles west of the intersection of CR 15 and State FM 2397/2013.

All of the sales are considered to be similar in location to the subject, based on distances and adequacy to livestock grazing operations, available feed and commodities, adequate groundwater, veterinarian services, and slaughter plants, therefore, no adjustments were required.

Effective Age and Condition

The comparable improved sales are adjusted for age of the improvements and condition based on their relative effective age as compared to the subject. The difference in age is adjusted to the subject in relation to the estimated remaining physical life. The physical and economic life of the improvements was estimated by market observation and extraction methods.

Effective Age: The physical life expectancy of the subject grow-yard / feedyard improvements is estimated to be 40 years. The subject feedyard was constructed from 1968 to 1996 with some updating up through 2014-2015. The subject is currently vacant with deferred maintenance. The overall effective age was estimated at 34 years. The sales range in effective age from 10 to 25 years. All of the sales were superior in effective age to the subject at the time of sale, therefore, negative adjustments were required.

Effective Age Adjustments						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Comp. Effective Age		15	25	10	10	15
Subject Effective Age	34	34	34	34	34	34
Difference in Effective Age		(19)	(9)	(24)	(24)	(19)
Market Annual Physical Dep. Rate	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Total Adjustment Percentage Rate	0.00%	-47.50%	-22.50%	-60.00%	-60.00%	-47.50%
Sale Price Per Milking Head	\$0.00	\$222.22	\$109.38	\$194.66	\$175.00	\$180.00
Effective Age Adjustment	\$0.00	(\$105.55)	(\$24.61)	(\$116.80)	(\$105.00)	(\$85.50)

Condition: There is deferred maintenance noted in the subject improvements. The deferred maintenance is noted in miscellaneous feed bunk, water system, and scale repairs. The estimated cost is \$55,000 or approximately \$3.67 per head based a 15,000 head capacity for the subject. All of the sales were superior to the subject at the time of sale, therefore, negative adjustments were required.

Land to Animal Unit (AU) Ratio

The amount of land associated with each grow-yard or feedyard contributes to the overall value. It is common in the marketplace for grow-yards and feedyards to sell with a minimal amount of land and with larger amounts land and sometimes with excess or additional land. The land to AU ratio adjustment is a separate adjustment from the excess land or additional land value. When grow-yards or feedyards are located on minimal amounts of land, they may have waste and wastewater agreements on adjacent properties for the application of effluents and dry manure. When there is a significant amount of excess or additional land well above the market, then the excess or additional land is severed from the feedyard main site and analyzed on a per acre basis with a separate value.

The land to AU adjustment is for the land directly associated with the main grow-yard or feedyard site. A grow-yard or feedyard with a larger site area per animal has advantages towards building and pen expansion, more land for waste management, more land for maintaining the CAFO Permit for the feedyards legal operation, and more land for crop and forage production. The land to AU adjustment is a smaller adjustment made on a per head basis or sale price per head basis and not per acre.

A typical land to feedyard animal unit (FY-AU) range in the market is 0.01 to 0.07 acre per AU feedyard animal unit. A sale with excess or additional land with separate value is usually larger and may range from 0.08 to 0.2 acre per AU or more. The excess or additional land above market is usually severed and valued separately leaving the main site with the grow-yard or feedyard with enough land for it to function normally and legally.

The subject has a land to animal unit ratio of 0.03 acre per feedyard animal unit AU rounded which is typical for a grow-yard or feedyard site. The sales range from 0.01 acre per AU to 0.06 acre per AU. The sales varied in land to AU ratio sizes to the subject.

There were very few recent smaller grow-yard or feedyard sales available in the subject market as of the effective date of the appraisal. The sales that were used to compare to the subject were the best available as of the effective date of the appraisal. Because of the wide range of prices paid for grow-yards and feedyards in the subject market and the difficulty in extracting exact dollar adjustments for this element of comparison related to land to AU ratio, the appraiser has used percentage adjustments. A percentage adjustment of 3.0 percent per 0.01 unit has been applied to the comparable sales.

Sales 1, 2 and 5 are superior to the subject, therefore, negative adjustments were required. Sales 3 and 4 are inferior to the subject in land to feedyard AU ratio from a market standpoint, therefore, positive adjustments were required.

Size or Capacity

Typically size or capacity can have an impact on the value of a feedyard facility. Larger grow-yards and feedyards typically, but not always, receive lower per head prices than do smaller yards with all other influences being similar. As noted previously, the sales range in feeding capacity from 4,000 to 18,000 head. The subject has an efficient feeding capacity of 15,000 head.

From a market standpoint, there does not appear to be an adjustment for size. This is supported by the comparable sales used in the appraisal and by additional sales used for pairing and extraction purposes. No adjustments were required for feeding capacity size ranging from 2,500 to 24,000 head.

Quality of Construction

The quality of construction of improvements is an element of comparison that buyers consider when purchasing a property. The subject facility has typical steel pipe and cable pens, concrete and steel feed bunk, cattle traffic alleys, all weather feed lanes, processing and hospital facilities, an office, cattle scales, combination commodity and hay barn, loafing sheds and cattle working equipment. The quality of construction is estimated to be average to good. All of the sales are estimated to be similar in quality to the subject feedyard, therefore, no adjustments were required.

Please see Condition under the Effective Age and Condition comments for statements on metal and concrete bunk.

Overall Feedyard Efficiency

In a commercial feeding operation, it is very important to have the most efficient improvements and equipment available for storing and mixing feed commodities and improvements for processing and feeding cattle. There are usually six (6) categories of improvements associated with feedyards.

These include: 1) the main confinement pens and attached feed bunk; 2) the shipping, receiving, processing, hospital, and cattle scale improvements; 3) the feed mill facility, commodity barn, grain storage and grain handling system; 4) the office building and truck scales; 5) the shop building and maintenance facility; and 6) the site improvements, water system, and lagoons.

Feed Mill, Commodity Barn, and Grain Storage

As stated earlier the subject is a typical grow-yard / feedyard facility with all necessary improvements to adequately feed and care for beef cattle. Most grow-yards do not have feed mill facilities.

The subject grow-yard / feedyard has a typical commodity-hay barn improvements, but it does not have a functional feed mill or grain storage facility. The feed mill that is located on the subject feedyard site has been non-functional since around 2014-2015. The feed mill is now destroyed by deferred maintenance and exposure to the weather, misuse and vandalism. Sales 1, 2, 4 and 5 were considered to be superior to the subject for this element of efficiency, therefore negative adjustments were required. Sale 3 was considered to be similar to the subject for this element of comparison, therefore, no adjustments were required.

Bunk and Pen Space

As previously stated, the subject grow-yard / feedyard has a total of 72,000 linear feet of feed bunk. The north 32,365 linear feet of feed bunk with attached pens is usable and valued in the appraisal. The south 39,635 linear feet of feed bunk with attached pens is not usable and not given any contributory value in the appraisal. The 32,365 linear feet of usable feed bunk has a total of 4,667,250 square feet of attached pen space. At 170 to 200 square feet per feedyard animal unit, approximately 23,336 to 27,454 head can be confined to the usable bunk and pens. However, based on the available onsite water on the property, the practical feeding capacity of the feedyard is limited to approximately 15,000 head. At 15,000 head, the bunk spacing would be approximately 26 inches per animal and 311 square feet per animal using the total 32,365 linear feet of bunk with attached pens. Only 14 inches per animal and 170 square feet per animal is necessary to confine 15,000 head. The super-adequate bunk and pen space was addressed in the Cost Approach section. The subject is valued in the Sales Comparison Approach as a 15,000 head facility because of livestock water limitations.

The capacity, feeding space, and square footage per animal are considered to be adequate for the subject grow-yard facility. All of the sales were considered to be similar to the subject in this element of comparison from a market standpoint, therefore, no adjustments were required.

Dwellings and Housing

Onsite dwellings and mobile homes may or may not contribute value to grow-yards / feedyards. Some of the factors that come into play include the age, condition and size of the dwelling and the age, condition and size of the grow-yard / feedyard. The subject grow-yard / feedyard is not improved with dwellings or mobile homes. Sales 1, 2, 4 and 5 were not improved with dwelling structures at the time of sale, therefore, no adjustments were required. Sale 3 was improved with a superior dwelling structure to the subject, therefore, a negative adjustment was required.

Ground Water and Waste Management

The subject grow-yard / feedyard is improved with a retention control lagoon facility for wastewater containment. Waste and wastewater disposal is applied to offsite adjacent properties through legal waste and wastewater agreements / easements. Please see the appraisal addendum for copies of the agreements. The subject property is located in an area of average to good water for agricultural farming, ranching, cattle feeding, dairy usage and domestic uses.

All of the sales are located in areas with groundwater that is considered to be adequate for their operation and similar to the subject from a market standpoint, therefore, no adjustments were required.

All of the sales are considered to be adequately served by typical wastewater collection structures that are similar to the subject, therefore, no adjustments were required.

Remaining Elements

The arrays of the remaining elements indicate that no additional quantitative differences could be extracted from the data presented.

The following is a comparative analysis chart and summary of the subject grow-yard / feedyard valuation as a 15,000 head grow-yard / feedyard facility.

SALES COMPARISON APPROACH - McCLAIN GROW-YARD 410.0 Acre Tract - 15,000 Head Grow-Yard						
Sale No.	Subject	1	2	3	4	5
Location	NW of Friona	NE of Hereford	SE of Hedley	SW of Morse	E of Shamrock	SW of Jetmore
County	Parmer	Deaf Smith	Donley	Hutchinson	Wheeler	Hodgeman
State	Texas	Texas	Texas	Texas	Texas	Kansas
Grantor		Dawn Custom Cattle Feeders	Lone Star Bank of West Texas	Rex McCloy	Clifford Oldham	Kansas Feedyard Centera Bank
Grantee		F Troop Feeders Inc.	Dry Fork Holdings LLC	Spartan Holdings LLC	Hall Cattle Feeders LLC	Capstone Feeders LLC
Sale Date	Insp Jul-2023	Jan-2023	Nov-2020	Oct-2022	Sep-2019	Sep-2021
Feed Mill / Grain Stg.	Commodity Barns and Hay/Feed Barn	Steam Flake / Grain Storage / Commodity Barn	Steam Flake / Grain Storage Minimal Value	Hay Barn Commodity Barn	Dry Roll Mill / Grain Storage / Commodity Barn	Steam Flake / Grain Storage / Commodity Barn
YOC	1968-1996	1995	1974	1990's	2001-2003	1990s-2000s
Effec. Age	34	15	25	10	10	15
Adjustment %		-47.50%	-22.50%	-60.00%	-60.00%	-47.50%
Condition	Fair / Average	Average	Fair / Average	Average	Average	Average
Dwelling CV Head	\$0.00	\$0.00	\$0.00	\$9.57	\$0.00	\$0.00
Land Value / Acre Less Sprinklers	\$1,585	\$2,236	\$1,136	\$2,007	\$2,057	\$2,153
FY Land	410.000	189.720	415.420	159.162	69.350	466.000
Excess or Additional Land & Improvements	0.000	0.000	0.000	(1.742)	0.000	0.000
Total Land	410.000	189.720	415.420	157.420	69.350	466.000
Land Acres / AU	0.02733	0.01054	0.04154	0.02122	0.01734	0.06213
Land Acres / AU Rounded	0.03	0.01	0.04	0.02	0.02	0.06
Subject Land / AU Rounded	0.03	0.03	0.03	0.03	0.03	0.03

Land / AU Difference		(0.02)	0.01	(0.01)	(0.01)	0.03
Sale Price		\$5,000,000	\$875,000	\$2,050,000	\$850,000	\$1,450,000
FY Capacity	15,000	18,000	10,000	7,500	4,000	7,500
Price / Head	\$0.00	\$277.78	\$87.50	\$273.33	\$212.50	\$193.33
Bus. Value		-0-	-0-	-0-	-0-	-0-
Excess Land and Improvements		-0-	-0-	(\$24.00)	-0-	-0-
Rolling Stock		(\$55.56)	\$0.00	(\$54.67)	(\$37.50)	(\$13.33)
Net \$ / Head		\$222.22	\$87.50	\$194.66	\$175.00	\$180.00
Financing		-0-	-0-	-0-	-0-	-0-
Adj. Price		\$222.22	\$87.50	\$194.66	\$175.00	\$180.00
Sale Cond.		-0-	\$21.88	-0-	-0-	-0-
Adj. Price		\$222.22	\$109.38	\$194.66	\$175.00	\$180.00
Exp. After Purchase		-0-	-0-	-0-	-0-	-0-
Adj. Price		\$222.22	\$109.38	\$194.66	\$175.00	\$180.00
Mkt. Cond.		-0-	-0-	-0-	-0-	-0-
Adj. Price		\$222.22	\$109.38	\$194.66	\$175.00	\$180.00
Location		-0-	-0-	-0-	-0-	-0-
Effec. Age		(\$105.55)	(\$24.61)	(\$116.80)	(\$105.00)	(\$85.50)
Condition		(\$3.67)	(\$3.67)	(\$3.67)	(\$3.67)	(\$3.67)
Land/AU Ratio		\$13.33	(\$3.28)	\$5.84	\$5.25	(\$16.20)
FY Capacity		-0-	-0-	-0-	-0-	-0-
Feed Mill		(\$45.00)	(\$2.72)	-0-	(\$8.70)	(\$4.64)
Waste Mng.		-0-	-0-	-0-	-0-	-0-
Dwellings	\$0.00	\$0.00	\$0.00	(\$8.60)	\$0.00	\$0.00
Adj. \$ / Hd.		\$81.33	\$75.09	\$71.44	\$62.88	\$69.99
Mean						\$72.15
Median						\$71.44

Final Value Opinion

Adjustments for 1) additional real property, 2) rolling stock, 3) conditions of sale, 4) effective age of improvements, 5) condition of improvements, 6) land to animal unit ratio, 7) feed mill improvements, and 8) dwellings or housing.

The adjusted comparable sales ranged from \$62.88 to \$81.33 per head. The mean price per head was \$72.15. The median indicated price per head was \$71.44. Greater weight was given to Sale 3 with secondary given to Sale 2 due to date of sale, location and facility type. Remaining weight was given to Sales 1, 4 and 5.

Considering the subject's average to good location, available groundwater, condition of the improvements, and land for expansion and wastewater management purposes, the indicated value by the price per head method, "as is", as of the effective date of July 9, 2023, is:

Final Value Opinion				
Real Property and Attached Equipment Only - No Rolling Stock				
15,000 Feeder Cattle	X	\$70	=	\$1,050,000
Final Value Rounded				\$1,050,000

The Income Approach

Income Approach Introduction - ASFMRA

The Income Approach is a set of procedures in which an appraiser derives a value indication by comparing the subject's income-producing potential to the incomes produced by similar properties that have sold recently. The approach offers two separate methods for analyzing income and converting it to value. The first method is that of direct capitalization and the second is that of yield capitalization. In agricultural appraisal, the most commonly utilized method is direct capitalization. The approach is primarily based upon the following economic principles:

1. Anticipation - This is the primary underlying principal of the Income Approach. Because value is created by the expectation of benefits to be derived in the future, value may be defined as the present worth of future benefits from ownership of the property.
2. Supply and Demand - The principal of supply and demand and the related concept of competition are particularly relevant in the forecasting of future benefits and rates of return for the subject property. Changes in income and therefore rates of return are impacted by agricultural commodity prices, which change due to supply and demand for a particular commodity.
3. Substitution - The prices, rents, and rates of return for agricultural property tend to be set by the prevailing prices, rents and rates of return for equally desirable substitute properties.
4. Balance - The principal of balance and its related concepts are also considered in the appraisal of agricultural properties. External balance is achieved when the number of farms available for rent and the number of farmers willing to lease are in some form of equilibrium.

The approach is most applicable to properties that are typically rented, leased, or are purchased primarily for their income production capabilities. As stated previously, in the rural arena this situation is most commonly seen in production agricultural areas, or in specialized agricultural facilities.

Income Approach Introduction - Appraisal Institute

Income-producing real estate is typically purchased as an investment, and from an investor's point of view earning power is the critical element affecting property value. One basic investment premise holds that the higher the earnings, the higher the value, provided the amount of risk remains constant. An investor who purchases income-producing real estate is essentially trading present dollars for the expectation of receiving future dollars.

The income capitalization approach to value consists of methods, techniques, and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value.

The analysis of cost and sales data is often an integral part of the income capitalization approach, and capitalization techniques are frequently employed in the cost and sales comparison approaches as well. Capitalization techniques are commonly used to analyze and adjust sales data in the sales comparison approach. In the cost approach, obsolescence is often measured by capitalizing an estimated income loss. The income capitalization approach is described here as part of the systematic valuation process, but the various methods, techniques, and procedures used in the approach are analytical tools with broad applicability in the analysis and valuation of income-producing properties.⁴⁵

Definition and Use - Appraisal Institute

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principal of anticipation is fundamental to the approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach.⁴⁶

Anticipation and Change - Appraisal Institute

Anticipation is fundamental to the income capitalization approach. All income capitalization methods, techniques, and procedures forecast anticipated future benefits and estimate their present value. This may involve forecasting the anticipated future income from a property or estimating a capitalization rate that implicitly reflects the anticipated pattern of change in income over time.⁴⁷

Applications and Limitations - Appraisal Institute

Any property that has the potential to generate income can be valued using the income capitalization approach. When more than one approach to value is used to develop an opinion of value for an income-producing property, the value indication produced by the income capitalization approach might be given greater weight than that of the other approaches in the final reconciliation of value indications.⁴⁸

⁴⁵ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 439-440.

⁴⁶ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 439.

⁴⁷ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 440.

⁴⁸ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 441.

Procedure - Appraisal Institute

The income capitalization approach supports two basic methods: direct capitalization, which uses the relationship of one year's income to conclude a value, and yield capitalization, which considers a series of cash flows over time together with any reversion value or resale proceeds.

Initially, both methods require a comprehensive study of historical income and expenses for the subject property. This study is combined with an analysis of typical income and expense levels for comparable properties. A reconstructed operating statement is developed for the subject property. This statement must reflect the purpose of the appraisal, especially with respect to the property interest being appraised. Leased fee value will reflect current leases and the associated expense structure, while fee simple value starts with an income based on market rent. Yield capitalization will require a consideration of probable income and expenses over the designated projection period, often from five to 10 years. When this method is used, the appraiser must forecast income and expenses over time together with the eventual reversion or resale value of the property. Direct capitalization, on the other hand, requires a one-year cash flow estimate (usually 12 months from the date of value) and application of an overall rate to estimate value. This method often relies on sales of properties with income characteristics and future expectations similar to the subject's, although alternate methods for developing the appropriate rate are available.

Although there are various income capitalization techniques available to the appraiser, certain steps are essential in applying the income capitalization approach. Before applying most capitalization techniques, an appraiser works down from potential gross income to net operating income. To do this, the appraiser will:

1. Research the income and expense data for the subject property and comparables.
2. Estimate the potential gross income of the property by adding the rental income and any other potential income.
3. Estimate the vacancy and collection loss.
4. Subtract vacancy and collection loss from total potential gross income to arrive at the effective gross income of the subject property.
5. Estimate the total operating expenses for the subject by adding fixed expenses, variable expenses, and a replacement allowance (where applicable).
6. Subtract the estimate of total operating expenses from the estimate of effective gross income to arrive at net operating income. (Deductions for capital items may also be necessary at various points in time through the projection period to calculate the cash flow used in discounted cash flow analysis.)

7. Apply one of the direct or yield capitalization techniques to this data to generate an estimate of value via the income capitalization approach.

Some capitalization techniques involve the use of a potential gross income multiplier or effective gross income multiplier. In those cases, the appraiser does not work down to net operating income but stops at effective gross income.⁴⁹

Direct Capitalization Technique - Appraisal Institute

Direct capitalization is a method used in the income capitalization approach to convert a single year's income expectancy into a value indication. This conversion is accomplished in one step, by dividing the net operating income estimate by an appropriate income rate. Direct capitalization is widely used when properties are already operating on a stabilized basis. Direct capitalization can also be used when there is a sufficient supply of comparable sales with similar risk levels, incomes, expenses, physical and locational characteristics, and future expectations from which to extract capitalization rates or when there are alternate methods for deriving capitalization rates.

The direct capitalization methodology may be less useful for properties going through an initial lease-up period and for properties with income or expenses that are expected to change in an irregular pattern over time. Investors often have minimum first-year capitalization rate requirements. In these cases, comparables with similar future expectations may not be available and one of the yield capitalization techniques may be more appropriate.

The advantages of direct capitalization are (1) it is simple to use and easy to explain, (2) it often expresses market thinking, and (3) it provides strong market evidence of value when adequate sales are available.

Direct capitalization is applied using one of two basic methods:

- applying an overall capitalization rate to relate value to the entire property income (i.e., net operating income).
- using residual techniques that consider components of a property's income and then applying market-derived capitalization rates to each income component analyzed.

Direct capitalization is distinct from yield capitalization in that it does not directly consider individual cash flows beyond one year. Yield capitalization explicitly calculates the year-by-year effects of potentially changing income patterns, changes in the original investment's value, and other considerations.

⁴⁹ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 459-461.

In contrast, direct capitalization processes a single year's income into an indication of value. Either direct capitalization or yield capitalization can be used to produce a supportable indication of value when based on relevant market information derived from comparable properties. These comparable properties should have similar income-expense ratios, land value-to-building value ratios, risk characteristics, and future expectations of income and value changes over a typical projection period. When this data is available, the choice of capitalization method does not affect the indication of value.⁵⁰

Yield Capitalization Technique - Appraisal Institute

Yield capitalization is the more complex of the two fundamental methods used in the income capitalization approach to value. Within this methodology, various techniques are available for converting a series of future cash flows received over time into an indication of value. Yield capitalization is used to convert future benefits into an indication of present value by applying an appropriate discount rate. To select an appropriate discount rate for a market value appraisal, an appraiser analyzes market evidence of the yields anticipated by typical investors, supported by market sales data, or both. When investment value is sought, the discount rate used should reflect the individual investor's requirements, which may differ from the requirements of typical investors in the market. To perform yield capitalization, an appraiser:

1. Selects an appropriate projection period
2. Forecasts all future cash flows or cash flow patterns (including the reversion, if any)
3. Chooses an appropriate yield (or discount) rate
4. Converts future benefits into present value by discounting each annual future benefit or by developing an overall rate that reflects the income pattern, value change, and yield rate using one of the various yield capitalization formulas.

The application of capitalization rates that reflect an appropriate yield rate, the use of present value factors, and discounted cash flow analysis are all yield capitalization procedures. Mortgage- equity formulas and yield rate or value change formulas may be used to derive overall capitalization rates. Like direct capitalization, yield capitalization should reflect market behavior. To apply the discounting procedure, appraisers must be familiar with the following concepts and techniques:

- income patterns
- capital return concepts
- the mathematics of the discounting process
- investor requirements or expectations—i.e., projection period, anticipated market growth, and inflation
- the selection of an appropriate discount rate

⁵⁰ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 491-492.

Yield capitalization is used to convert future benefits, typically a periodic income stream and reversion, into present value by discounting each future benefit at an appropriate rate or by applying an overall rate (developed using one of the yield capitalization methods) that explicitly reflects the investment's income pattern, change in value, and yield rate.⁵¹

Feedyard Industry Lease and Income Information

The appraiser has attempted to obtain operating and income data from competing grow-yards and feedyards in the subject market area and other important cattle feeding areas throughout the U.S. Few of these properties are leased and verification of lease information and operating expenses was difficult due to individual privacy concerns of the operators. Additionally, after searching for industry standards, it was evident that there is no available publication which included the feedyard industry.

Current Lease and Lease Type

The subject grow-yard / feedyard is not leased and is unoccupied. The property was recently owner-operated prior to being vacant. The value stated in the report is fee simple estate and is based on the market lease information.

Market Lease Analysis

The market lease applicable to the subject property was based on the most current lease information collected from the most similar commercial feedyard properties available within or near the subject regional area.

The specific lease data utilized in estimating the market rent for the subject property is presented on the following pages.

⁵¹ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 509-510.

Summary of Historical Expired Grow-Yard and Feedyard Leases

No.	Owner / Lessor	Lessee	Location	No. Head	Lease / Hd / Day	Rolling Stock	Lease Type
1	Curtis Franson Expired Lease	Teague	Morgan County, Colorado	20,000	\$0.050	No	Net
2	Kennedy	N/A	Morgan County, Colorado	40,000	\$0.050	No	Net
3	Kevin Averich Expired	Weber Feedlot, Inc.	Morgan County, Colorado	10,000	\$0.030	No	Net
4	Frio Feeders Expired	Stan Gossett	N/A	6,000	\$0.050	No	Net
5	Donley Cattle Expired	OK-TEX Beef	E of Headly, Donley County, Texas	8,500	\$0.040	No	Net
6	Pat Shepard Sold Expired	Texzona Feeders	Plainview, Texas	8,000	\$0.030	Yes	Net
7	DGC Feedyard Expired	Dean Cluck Feeders Sold 49% Interest Leased Back Monte Cluck	W of Gruver, Texas	8,000	\$0.040	No No Mill	Net
8	Harrell Cattle Co. Sold Expired	Sudan Feedlot	Sudan, Texas	20,000	\$0.032	No	Net
9	Friona Industries Expired	CDH Feeders	Sudan, Texas	30,000	\$0.033	Yes	Net
10	Perryton Feeders Sold Expired	CDH-PFI	S of Perryton, Texas	25,000	\$0.040	No	Net
11	Stout Feedyard Expired	DeBruce Grain	N/A		\$0.036	No	Net
12	Grigsby Sold Expired	Great Plains Feeders	N of Herford, Texas	15,000	\$0.027	No	Net
13	KC Feeders Expired	Hartman & Williams	N/A	11,670	\$0.040	No	Net
14	Jay Taylor Estate Sold Expired	Texzona Feedyard	Dimmitt-Hereford, Texas Area	12,000	\$0.040	No	Net
15	Dinner Feedlot Expired in 2008	John Johnson	E of Eaton, in Weld County, Colorado	5,000	\$0.040	No	Net
16	Frank Brand Feedyard Expired	Mark Cluck Previous Owner	S of Dimmitt, in Castro County, Texas	25,000	\$0.033	No	Net

Summary of Historical Expired Grow-Yard and Feedyard Leases

17	Hergert Feedyard Expired in 2008 Feedyard Sold	Panhandle Feeders	N of Scottsbluff, in Sioux County, Nebraska	9,500	\$0.025	No	Net
18**	---	Beef Belt Feeders	Scott City, Kansas	12,500	\$0.040	No	Net
19**	Flint Rock Feeders	Hansford Cattle	Gruver, Texas	---	\$0.040	No	Net
20**	---	Poky Feeders	Scott City, Kansas	58,000	\$0.040	No	Net
21**	---	Timmerman	Sterling, Colorado	30,000	\$0.040	No	Net
Mean Indicated Market Lease					\$0.038		
Median Indicated Market Lease					\$0.040		

Some feedyard leases in the last few years included Beef Belt Feeders leasing a 12,500 head feedyard near Scott City, Kansas; Hansford Cattle leased Flint Rock Feeders; Poky Feeders leased a feedyard near Scott City, Kansas; and Timmerman Feeding Corporation leased a feedyard near Sterling, Colorado. According to confidential sources with knowledge of the leases, the lease amounts ranged from \$0.03 to \$0.05 per head per day. The prices varied based on the amount of equipment that was furnished by the owner and the condition of the feedyards. Specific information was not available due to privacy concerns and confidentiality agreements. These leases support the historical lease information and provide evidence that the feedyard lease market has not changed. A \$0.04 average lease rate was used for these leases in the above grid.

Historical Expired Leases

The historical leases ranged from \$0.025 to \$0.05 per head per day. The mean price is \$0.038 per head per day and the median is \$0.04 per head per day.

Summary of Current Feedyard Leases

No.	Owner / Lessor	Lessee	Location	No. Head	Lease / Hd / Day	Rolling Stock	Lease Type
1	J.D. Heiskel Old English Feedyard	Timmerman	Wiggins, Morgan County, Colorado	10,000	\$0.060	No	Triple Net
2	Sparks Grain Cattleco	Dinklage	Fort Morgan, Morgan County, Colorado	40,000	\$0.050	No	Triple Net
Mean Indicated Market Lease					\$0.055		
Median Indicated Market Lease					\$0.055		
3	Confidential Proprietary Information	Confidential Per Tenant Instructions	Garden City Kansas Area	20,000 to 50,000	\$0.050 to \$0.07	No	Triple Net

Current Leases

Dinklage Feeders is currently leasing a 40,000 head feedyard in Fort Morgan, Morgan County, Colorado. The feedyard was previously leased by Cattlco. The physical address of the Feedyard is 13946 CR 21, Fort Morgan, Colorado 80701. The feedyard is a good quality yard. The pens are steel pipe construction and the feed bunk is constructed of poured concrete. The feedyard is improved with a steam flake feedmill with commodity and grain storage. The total capacity of the yard is 40,000 head. The previous Cattlco lease rate for the yard was \$0.035 per head per day. It is reported that the current Dinklage lease is for a \$0.05 per head per day. The tenant pays all expenses. The lease structure is triple net.

Timmerman Feeders is currently leasing a 10,000 head feedyard in Wiggins, Morgan County, Colorado. The feedyard was previously owned and operated by English. The physical address of the Feedyard is 14111 CR 2, Wiggins, Colorado. The feedyard is an average to good quality yard. The pens are a combination of wood fence and steel pipe construction and the feed bunk is constructed of poured concrete. The feedyard is improved with a steam flake feedmill with commodity and grain storage. The total capacity of the yard is 10,000 head. It is reported that the current Timmerman lease is for a \$0.06 per head per day. The tenant pays all expenses. The lease structure is triple net.

A large feeder in the Garden City, Kansas area indicated to the appraiser that they were currently leasing some feedyards in the \$0.05 to \$0.07 per head per day range. The information was proprietary and confidential, therefore, the appraiser has withheld any owner-tenant names and feedyard locations. The feedyards ranged in size from 20,000 to 50,000 head. Leases are triple net.

Unit of Comparison

In the grow-yard and feedyard industry the most common unit method is the one time lease rate per head per day of feeding capacity. The leases are cash leases and run from \$0.03 to \$0.07 per head per day. Large feedyards in good condition with fully operational feed mills will typically lease in the upper end of the range from \$0.04 to \$0.07 per head per day. A grow-yard or smaller feedyard without a steam flake mill or processing facilities in average to good condition will typically lease in the lower end of the range from \$0.03 to \$0.04 per head per day. The lessee usually pays all of the property expenses creating a triple net lease structure. In most feedyard triple net lease structures, rolling stock is not included.

Potential Gross Revenue Summary

Few grow-yards and feedyards are leased. Most of the grow-yards and feedyards in the current market are owner operated or vacant and for sale. The older historical comparable leases ranged from \$0.025 to \$0.05 per head per day. The overall mean was \$0.38 per head per day and the median was \$0.04 per head per day.

The older expired leases provide an indication of the market trend for grow-yard and feedyard cash leases. The newer feedyard leases ranged from \$0.05 to \$0.07 per head per day.

The following is a rating of the subject grow-yard / feedyard based on factors that are considered when leasing a feedyard or growing yard.

Subject Feedyard As Is	
Factors Considered in Estimating a Market Lease Rate	Subject Rating
Quality of Subject Feedyard Improvements	Average to Good
Condition of Subject Feedyard Improvements	Fair to Average (Currently Vacant with Deferred Maintenance)
Ongoing Historical Management and Maintenance Practices	Average During Operation (Currently Vacant with Deferred Maintenance)
Location to Affordable Quality Water Sources	Average to Good
Onsite and/or Offsite Land for Wastewater Management and CAFO Permitting	Fair to Average
Overall Market Demand for Feedyards to Lease	Average
Location to Beef Processing and Packer Markets	Fair to Average
Location to Cattle Markets and Suppliers	Very Good
Location to Feed Commodities	Very Good
Location to Other Feedyards	Very Good
Location to Other Agricultural Properties and Market Area Acceptance	Very Good
Historical Average Occupancy of Feedyard (Year Round)	70-80 Percent
Current Occupancy of Feedyard (Year Round)	Currently Vacant
Current Market Average Occupancy (Year Round)	80-85 Percent
Overall Rating	Average

It is noted that grow-yards and feedyards typically confine and feed a larger amount cattle in the summer months and a smaller amount of cattle in the winter months. The subject grow-yard feedyard is currently vacant. Historically, the facility had a 70-80 percent capacity which is average for the area. According to the grow-yard and feedyard managers and TCFA, all grow-yards and feedyards are currently low on cattle numbers due to a shortage of cattle from recent extended drought conditions and from the current high cost and risk in purchasing cattle to put on feed.

The average year-round capacity of the subject grow-yard since its last purchase in 2019 was around 70 to 80 percent of the total capacity of 15,000 head.

The grow-yard is currently vacant and not in operation. The estimated occupancy rate of the subject assuming no deferred maintenance and adequate water available would be 73 percent of its 15,000 head capacity.

After a complete review of all the physical attributes of the comparable market leases, a lease rate of \$0.025 per head per day will be used for the subject grow-yard / feedyard. This rate is in the low end of the range of market rates and it is based on the current demand to lease grow-yards / feedyards, the current feed and cattle prices, the current operating expenses, the subject's location, and the quality, age and fair condition of the improvements.

The indicated market lease rate includes the property owner being responsible for management only. The real estate taxes, water use assessment fees if any, insurance, repairs, utilities, and reserves for replacement are paid by the lessee (tenant). Based on the foregoing data, the estimated gross potential market lease for the subject is summarized as follows.

Gross Potential Income Estimate				
Subject	Feeding Capacity	Daily Lease Rate	Total Daily Lease	Annual GPI Daily x 365 Days
7M Cattle Feeders McClain HEC Grow-Yard	15,000 Head @	\$0.025/Head	\$375	\$136,875

Given the projected lease rate for the feeding capacity of 15,000 head for the subject grow-yard / feedyard facility, the annualized potential gross revenue was estimated to be \$136,875.

Vacancy and Collection Loss

The occupancy estimate utilized reflects the analysis of recent feedyard market studies. There is currently an average demand for grow-yard and feedyard facilities similar to the subject grow-yard in the subject market area. The market area is highly agricultural in use and well known area for cattle feeding, dairy production, and farming and ranching.

The subject grow-yard / feedyard is currently vacant and unattended due to the owner's death and default on the loan. Historical occupancy rates of the grow-yard was 70 to 80 percent of its maximum capacity of 15,000 head. According to Texas, Colorado and Kansas grow-yard and feedyard operators and the TCFA, feedyards are currently averaging 80 to 85 percent occupancy rates year-round.

For this analysis, a 73 percent occupancy rate (27 percent vacancy and credit loss) will be used for the subject feedyard. The lower occupancy rate is based on the subject's size, condition, and unknown additional repair costs that could occur from leasing a grow-yard or feedyard that has been vacant with increasing deferred maintenance.

Expense Analysis

Operating expenses are periodic expenditures necessary to maintain an income producing property and to continue the production of the effective gross income. Normal operating expenses associated with feedyard facilities are 1) real estate taxes, 2) insurance, 3) management and 4) utilities, 5) repairs, and 6) reserves for replacement.

Under a net lease situation, the lessee is usually responsible for all of the expenses except for management, which the lessor usually pays. Since most feedyard leases are usually triple net leases, the only expense that is to be deducted in this analysis is the management cost which usually runs approximately five (5) percent of effective gross income. The following is an income and expenses analysis for the subject feedyard.

STABILIZED INCOME AND EXPENSE PRO FORMA			
Potential Gross Lease Income			\$136,875
Other Income			\$0
Total Potential Gross Revenue			\$136,875
Less: Vacancy and Collection Loss	27%		(\$36,956)
Effective Gross Lease Income			\$99,919
Total Expenses	5%		(\$4,996)
Net Operating Income			\$94,923

Direct Capitalization Method

The direct capitalization method is a process by which a single year's estimate of income is converted into an indication of value. This is accomplished by dividing the income estimate by an appropriate overall rate (OAR). This is expressed algebraically as:

$$\text{NOI} / \text{RATE} = \text{VALUE}$$

Where NOI is annual net operating income or pre tax cash flow, RATE is the capitalization rate and VALUE is the resulting value of the property. This method is most applicable when an income property has stabilized occupancy. Since the subject is appraised on a stabilized basis, the direct capitalization method is a reliable indicator of value and was used exclusively in estimating a value for the subject by the income approach.

Indicated Value by the Direct Capitalization Method

The final step of this approach is to capitalize the estimated stabilized net revenues by the overall rate. Factors considered within the estimation of the capitalization rate are as follows:

1. The stability of the subject;
2. The subject's location and recognition;

Please see the following chart.

Comparable Overall Rates							
Comparable Sales	Date of Sale		Primary Use	Type of Grow-Yard / Feedyard Facilities	OAR %	Effective Age Years	Capacity Head
Subject	Insp. July-2023	Texas	Grow-Yard	Commodity-Hay Barn		34	15,000
1	Jan-2023	Texas	Feedyard	Steam Flake / Grain Storage	6.63%	15	18,000
2	Nov-2020	Texas	Grow-Yard / Feedyard	Steam Flake / Grain Storage	8.92%	25 Sold Vacant	10,000
3	Oct-2022	Texas	Grow-Yard	Commodity-Hay Barns	7.13%	10	7,500
4	Sep-2019	Texas	Grow-Yard	Small Dry Roll / Comm. Barn	6.74%	10	4,000
5	Sep-2021	Kansas	Grow-Yard / Feedyard	Dry Roll / Grain Storage	6.16%	15	7,500
Mean					7.12%		
Median					6.74%		

The Overall Rates ranged from 6.16 to 8.92 percent. The overall rates developed from the comparable sales had a mean rate of 7.12 percent and a median 6.74 percent. Greater weight was given to Sales 2 and 3 based on date of sale, type of facility, size, condition, and associated improvements. Sales 1, 4 and 5 were given limited weight due to size, location and date of sale.

Based on the subject's location to feed commodities, other grow-yards and feedyards, and the packer markets; and the subject's age, size, quality, and fair condition, an overall rate in the upper end of the range was considered to be most applicable. A rounded cap rate of 8.5 percent rounded will be used in the following analysis.

INDICATED VALUE - DIRECT CAPITALIZATION METHOD			
Estimated Revenues			\$94,923
Capitalization of Revenue			
	\$94,923	8.50%	\$1,116,741
Rounded			\$1,117,000
Less Deferred Maintenance Estimate			\$55,000
As Is Feedyard Value Opinion			\$1,062,000
Feedyard Capacity (Head)			15,000
Value Per Head / Income Approach			\$71

Summary and Conclusion of the Income Approach

The Income Approach to value is predicated on the assumption that there is a definitive relationship between the amount of income a property will earn and its value. This approach is based on the principle that value is created by the expectation of benefits derived in the future. This indicated value represents the market value of the subject property "as is", given the existing economic conditions of the subject property and the commercial grow-yard and feedyard market in Texas, Kansas, Oklahoma, Colorado and the High Plains Cattle Feeding Region.

The direct capitalization method was used to form a value opinion for the subject property. The direct capitalization analysis offers the indication of value based upon the estimated stabilized revenue and expenses and market derived overall capitalization rate. The income and expense estimates and assumptions used were reasonable and well-supported by evidence from the market.

The annual stabilized net operating income from this method was capitalized with a market rate developed from comparable feedyard sales. The market value conclusion, of the subject grow-yard / feedyard and site "as is" as of the effective date of the appraisal, by the Income Approach is **\$1,062,000 rounded.**

Liquidation Value

Liquidation Value is defined in The Dictionary of Real Estate Appraisal, Seventh Edition as:

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and the seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Subject Liquidation Value

In addition to the “as is” market value, the appraiser was asked to form an opinion of the “liquidation” value. A 120 day marketing period for liquidation is assumed. As indicated in the following Reconciliation and Final Value Opinion section the “as is” market value opinion of the subject grow-yard / feedyard facility on 410.0 acres of land is \$1,050,000 or \$70 per head based on a maximum feeding capacity of 15,000 head.

The calculations for the “liquidation” value assuming a four month marketing time of the property are shown on the following table.

Net Realizable Liquidation Value Analysis		
McClain Grow-Yard / Feedyard	4 Months	
Fee Simple Market Value		\$1,050,000
Value Per Head Capacity @	15,000 Head	\$70
Less Distress Sale Discount @	25%	\$262,500
Liquidation Value		\$787,500
Less Sales Commission @	6% of LV	\$47,250
Less Closing/Legal/Mgmt Cost @	1% of LV	\$7,875
Less Real Estate Taxes @	\$23,132.68 Per Year	\$7,711
Less Property Insurance @	\$10,000 Per Year	\$3,333
Less Miscellaneous Expenses @	\$250 Per Month	\$1,000
Less Clean-Up Cost		<u>\$0</u>
Total Holding/Sales Costs		\$67,169
Net Realizable Liquidation Value		\$720,331
Net Realizable Liquidation Value ®		\$720,000
Net Realizable Liquidation Value Per Acre	15,000 Head	\$48
Total Liquidation Discounted Value %		69%
Total Liquidation Discount %		31%

The subject's liquidation value opinion stated herein is consistent with, but slightly below, the lower end of the grow-yard and feedyard sales in the subject market which is a large regional market. The majority of the lower end of the grow-yard and feedyard sales range from \$85 to \$120 per head. The lower end sales are a mix of bank owned distressed sales, individual owned distressed sales, older grow-yards and feedyards with improvements that are in less than average condition with deferred maintenance, grow-yards and feedyards with water problems, and grow-yards and feedyard properties with permitting and environmental problems. It is noted that most of these type sales are vacant at the time they are sold.

It is further noted that the subject improvements are older and near the end of their economic life and only contribute minimal value to the property. Only a portion of the feedyard improvements are usable based on their age, size, condition, the limitations on water necessary for confining and feeding cattle, and necessary offsite wastewater easements. Based on these reasons, the market value opinion and liquidation value opinion are slightly lower than normal but reasonable based on the subject's condition and minimal value of the improvements.

The average or middle of the road grow-yard and feedyard sales in the region range anywhere from \$130 to \$170 per head. The middle of the road sales were a mix of vacant and occupied grow-yards and feedyards at the time they were sold. Some were partially occupied with low cattle numbers.

The majority of the upper end of the grow-yard and feedyard sales in the region range from \$180 to \$220 per head plus or minus. Most of the grow-yard and feedyard sales that are above \$220 per head included rolling stock, feed, and/or additional or excess land. The upper end sales were most always occupied when they sold. Some of the upper end sales were turn-key operation sales and some were real estate only.

The appraiser has given his best effort to provide a market value opinion of the subject and a liquidation value. The available data for grow-yards and feedyards varies widely and is almost always inconsistent. The price that a grow-yard and feedyard brings and the time that it takes to sell is heavily dependent on the sellers and/or brokers connections with available buyers from the larger feedyard market.

It is noted that during the process of appraising the subject property and writing the appraisal report, the appraiser was contacted by individuals familiar with the subject grow-yard about purchasing the property. The appraiser was also contacted by feedyard brokers about selling the property. No information about the property or values were given out by the appraiser. The interest that was expressed by potential purchasers and brokers indicates some current demand in the market for grow-yards and feedyards as of the date of the appraisal.

Exposure and Marketing Time Analysis

In accordance with the Market Value definition contained herein, as requested by the client, consideration has been given to a reasonable estimated marketing period for the subject property **at the appraised value estimate herein.**

Marketing Time is the time necessary to expose a property to the open market in order to achieve a sale. Implicit in this definition are the following conditions:

- * The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar types of properties.
- * The property will be offered at a price reflecting the most probable mark-up over market value used by sellers of similar properties.
- * A sale will be consummated under the terms and conditions of the definition of market value stated in this report.

A normal market period is a function of various factors including, prevailing market conditions, the price of the product being marketed, the competitive position of the property in the market, and the amount and quality of marketing effort allocated to the property. It is strongly emphasized that the appraisers have no control of the aforementioned factors, nor can the appraisers anticipate or predict any of them. Therefore, it is assumed that the property will receive an adequate marketing effort.

Based upon the degree of commercial agricultural activity and sales similar to the subject contained herein, and the appraiser's personal conversations with area brokers and landowners familiar with the subject area, it is concluded that at the market value opinion stated herein, the subject property can reasonably anticipate a sale within 12-18 months of the listing date.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time 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; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. The Dictionary of Real Estate Appraisal, Third Addition, Appraisal Institute, 1993, Page 126.

A reasonable exposure time for the subject property would be 12-18 months.

Reconciliation and Final Opinion of Value

Reconciliation and Final Value Opinion

Resolving the differences among various value indications is called reconciliation.⁵² The purpose of the reconciliation of value is to evaluate the strengths and weaknesses of the individual approaches, and to develop a single value opinion for the subject.

In the valuation process, more than one approach to value is usually applied, and each approach typically provides a different indication of value. If two or more approaches are used, the appraiser must reconcile the value indications.⁵³

All three approaches should be applied in forming an opinion of value, whenever possible. One approach, however, will often be given greater consideration than the others, depending largely upon the type of property appraised and the quality of the data upon which the approach is based. The greatest consideration is normally given to the approach most typically used by buyers and sellers to determine sale prices for properties of the subject type in the local market.

In the preceding sections of this report, indications of value based upon the Cost Approach, the Sales Comparison Approach and the Income Approach were utilized to provide indications for value of the subject's fee simple estate. Within the reconciliation, the three value indications were considered and evaluated by the relative significance of applicability for each approach. As a result, the following estimates of value were derived:

Value Indication by Approach			
Analysis and Approach	Subject	Value Type	Value Opinion
Cost Approach	410.0 Acres of Land Only	As if Vacant	\$650,000
Cost Approach	410.0 Acres of Land, Improvements and Attached Equipment	As Is	\$1,052,000
Sales Comparison Approach	410.0 Acres of Land, Improvements and Attached Equipment	As Is	\$1,050,000
Income Approach	410.0 Acres of Land, Improvements and Attached Equipment	As Is	\$1,062,000

⁵² The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 641.

⁵³ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, Page 641.

Cost Approach

It is noted in agricultural properties, the Cost Approach to Value represents a summation of the contributory value of all improvements and individual land components.

In appraising a new or special-purpose property, the Cost Approach provides a meaningful standard of measurement. However, when dealing with older improvements, it is difficult to estimate the replacement and/or reproduction cost of improvements because the elements of production are always changing and difficult to monitor. Also, the Cost Approach requires an estimate of accrued depreciation, which is difficult to determine for older improvements and for obsolescence.

Based on the age and condition of the improvements and the available land sales in the immediate area near the subject property, this method was considered to be necessary and applicable, and it was used in the analysis. There was adequate land sale data and construction cost data available to apply the Cost Approach method.

The subject feedyard improvements were constructed from 1968 to 1996. The feedyard has a total capacity of approximately 72,000 head, however because of the older age and condition of the improvements, the improvements and equipment that no longer function and have contributory value, and the limitation on available livestock water, the current highest and best use of the property has changed use from a large feedyard to a smaller grow-yard facility. The appraiser has limited the capacity of the facility to 15,000 head which is a marketable and functional size for a larger grow-yard and valued the property on the stated amount. The appraiser has not given value to a large portion of the feedyard and the feed mill facility and attached equipment or the grain storage facility based on their age and condition, function, and based on a low market demand for a large older feedyard facility similar to the subject located in the subject area.

Because the improvements were constructed from 1968 to 1996 and accrued depreciation was significant, the Cost Approach has provided a credible but limited result. All four types of depreciation are affecting the subject improvements. These include physical curable depreciation, physical incurable depreciation, functional obsolescence, and external obsolescence soft market. The Cost Approach has provided good support for the Sales Comparison Approach.

Sales Comparison Approach

The Sales Comparison Approach is used to form an opinion of market value by comparing the similar properties to the subject property and making adjustments for market differences. The sales comparison approach was utilized to provide an indication of value for the subject grow-yard / feedyard facility and land as if vacant.

Sales of grow-yard and feedyard properties were identified from a large regional area including Texas, Kansas, Colorado, Oklahoma, and Nebraska. As grow-yards and feedyards are considered to be part of a large regional market, it was necessary to survey a large area for comparable sales. The data obtained from these sales was considered to be accurate and reliable. Five (5) of the most similar sales to the subject from Texas and Kansas were used in the adjustment process. Additional sales were used for market comparison and support.

Improved comparable sales of grow-yards and feedyards are indicating that similar properties are being purchased primarily by owner-occupants. When the market is dominated by purchasers who intend to occupy the property, the Sales Comparison Approach is typically the strongest indicator of value.

Based on the quality and quantity of available grow-yard and feedyard market sales, the Sales Comparison Approach has provided the most reliable value conclusion.

Income Approach

The Income Approach to value is based on the premise that a direct relationship exists between the income-producing potential of a property and its market value. The Income Approach was utilized to provide an indication of value for the subject property.

As previously stated, market research indicated that the majority of the grow-yard and feedyard properties and farm properties that have sold have been to owner-occupants. Historically, investor-purchasers have not purchased grow-yards or feedyards to lease to other parties for an income stream. Most of the current grow-yards and feedyards in the market that are leased are facilities that became available for lease by retained family ownership after a operator retires or passes away or from foreclosure where the lien holder leases and manages the property. To an investor, a property's worth is based on its ability to produce income and/or appreciation in value over time. Based on the presence of inflation causing higher cattle prices, higher feed prices, and higher cost of operation, the rental market for grow-yards and feedyards appear to be moderate to average. Overall, the Income Approach was considered to provide a reliable indication of value and provided support to the Sales Comparison Approach.

Conclusion

There was adequate sales data for grow-yards and feedyard properties in the Sales Comparison Approach to arrive at an indication of value for the subject property. The Cost Approach was well supported by adequate land sales and current cost estimates, however, due to a significant amount of accrued depreciation present in the improvements, less weight was given to this approach. The available income information on comparable grow-yards and feedyard properties appears to be consistent and reasonable. Because most grow-yards and feedyards are purchased by owner-operators, the Sales Comparison Approach was considered to be the most reliable indicator of value.

Based on these considerations, it is my opinion that the market value of the fee simple interest in the subject property, “as is” as of July 9, 2023, is as follows:

Final Market Value Opinion of Subject Property	
Subject Property	Value Opinion
Value Opinion of Real Property and Attached Equipment	\$1,050,000
Value Opinion of Attached Feedyard Equipment	\$25,000
Value Opinion of Real Property	\$1,025,000

Liquidation Value Opinion of Subject Property	
Subject Property	Value Opinion
Value Opinion of Real Property and Attached Equipment	\$720,000

As stated in the appraisal, all of the subject 410.0 acres plus offsite wastewater easements and wastewater agreements are necessary to maintain the legal CAFO Permit for the grow-yard / feedyard and for the normal function and operation of the grow-yard / feedyard. It is noted that the subject grow-yard / feedyard located on the 410.0 acres of owned land can not legally function as a livestock confined feeding operation without the additional offsite wastewater easements and agreements noted in the appraisal. Therefore, the value is subject to the continuation of the easements and agreements for the remainder of the economic life of the feedyard property.

CERTIFICATION

I 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 by the reported assumptions and limiting conditions, and are our 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 or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. 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.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
7. The use of this report is subject to the requirements of the Appraisal Institute and the American Society of Appraisers relating to review by its duly authorized representatives.
8. No one provided significant professional assistance to the persons signing this report.
9. Kirby Harper is a State Certified General Appraiser in the States of Texas, New Mexico, and Colorado.
10. Kirby Harper made a personal inspection of the property that is the subject of this report.
11. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
12. The reported analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the American Society of Appraisers.

13. As of the date of this report, Kirby Harper, has completed the requirements of the continuing education program of the Appraisal Institute, the American Society of Appraisers, the Texas Appraiser Licensing and Certification Board, the New Mexico Appraiser Licensing and Certification Board, and the Colorado Appraiser Licensing and Certification Board.

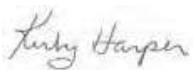
14. I have not performed services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of the assignment. An additional statement relating to the appraisal history of the subject property is located in the body of the report.

Based on these considerations, it is my opinion that the market value of the fee simple interest in the subject property, “as is” as of July 9, 2023, is as follows:

Final Market Value Opinion of Subject Property	
Subject Property	Value Opinion
Value Opinion of Real Property and Attached Equipment	\$1,050,000
Value Opinion of Attached Feedyard Equipment	\$25,000
Value Opinion of Real Property	\$1,025,000

Liquidation Value Opinion of Subject Property	
Subject Property	Value Opinion
Value Opinion of Real Property and Attached Equipment	\$720,000

As stated in the appraisal, all of the subject 410.0 acres plus offsite wastewater easements and wastewater agreements are necessary to maintain the legal CAFO Permit for the grow-yard / feedyard and for the normal function and operation of the grow-yard / feedyard. It is noted that the subject grow-yard / feedyard located on the 410.0 acres of owned land can not legally function as a livestock confined feeding operation without the additional offsite wastewater easements and agreements noted in the appraisal. Therefore, the value is subject to the continuation of the easements and agreements for the remainder of the economic life of the feedyard property.



Kirby Harper, SRA, ASA-RP

Texas General State Certification No. TX-1331201-G

New Mexico General State Certification No. 03440-G

Colorado General State Certification No. CG-40042526

Expiration Date July 31, 2024

Expiration Date April 30, 2025

Expiration Date December 31, 2024

Trans Pecos Real Estate, Inc.

ADDENDUM

Trans Pecos Real Estate, Inc.

Assumptions and Limiting Conditions

This appraisal report has been made with the following general assumptions:

1. This is an **Appraisal Report** which is intended to comply with the reporting requirements set forth under **Standards Rule 2-2(a)** of the Uniform Standards of Professional Appraisal Practice for an **Appraisal Report**. As such, it presents summary discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. All information, comments and conclusions pertaining to subject and other properties described represent the opinion of the appraiser formed after a personal examination of each.
13. The appraiser has no interest, present or prospective, in the subject property.
14. Sketches in this report are included to assist the reader in visualizing the property.
15. The appraisers assume that there are no hidden or unapparent conditions of the appraised property, which would render it more or less valuable. Further, the appraisers assume that there are no potentially harmful asbestos or other materials and/or site contaminants in, on, or near soil, subsoil, or structure of the appraised property and that there has been no disposal, discharge, leakage, or spillage of pollutants or contaminant which would render it more or less valuable, whether or not these materials or contaminants are apparent or hidden and unapparent.

No responsibility is assumed by the appraisers for these conditions. In addition, no responsibility is assumed by the appraisers for the cost of engineering and/or laboratory studies which might be required to discover such materials or contaminants. And no such engineering or laboratory studies have been ordered for the appraised property.

16. Disclosure by the appraiser of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of Appraisal Institute and the American Society of Appraisers.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication, unless prior arrangements have been made.

3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
5. This appraisal was made in accordance with the Code of Professional Ethics and Uniform Standards of Professional of the Appraisal Institute and the American Society of Appraisers.
6. Acceptance of and/or use of this report constitutes acceptance of all assumptions and limiting conditions stipulated.
7. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
8. **Critical Issues, Extraordinary Assumptions and Hypothetical Conditions:**

Per 2020-2021 and 2022-2023 USPAP Requirements Page 22, Standard 2, (xiii), Lines 637-639, Clearly and Conspicuously: State all Extraordinary Assumptions and Hypothetical Conditions; and State that their use might have affected the assignment results.

Extraordinary Assumptions and Hypothetical Conditions have been addressed in this appraisal. Extraordinary Assumptions and Critical Issues have been made and stated in this report and their use could affect the assignment results if found to be inaccurate. The appraiser has relied on the most accurate information available in the special assumptions and conditions that are made.

An **Extraordinary Assumption** is defined as 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 and conclusions (example: a value in the future on the date a proposed project 4is expected to be completed).

A **Hypothetical Condition** is defined as 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 (example: a value of a proposed project as of the effective date of the appraisal or the date the property was inspected).

The following Critical Issues are addressed and Extraordinary Assumptions are made:

A. **Legally Permitted Use and Highest and Best Use of the Subject Feedyard**

CAFO Permit

The subject 7M Cattle Feeders (Formerly HEC Feedyard TXG921218) is required to have a TCEQ Confined Animal Feeding Operation (CAFO) Permit for its legal operation and function. The subject does have a TCEQ TPDES Large CAFO General Permit TXG921550 for 115,000 Head. According to the TCEQ, the CAFO Permit expires on July 20, 2024. The last Notice of Intent (NOI) was filed with the TCEQ for a permit renewal on December 4, 2019. The Issue Date was December 10, 2019. The Coverage Effective Date started on July 11, 2019. The site Registration Number is RN 102094471. The Owner Number for 7M Cattle Feeders Inc. is CN605681741. The address is 7M Cattle Feeders Inc., 2548 CR 15, Friona, Texas 79035-7034, Parmer County, Texas. The CAFO Permit allows for 115,000 head of beef cattle to be confined and fed at the subject grow-yard / feedyard facility.

In 2019, prior to closing on the property, the buyer Brian McClain of 7M Cattle Feeders Inc., secured offsite easements and wastewater agreements on adjacent non-owned land to satisfy all requirements of the CAFO Permit renewal for the feedyard with the TCEQ. The offsite easements and wastewater agreements are necessary for the function of the subject feedyard / grow-yard and for maintaining the CAFO Permit and legal use of the property.

History and Legal Waste and Wastewater Management

The feedyard and land was purchased by a group of investors named Parmer County Land Holdings LLC from Plains Capital Bank on March 1, 2018. The investors sold off all of the additional farmland that was necessary for wastewater application for the normal function of the feedyard and for maintaining CAFO Permit for its legal status for confining and feeding cattle. The additional land also contained irrigation wells on it for additional water for the feedyard. This left a remainder of 410.0 acres of land which contained the feedyard and feed mill improvements and the lagoons. So all that was left was the 410.0 acres with the feedyard, feed mill, grain storage, and lagoons on it plus enough water to water a portion of the feedyard.

Parmer County Land Holdings LLC sold the 410.0 acre feedyard property to Brian McClain of 7M Cattle Feeders Inc. on August 2, 2019 for \$500,000. The feedyard was not functional when it was sold to 7M Cattle Feeders.

During the process of purchasing the subject feedyard 410.0 acre property, Brian McClain obtained long term easements and wastewater agreements on adjacent land necessary for the function of the feedyard and for maintaining the CAFO Permit.

Mr. McClain of 7M Cattle Feeders obtained (1) an offsite perpetual easement to an adjacent approved evaporative playa for wastewater management; (2) an offsite adjacent pipeline easement to an offsite wastewater agreement application area; (3) and two (2) offsite adjacent land tracts with wastewater agreements for wastewater application and management. All of the easements were not part of the \$500,000 sale price.

All of the stated 410.0 acres of owned land and offsite land together are necessary for the normal function of the feedyard / grow yard and to maintain to CAFO Permit. The offsite requirements include:

(1) An Offsite Playa Evaporative Easement located to the southeast of the feedyard / grow yard in Section 27, T1N, R3E, CSS, Parmer County, Texas. According to the environmental consultant for the subject feedyard, Enviro Ag Engineering of Amarillo, Texas, this easement is a perpetual easement that was secured by the original owners of the feedyard in 1967. The easement-deed was conveyed to High Plains Feedyard from Clarence Baxter on May 13, 1967 and was recorded in Volume 133, Page 56, in the Parmer County Deed Records. A second filing of the deed and name change occurred on May 17, 1988 from High Plains Feedyard to West Plains Feedyard. According to Enviro Ag, the easement is perpetual but several past purchasers of the subject feedyard did not go back and re-file the easement in their names. The offsite easement is used to release wastewater into an approved evaporative playa to dewater lagoons on the subject 410.0 acre feedyard tract. A copy of the easement was furnished to the appraiser by Enviro Ag Engineering. The appraiser assumes the easement to be valid and as stated by Enviro Ag Engineering. Please see the appraisal addendum for a copy of the easement and a plat showing the location of the easement.

(2) A 30' wide offsite water line easement to the south of the subject 410.0 acre feedyard tract across Section 36, Harding Subdivision, Parmer County, Texas. The water line easement is necessary for delivering wastewater from the lagoons on the subject 410.0 acre feedyard tract to a 163.37 acre wastewater application agreement site in the NW/4 of Section 1, Block C, Parmer County, Texas. The wastewater is applied to a quarter mile sprinkler located on the site. The water line easement agreement was originally secured between Lawrence J. Martin and Monfort Finance Company Inc. (Entity of Monfort Feeders) on June 17, 2004 and it was recorded in Volume 6, Page 363, Document 39791 in the Parmer County Deed Records. A copy of the easement was furnished to the appraiser by Enviro Ag Engineering.

The appraiser assumes the easement to be valid and as stated by Enviro Ag Engineering. Please see the appraisal addendum for a copy of the easement and a plat showing the location of the easement.

(3a) An offsite 163.37 acre wastewater application agreement area in the NW/4 of Section 1, Block C, Parmer County, Texas. The wastewater from the feedyard is applied to a quarter mile sprinkler located on the 163.37 acre site which is south of the 410.0 acre feedyard tract. The agreement is between Jerrell and Karen Wright the offsite land owners and Brian McClain the subject feedyard buyer and future operator. A copy of the agreement was furnished to the appraiser by Brian McClain and Enviro Ag Engineering.

(3b) An offsite 281.0 acre wastewater application agreement area in Section 22, T1N, R3E, Parmer County, Texas (North Tract) and an offsite 160.0 acre wastewater application agreement area in Section 27, T1N, R3E, Parmer County, Texas (South Tract). Both offsite tracts join the 410.0 acre subject feedyard tract on the east side. The wastewater from the feedyard is applied to a quarter mile sprinkler located on the total 441.0 acres. The agreement is between Carthel Land and Cattle the offsite land owners and Brian McClain the subject feedyard buyer and future operator. The agreement was signed on June 19, 2019. A copy of the agreement was furnished to the appraiser by Brian McClain and Enviro Ag Engineering. The appraiser assumes the agreement to be valid and as stated by Brian McClain and Enviro Ag Engineering. Please see the appraisal addendum for a copy of the agreement and a plat showing the location of the agreement.

The appraiser assumes the agreements to be valid and as stated previously by Brian McClain and Enviro Ag Engineering. Please see the appraisal addendum for a copy of the agreement and a plat showing the location of the agreement.

Capacity and Water

The subject feedyard has a CAFO Permit for 115,000 head. The total pen capacity was originally for 72,000 head based on a 12 inch spacing and 140 to 180 square feet per animal pen space. Based on water well tests at the time the property was purchased by Mr. McClain the three (3) tested wells produced a total of 157 GPM. There were five (5) additional functioning wells that were not tested but were stated to be producing 200 GPM total. Therefore, when the 410.0 acre feedyard property was purchased by Mr. McClain the total available water was estimated at 357 GPM from eight (8) producing water wells.

The following calculations were made:

Feedyard Capacity Based on (3) Tested Wells = 15,072 Head

Feedyard Capacity Based on (3) Tested and (5) Untested Wells = 34,272 Head

Original Total Feedyard Pen and Bunk Capacity = 72,000 LF/Head at 140-180 SF Per Animal (The original capacity used water from the 410.0 acre tract and from the additional land that was sold off).

Usable Feedyard Pen and Bunk Capacity = 32,365 LF / 27,454 Head at 170 SF Per Animal

Usable Feedyard Pen and Bunk Capacity = 32,365 LF / 23,336 Head at 200 SF Per Animal

Usable Feedyard Pen and Bunk Capacity = 32,365 LF / 15,000 Head at 311 SF Per Animal

Based on available water, facility size and use as a grow-yard or small feedyard with no feed mill, approximately 15,000 head would be the maximum capacity of the facility. The available water would support 15,000 head and the additional water would be available if one of the tested wells goes down. In order to feed more cattle at the facility than 15,000 head efficiently, the grow-yard / feedyard would need a functioning feed mill. Therefore, the maximum highest and best use of the subject property is a 15,000 head grow-yard.

The feed mill building and steam flake mills are not in a usable condition. Part of the ceiling has collapsed and the mills and electrical equipment have been exposed to rain, snow and other wet conditions for at least six years. Before McClain purchased the property, the entire facility had not been operated in at least three years. The buyer, McClain, never planned to use the feed mill or the south portion of the yard. Mr. McClain plans at the time he purchased the property was to scrap the feed mill building and sell the milling equipment, and boilers due to the cost in repairing everything. Mr. McClain also planned to only feed approximately 10,000 to 15,000 head at the feedyard changing its function from a feedyard to a grow-yard. The feedyard was older and required deferred maintenance repairs to put it back in operation, even as a grow-yard. The feedyard had also been foreclosed on in the past, marketed, and auctioned, with minimal interest and no buyer activity.

As stated in the appraisal, the subject grow-yard / feedyard facility has a total of approximately 72,000 linear feet of feed bunk. The north 32,365 linear feet of concrete feed bunk with attached pipe and cable pens is usable and valued in the appraisal. The south 39,635 linear feet of concrete feed bunk with attached pipe and cable pens is not usable and was not given any contributory value in the appraisal. The 32,365 linear feet of usable feed bunk has a total of 4,667,250 square feet of attached pen space. At 170 to 200 square feet per feedyard animal unit, approximately 23,336 to 27,454 head can be confined to the usable bunk and pens. However, based on the available onsite water on the property, the practical feeding capacity of the feedyard is limited to approximately 15,000 head.

At 15,000 head, the bunk spacing would be approximately 26 inches per animal and 311 square feet per animal using the total 32,365 linear feet of bunk with attached pens. Only 14 inches per animal and 170 square feet per animal is necessary to confine 15,000 head. The super-adequate bunk and pen space was addressed in the Cost Approach section.

The subject is valued in the Sales Comparison Approach as a 15,000 head facility because of livestock water limitations. The capacity, feeding space, and square footage per animal are considered to be adequate for the subject grow-yard facility.

Use and Compliance

Based on the current highest and best use of the property, the appraiser has limited the capacity of the facility to 15,000 head which is a marketable and functional size for a large grow-yard and valued the property on the stated amount.

The appraiser has not given value to a large portion of the feedyard pens with attached feed bunk and attached feedyard equipment; the feed mill building and attached feed mill equipment; and the grain storage facility; based on their age and condition with no value, the livestock water limitations, and based on a low market demand for an older feedyard facility similar to the subject located in the subject area.

The feedyard / grow-yard, waste water retention ponds (RCS) and the wastewater application areas (LMUs) are assumed to be in compliance with Texas Commission on Environmental Quality CAFO guidelines. The contracted environmental consulting firm overseeing the feedyard / grow yard is Enviro Ag Engineering of Amarillo, Texas, at 806-353-6123.

There are no significant violations noted against the subject grow-yard / feedyard listed on the TCEQ website. According to Dillon Pool, the feedyard environmental consultant with Enviro-Ag, there are no pending violations against the subject feedyard. It is assumed that the subject grow-yard / feedyard is in compliance with all EPA, TCEQ, and Parmer County, Texas rules and regulations.

The appraised value is based on the CAFO Permit being renewed during renewal periods at its current stated capacity of 115,000 head of beef cattle or at a minimum of no less than 15,000 head. The appraised value is also subject to maintaining all solid waste, slurry, and wastewater land application areas plus waste agreements and permits necessary for the normal operation and function of the grow-yard / feedyard. This includes adjacent or non-contiguous land, owned or leased, tied to the CAFO Permit, used for solid waste, wastewater, and slurry application. This appraisal assumes that any off-site waste application land, required by and noted in the CAFO Permit, excluded from this analysis, will be available for solid waste, wastewater, and/or slurry application for the life of the subject grow-yard / feedyard facility.

Land and Water “As if Vacant”

The three (3) submersible wells located on the subject property that were tested produce a total of 157 GPM which is 0.54 GPM per irrigated acre based on 290.0 acres of irrigated land (as if vacant). The eight (8) total submersible wells located on the subject property, tested and non-tested, are estimated to produce a total of 357 GPM which is 1.23 GPM per irrigated acre based on 290.0 acres of irrigated land, if the property was vacant. As Is, As Improved as a grow-yard / feedyard site, there is no irrigated land on the property.

B. Retention Control Structures (Lagoons)

The appraiser has assumed in this appraisal report that there is no additional deferred maintenance associated with the lagoons (RCN - Retention Control Structures) including solids buildup and the cost in cleaning them out.

If it is determined by a qualified inspector, contractor or consultant that there is deferred lagoon maintenance or negative environmental conditions associated with the subject grow-yard / feedyard property, the appraiser will have to analyze and consider the additional deferred maintenance which could affect the market value opinion stated in this report. It is important to recognize significant deferred lagoon maintenance because it affects the overall value of the property and the marketing of the property during the time period it is for sale.

Key Definitions

Appraisal

In simplest terms, an appraisal is “the act or process of developing an opinion of value” of an asset. The asset in question could be anything, from real property, fine art to machinery and equipment, or even a specific type of business.

The value developed in an appraisal is some measure of the relative worth of the asset, usually expressed in terms of money. In other words, the appraisal quantifies to a certain level of precision what buyers and sellers would consider the relative worth of, in this case, some interest in a parcel of land and any improvements to that land.

Implicit in the traditional definition of appraisal is the idea that an appraisal is someone’s opinion, rather than an undeniable fact. Another useful way of describing and thinking about what an appraisal is would be to look more closely at the people who develop those opinions of value.

While anyone can have an opinion of value, appraisers are professionals with training and expertise in the accepted valuation methods and techniques who have an ethical obligation to remain disinterested and unbiased while performing an appraisal. That professional expertise gives the value opinion of an appraiser credibility in the marketplace that the opinions of other market participants do not carry. And the credibility of an appraiser’s unbiased opinion of value, the relevant evidence an appraiser gathers, and the logical analysis of that data make the appraiser’s opinion valuable to clients.⁵⁴

Real Estate and Real Property

The distinction between real estate and real property is fundamental to appraisal:

Real Estate - An identified parcel or tract of land, including improvements, if any.

Real Property - The interests, benefits, and rights inherent in the ownership of real estate.

In simplest terms, the real property rights, not the real estate itself. In real estate appraisal, an important distinction is made between the terms real estate and real property. Although these concepts are different, some state laws and court decisions treat them synonymously for legal purposes.

⁵⁴ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Pages 2-3.

Real estate is the physical land and appurtenances affixed to the land—e.g., structures. Real estate is immobile and tangible. The legal definition of real estate includes the following tangible components:

- land
- all things that are a natural part of land, such as trees and minerals
- all things that are attached to land by people, such as buildings and site improvements

In addition, all permanent building attachments (for example, plumbing, electrical wiring, and heating systems) as well as built-in items (such as cabinets and elevators) are usually considered part of the real estate. Real estate includes all attachments, both above and below the ground.

Real property includes the interests, benefits, and rights inherent in the ownership of physical real estate. In an appraisal, a particular set of real property interests—not the real estate—is what is valued. Real estate in and of itself has no value; the rights, or interests, in real estate are what have value.⁵⁵

Market Value

Market Value is defined as 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, knowledgeably and assuming the price is not affected by undue stimulus.⁵⁶ 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 well advised, and acting in what he or she considers his or her own best interest;
- 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.

⁵⁵ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Pages 3-4.

⁵⁶ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 59.
The Appraisal of Rural Property, 2nd Edition, Appraisal Institute and ASFMRA, 2000, Page 27.
USPAP Advisory Opinions 2012-2013 Edition, The Appraisal Foundation, Page A-72.
USPAP Definition of Market Value Page A-72 References Title XI FIRREA Definition.

Going Concern Value

All tangible and intangible assets of an established and operating business with an indefinite life.

A going concern is an established and operating business with an indefinite future life. For certain types of properties (e.g., hotels and motels, restaurants, bowling alleys, manufacturing enterprises, athletic clubs, landfills), the physical real property assets are integral parts of an ongoing business. The market value of such a property (including all the tangible, intangible, and financial assets of the going concern, as if sold in aggregate) is often referred to as business value or business enterprise value, but in reality it is the market value of the going concern including real property, personal property, financial assets, and the intangible assets of the business. Appraisers may be asked to develop an opinion of the investment value, use value, or some other type of value of a going concern, but most appraisals of the value of a going concern relate to market value.

Traditionally, the term going-concern value has been used to describe the market value of a proven property operation, although a more accurate term is market value of the going concern. The concept of the value of the going concern can also be applied to a proposed business operation. The current definition of going concern highlights the assumption that the business enterprise is expected to continue operating well into the future (usually indefinitely). The market value of a going concern includes the incremental value associated with the business concern, which is distinct from the value of the tangible real property and personal property. The assemblage of the land, buildings, labor, equipment, financial assets, and the marketing operation creates an economically viable business that is expected to continue.

It may be difficult to separate the market value of the tangible assets (i.e., the land and the building) from the total market value of the business, but such a division of realty and non-realty assets may be required by the intended use of the appraisal. Application of the cost approach can be useful in separating the value of the tangible assets because the cost approach specifically excludes personal property and intangibles. An appraiser must always state when intangible assets are included in the property being appraised, even when the appraiser has not been able to separate the market value of the real property from the market value of the going concern. Only qualified practitioners should undertake these kinds of assignments, which must be performed in compliance with the appropriate professional standards. It may be necessary for a real estate appraiser to collaborate with a personal property appraiser or a business appraiser or both on such an assignment.⁵⁷

⁵⁷ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 63.

Fee Simple Interest

A fee simple estate is defined as: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.⁵⁸

Bundle of Rights and Fee Simple Interest

The total range of private ownership interests in real property is called the bundle of rights. Imagine a bundle of sticks in which each “stick” represents a distinct and separate right or interest. The bundle of rights contains all the interests in real property, including the right to use the real estate, sell it, lease it, enter it, and give it away, and each “stick” can be separated from the bundle and traded in the market. The US Constitution guarantees the private enjoyment of these rights, subject to certain limitations and restrictions.

The most complete form of ownership is the fee simple interest—i.e., absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. An appraiser may be asked to appraise something less than the fee simple interest—i.e., a partial interest or a fractional interest.

Because each stick in the bundle of rights represents a separate right or interest inherent in the ownership, these individual rights can be separated from the bundle by sale, lease, mortgage, donation, or another means of transfer. The complete bundle of rights includes, but is not limited to, the following:

- the right to sell an interest
- the right to lease an interest
- the right to occupy the property
- the right to mortgage an interest
- the right to give an interest away

Ownership of the fee simple interest is equivalent to ownership of the complete bundle of sticks, while one or more of the sticks (or a portion of individual sticks) can represent a partial interest in a specific property. Each individual right in the bundle may have potential value. If any or all are removed from the fee simple interest, one or more partial interests are created. Sometimes described as an absolute property right, a fee simple interest is not, in fact, absolute because it is subject to the four powers of government (i.e., taxation, eminent domain, police power, and escheat). Nevertheless, an owner of a fee simple interest in real estate has broad rights.

⁵⁸ The Appraisal of Real Estate, 13th Edition, The Appraisal Institute, Chicago, Illinois, 2008, Page 114.

If there are leases in place, even at market rates and terms, the interest is a leased fee. The value may be the same as the fee simple, but the interest is correctly identified as a leased fee.⁵⁹

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.⁶⁰

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.⁶¹

Air Rights

The right to undisturbed use and control of designated air space above a specific land area within stated elevations. Such rights may be acquired to construct a building above the land or building of another or to protect the light and air of an existing or proposed structure on an adjoining lot.⁶²

Land Trust

A legal vehicle for partial ownership interests in real property in which independently owned properties are conveyed to a trustee; may be used to effect a profitable assemblage or, in some cases, to facilitate the assigning of property as collateral for a loan.⁶³

⁵⁹ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Pages 5-6.

⁶⁰ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 72.

⁶¹ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 72.

⁶² The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 78.

⁶³ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 80.

Scope of Work

In the valuation process, the identification of the assignment elements leads directly into the determination of the scope of work of an assignment, i.e., the type and extent of research needed to solve an appraisal problem. Professional standards place the responsibility for determining the appropriate scope of work in the appraisal assignment squarely on the shoulders of the appraiser. The scope of work for an assignment is acceptable if it leads to credible assignment results, is consistent with the expectations of parties who are regularly intended users for similar assignments, and is consistent with what the actions of the appraiser's peers would be in the same or a similar assignment.

The practice of developing a scope of work is a bottom-up process: the appraiser starts with the professional appraisal practices that are essential in all assignments and then considers the applicability of the professional standards and practices to the problem at hand. The ideal solution is arrived at not by reducing a standardized procedure to the specific requirements, but rather by building a logical framework for the assignment from the ground up.

In effect, scope of work provides appraisers with flexibility to perform the level of analysis that is appropriate for the needs of a specific appraisal assignment.⁶⁴

Scope of Work Determination

Scope of work is the most critical decision an appraiser will make in performing an assignment. Solving an appraisal problem involves three steps:

1. Identifying the problem
2. Determining the solution (or scope of work)
3. Applying the solution

None of the three steps can be omitted, and each must be performed in order.

To analyze the problem, the appraiser identifies seven key assignment elements: (1) client, (2) intended users in addition to the client, (3) intended use, (4) objective of the appraisal, or type of value and its definition, (5) effective date, (6) property characteristics that are relevant to the assignment such as the interest to be valued and physical and legal characteristics), and (7) assignment conditions such as hypothetical conditions, extraordinary assumptions, and other requirements. These elements provide the framework for the assignment and allow the appraiser to identify the problem to be solved.

⁶⁴ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Page 87.

The second step is to determine the scope of work to solve the problem. Scope of work encompasses all aspects of the valuation process, including which approaches to value will be used; how much data is to be gathered, from what sources, from which geographic area, and over what time period; the extent of the data verification process; and the extent of property inspection, if any.

The scope of work decision is appropriate when it allows the appraiser to arrive at credible assignment results and is consistent with the expectations of similar clients and the work that would be performed by the appraiser's peers in a similar situation.⁶⁵

Market Conditions

Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of appraisal require adjustment for any differences that affect their values. An adjustment for market conditions is made if general property values have increased or decreased since the transaction dates.

Although the adjustment for market conditions is often referred to as a "time" adjustment, time is not the cause of the adjustment. Market conditions that change over time create the need for an adjustment, not time itself. In other words, increases or decreases in property values in the market over time are the cause of the adjustment and time is the basis of the adjustment. If market conditions have not changed, no adjustment is required even though considerable time may have elapsed.

The timing of comparable sales can provide the basis for a market conditions adjustment. For example, the highest and best use analysis of vacant land parcels provides information that can be used to estimate an adjustment for changes in market conditions. Comparable tracts of vacant land may have been sold under market conditions different from those on the date of the appraisal. The best sales data available is often historical sales to purchasers who bought the land with a specific use in mind. These sales provide an indication of the anticipated land value under the specific use. By studying marginal demand, an appraiser can establish the time horizon for development of the subject, and the prospective value of the subject under the specific use plan can be estimated. Discounting the prospective value yields an estimate of the present value of the subject land, which can be compared to the values indicated by past sales.

Changes in market conditions may also result from changes in income tax laws, building moratoriums, the availability of financing, employment, interest rates, and fluctuations in supply and demand. Sometimes several economic factors work in concert to cause a change in market conditions. A recession tends to deflate all real estate prices, but specific property types or submarkets may be affected differently.

⁶⁵ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Pages 38-39.

A decline in demand may affect only one category of real estate. If the demand for a specific type of property falls during a period of inflation, sales transacted during that period may not provide a reliable indication of the value of a similar property in a different period unless appropriate adjustments are made. In a depressed economy, recent sales are often difficult to find. Older sales, occurring prior to the onset of the depressed economy, should be used with great caution because they may not reflect the problems associated with the depressed economy. In some instances when current sales of improved properties do not exist, upward or downward shifts in rent and rent terms or land values may help the appraiser identify the direction of market activity.

Appraisers must also recognize that the sale of a property may be negotiated months or even years before the sale closes. The buyer and the seller make an agreement as of the contract date, but the agreement does not become effective until the closing date, and changes to the agreement are often made in the interim. An adjustment for changes in market conditions between the date the contract is signed and the effective date of value may be appropriate. Also, sometimes appraisers are called on to develop an opinion of retrospective or prospective value, which requires a close study of changes in market conditions.

An adjustment for changes in market conditions is usually measured as a percentage of previous prices. While change is continuous, it is typically measured and quoted in specific intervals. If the physical and economic characteristics of a property remain unchanged, analyzing two or more sales of the same property over a period of time will indicate the percentage of price change. In other words, an appraiser can measure the difference in sale prices of the same or similar properties over time to extract the rate of change, which can be used as the basis for adjustment in the sales comparison analysis. An appraiser should always attempt to examine several sets of sales to arrive at an appropriate adjustment. An adjustment supported by just one set of sales may be unreliable.

Sales and resales of the same properties may provide a good indication of the change in market conditions over time. However, such an analysis must be approached with caution because it is possible that a resale of a property involved non-market conditions. For example, if similar properties are typically held for seven years and the resale occurred after only two years, is it possible that the seller was compelled to sell? As long as both the sale and resale were based on market conditions, such an analysis may prove useful. Consider a three-bedroom house that sold three years ago for \$250,000 and then sold again recently for \$242,500. The indicated average annual decline in value of the house would be 1% ($[(\$250,000 - \$242,500)/\$250,000]/3$). In the same market area, another three-bedroom home with similar characteristics sold for \$260,000 three years ago and then sold again last year for \$250,000. The average annual change for that comparable property is 1.92% per year ($[(\$260,000 - \$250,000)/\$260,000]/2$). The results of additional calculations made using sale and resale data and paired sales of comparable properties can be reconciled to support an estimated market conditions adjustment. The transactions used in these additional calculations should be similar in terms of markets, land-to-building value ratios, and other elements of comparability.

Appraisers must remember that supply and demand are dynamic forces, and periods of decline are just as probable as periods of growth in real estate markets. For example, in recent years many property markets saw falling prices, and negative market conditions adjustments were needed in sales comparison analysis involving sales data from that period of market decline. Also, in volatile markets an adjustment for market conditions may be needed to account for periods of time in which sale prices go up and down. For example, an appraiser studying mid-rise office building sales in a metropolitan market finds that steadily rising prices between 2006 and 2007 were followed by a period of volatility in 2008, then a sharp decline in 2009, then a slow rise to 2006 levels by late 2010, and then another period of stability. Comparable sales that occurred between 2008 and 2010 will require scrutiny because of the changing market conditions during that period, whereas comparable sales occurring before and after the dramatic dip in the market may not require a significant market conditions adjustment.

The appreciation or depreciation in average sale prices in a market does not necessarily follow a linear pattern. Changes in sale price can also be irregular or stepped, they can increase or decrease on a compounded basis, or they may require identifying inflection points or dates on which changes in trends occurred. Statistical tools such as regression analysis and extrapolation are useful in determining precise mathematical relationships. However, any statistical model generated from the available data must reflect market thinking to be useful in the adjustment process.

Sorting and plotting sale and resale data or paired sales data on a graph is another way to determine patterns of change. The reliability of such analyses is affected by the number of market transactions studied. With sufficient data, unit prices can be graphed over time to indicate the trend in the market. Rents can also be plotted on scatter diagrams to show differences over time. If sales of comparable properties are not available, other evidence of shifting market conditions may include changes in:

- the ratio between sale prices and listing prices or between lease contracts and lease offering rates
- exposure time
- listing prices
- trends in rents
- the number of offers a seller receives and the frequency of backup offers
- the proportion of accepted offers that actually close
- the number of foreclosures
- the number of available properties
- the number of building permits issued and their aggregate value
- terms of available institutional financing
- use of seller financing
- changing market demographic patterns
- demolition and new construction⁶⁶

⁶⁶ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, Illinois, 2013, Pages 414-417.

Subject Information



7M Cattle Feeders – Main Entrance Along CR 15



7M Cattle Feeders – Main Entrance Along CR 15



7M Cattle Feeders – N Shipping Entrance CR 15



7M Cattle Feeders – N Pen Entrance CR 15



7M Cattle Feeders – N Entrance Water Stg. CR 15



7M Cattle Feeders – South Property Line CR 15



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – North Bunk/Pens With Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – South Bunk/Pens No Contributory Value



7M – North Processing Barn - Contributory Value



7M – North Processing Barn - Contributory Value



7M – North Processing Barn - Contributory Value



7M – North Processing Barn - Contributory Value



7M – North Processing Barn - Contributory Value



7M – North Processing Barn - Contributory Value



7M – Horse Barn - Contributory Value



7M – Horse Barn - Contributory Value



7M – Horse Barn - Contributory Value



7M – Horse Barn - Contributory Value



7M – Horse Barn - Contributory Value



7M – Horse Barn - Contributory Value



7M – North Shipping - Contributory Value



7M – North Processing - Contributory Value



7M – North Cattle Scales - Contributory Value



7M – North Cattle Scales - Contributory Value



7M – North Hospital - Contributory Value



7M – North Receiving - Contributory Value



7M – North Shipping - Contributory Value



7M – North Processing - Contributory Value



7M – North Cattle Scales - Contributory Value



7M – North Cattle Scales - Contributory Value



7M – North Hospital - Contributory Value



7M – North Receiving - Contributory Value



7M – Shop Building - Contributory Value



7M – Shop Building - Contributory Value



7M – Shop Building - Contributory Value



7M – Shop Building - Contributory Value



7M – Shop Building - Contributory Value



7M – Shop Building - Contributory Value



7M – Quonset - Contributory Value



7M – Quonset - Contributory Value



7M – North Silage Pit - Contributory Value



7M – North Silage Pit - Contributory Value



7M – South Silage Pit - Contributory Value



7M – South Silage Pit - Contributory Value



7M – North Commodity Barn - Contributory Value



7M – North Commodity Barn - Contributory Value



7M – North Commodity Barn - Contributory Value



7M – South Commodity Barn - Contributory Value



7M – East Commodity Barn - Contributory Value



7M – East Feed Barn - Contributory Value



7M – North Lagoon - Contributory Value



7M – North Lagoon - Contributory Value



7M – North Lagoon - Contributory Value



7M – South Lagoon - Contributory Value



7M – Livestock Drinker - Contributory Value



7M – North Water Storage - Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Truck Scales – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Office – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill/Office – No Contributory Value



7M – Truck Load Out – No Contributory Value



7M – Liquid Tanks – No Contributory Value



7M – Feed Bins/Legs – No Contributory Value



7M – Feed Mill Building – No Contributory Value



7M – Feed Mill Bldg./Ing. Bins/Legs – No Value



7M – Feed Mill Receiving – No Contributory Value



7M – W&D Boiler – No Contributory Value



7M – Holman Boiler Removed – No Value



7M – Feed Building – No Contributory Value



7M – Feed Mill Building – No Contributory Value



7M – Feed Mill Legs / Water Damage – No Value



7M – Feed Mill Legs / Water Damage – No Value



7M – Grain Bins – No Contributory Value



7M – Grain Bins / Wet Grain – No Cont. Value



7M – Grain Bins – No Contributory Value



7M – Grain Bins – No Contributory Value



7M – Mixers – No Contributory Value



7M – Mixers – No Contributory Value



7M – Flake Mills – No Contributory Value



7M – Flake Mills/Steam Chest – No Value



7M – Flake Mills/Steam Chest – No Value



7M – Flake Mills/Steam Chest – No Value



7M – Steam Chest – No Contributory Value



7M – Flake Mills/Steam Chest – No Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M – Feed Mill – No Contributory Value



7M Feedyard – CR 15 Frontage Looking North



7M Feedyard – CR 15 Frontage Looking North



7M Feedyard – CR 15 Frontage Looking South



7M Feedyard – CR 15 Frontage Looking North



7M Feedyard – Older HEC Feedyard Sign



7M Feedyard – Sign Along CR 15

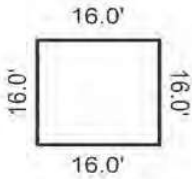
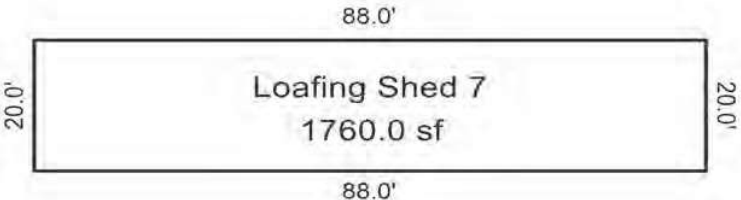
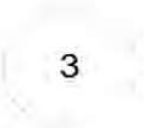
SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.: 19-014K HEC Sketch			Parcel No.:		
Property Address: 2548 CR 15					
City: Friona		County: Parmer		State: TX	
Owner: McClain Borrower-Buyer		ZipCode:			
Client: Rabo AgriFinance		Client Address:			
Appraiser Name: Kirby Harper, SRA, ASA-RP			Inspection Date:		
SKETCH					
Loafing Shed South 1 646.0 sf Hospital South 1 512.0 sf W&W Hyd. Chute Snake Water Storage South 1 Hospital 2 418.8 sf Hyd. Working Chute Snake Hospital 3 1600.0 sf Fairly New W&W Hyd. Chute Snake Cattle Scale 12 x 70 840.0 sf Southwestern Scale Arizona					
Sketch by Apex Sket					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimete	Net Total
GBA1	Hospital Sou	1.0	512.0	96.0	
	Loafing She	1.0	646.0	110.0	
	Hospital 2	1.0	418.8	92.0	
	Hospital 3	1.0	1600.0	160.0	3176.8
OTH	Cattle Scale	1.0	840.0	164.0	840.0
Net BUILDIN		cnt	4 (rounded	3,177	
AREA CALCULATIONS BREAKDOWN					
Name	Base x	Height x	Width =	Area	
Hospital Sout	32.0 x	16.0 x		512.0	
Loafing Shed	38.0 x	17.0 x		646.0	
Hospital 2	18.0 x	12.5 x		225.0	
	15.5 x	12.5 x		193.8	
Hospital 3	40.0 x	40.0 x		1600.0	
5 total items			(rounded	3,177	

SKETCH/AREA TABLE ADDENDUM

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Property Address: 2548 CR 15										
City: Friona			County: Parmer			State: TX		ZipCode:		
Owner: McClain Borrower-Buyer										
Client: Rabo AgriFinance				Client Address:						
Appraiser Name: Kirby Harper, SRA, ASA-RP				Inspection Date:						
SKETCH										
2										
Sketch by Apex Sket										
AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN					
Code	Description	Factor	Net Size	Perimete	Net Total	Name	Base x	Height x	Width = Area	
GBA1	Processing B	1.0	3000.0	228.3	4548.0	Processing B	60.0 x	40.0 =	2400.0	
	Loafing She	1.0	768.0	128.0			0.5 x	28.3 x	14.1 =	200.0
	Storage Bar	1.0	780.0	126.0			20.0 x	20.0 =	400.0	
GBA6	Hospital 5	1.0	825.8	129.0	825.8	Loafing Shed	48.0 x	16.0 =	768.0	
						Hospital 5	26.5 x	23.5 =	622.8	
							14.5 x	14.0 =	203.0	
						Storage Barn	40.0 x	13.0 =	520.0	
							26.0 x	10.0 =	260.0	
Net BUILDIN cnt 4 (rounded 5,374					8 total items (rounded 5,374					

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO										
File No.: 19-014K HEC Sketch					Parcel No.:					
Property Address: 2548 CR 15										
City: Friona			County: Parmer			State: TX		ZipCode:		
Owner: McClain Borrower-Buyer										
Client: Rabo AgriFinance					Client Address:					
Appraiser Name: Kirby Harper, SRA, ASA-RP					Inspection Date:					
SKETCH										
 Hospital 7 256.0 sf  Loafing Shed 7 1760.0 sf  3  4 Water Storage North Central										
Sketch by Apex Sket										
AREA CALCULATIONS SUMMARY						AREA CALCULATIONS BREAKDOWN				
Code	Description	Factor	Net Size	Perimete	Net Total	Name	Base x	Height x	Width =	Area
GBA1	Hospital 7	1.0	256.0	64.0		Hospital 7	16.0 x	16.0 x	16.0 =	256.0
	Loafing She	1.0	1760.0	216.0	2016.0	Loafing Shed	88.0 x	20.0 x	20.0 =	1760.0
Net BUILDIN cnt 2 (rounded 2,016						2 total items (rounded 2,016				

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
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Property Address: 2548 CR 15					
City: Friona		County: Parmer		State: TX	
Owner: McClain Borrower-Buyer		ZipCode:			
Client: Rabo AgriFinance		Client Address:			
Appraiser Name: Kirby Harper, SRA, ASA-RP		Inspection Date:			
SKETCH					
100.0' 36.0' 100.0' 36.0' Main Processing Barn North 8 3600.0 sf 13.5' 11.0' 13.5' 11.0' Scale House 8 148.5 sf Super Duty 4000 Hyd. Chute Custom Snake and Tub 70.0' 12.0' 70.0' 12.0' 12 x 70 Cattle Scales 8 840.0 sf Fairbanks Moorse 120,000 lb. Cattle Scale					
Sketch by Apex Sket					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimete	Net Total
GBA1	Main Proces	1.0	3600.0	272.0	
	Scale House	1.0	148.5	49.0	3748.5
GBA2	12 x 70 Catt	1.0	840.0	164.0	840.0
Net BUILDIN		cnt	3 (rounded	4,589	
AREA CALCULATIONS BREAKDOWN					
Name	Base x	Height x	Width =	Area	
Main Processi	100.0 x	36.0 x		3600.0	
Scale House	13.5 x	11.0 x		148.5	
12 x 70 Cattl	70.0 x	12.0 x		840.0	
3 total items			(rounded	4,589	

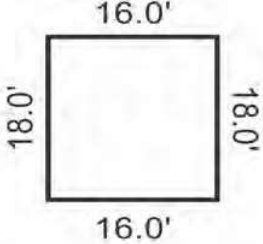
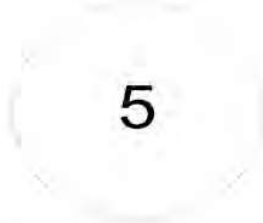
SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO									
File No.: 19-014K HEC Sketch				Parcel No.:					
Property Address: 2548 CR 15									
City: Friona			County: Parmer			State: TX		ZipCode:	
Owner: McClain Borrower-Buyer									
Client: Rabo AgriFinance				Client Address:					
Appraiser Name: Kirby Harper, SRA, ASA-RP				Inspection Date:					
SKETCH									
Sketch by Apex Sket									
AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN				
Code	Description	Factor	Net Size	Perimete	Net Total	Name	Base x	Height x	Width = Area
GBA1	Horse Barn	1.0	15712.0	716.0		Horse Barn 9	100.0 x	50.0 =	5000.0
	Internal Sad	1.0	836.0	120.0	16548.0		102.0 x	56.0 =	5712.0
							100.0 x	50.0 =	5000.0
						Internal Sad	38.0 x	22.0 =	836.0
Net BUILDIN cnt 2 (rounded 16,548					4 total items (rounded 16,548				

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.: 19-014K HEC Sketch		Parcel No.:			
Property Address: 2548 CR 15					
City: Friona		County: Parmer		State: TX	
Owner: McClain Borrower-Buyer		ZipCode:			
Client: Rabo AgriFinance		Client Address:			
Appraiser Name: Kirby Harper, SRA, ASA-RP		Inspection Date:			
SKETCH					
180.0' 20.0' 20.0' Loading Shed 10 3600.0 sf 180.0' 16.0' 18.0' 18.0' Hospital 10 288.0 sf 4 Pens Hospital 10 288.0 sf Trojan Hyd. Chute Snake 137.0' 20.0' 20.0' Horse Shed 11 2740.0 sf 137.0' 12 Horse Pens and Runs 1 Run Plus Tack Room					
Sketch by Apex Sket					
AREA CALCULATIONS SUMMARY					
Code	Description	Facto	Net Size	Perimete	Net Total
GBA1	Hospital 10	1.0	288.0	68.0	
	Loading She	1.0	3600.0	400.0	
	Horse Shed	1.0	2740.0	314.0	6628.0
	Net BUILDIN	cnt	3 (rounded	6,628	
AREA CALCULATIONS BREAKDOWN					
Name	Base x	Height x	Width =	Area	
Hospital 10	18.0 x	16.0 x		288.0	
Loading Shed	180.0 x	20.0 x		3600.0	
Horse Shed 1	137.0 x	20.0 x		2740.0	
3 total items			(rounded	6,628	

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO										
File No.: 19-014K HEC Sketch				Parcel No.:						
Property Address: 2548 CR 15										
City: Friona			County: Parmer			State: TX		ZipCode:		
Owner: McClain Borrower-Buyer										
Client: Rabo AgriFinance				Client Address:						
Appraiser Name: Kirby Harper, SRA, ASA-RP						Inspection Date:				
SKETCH										
 Hospital North 12 288.0 sf  Water Storage North Hyd. Working Chute Snake										
Sketch by Apex Sket										
AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN					
Code	Description	Facto	Net Size	Perimete	Net Total	Name	Base x	Height x	Width =	Area
GBA1	Hospital Nor	1.0	288.0	68.0	288.0	Hospital Nort	18.0	x	16.0	= 288.0
Net BUILDIN		cnt	1 (rounded		288	1 total items		(rounded		288

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO										
File No.: 19-014K HEC Sketch				Parcel No.:						
Property Address: 2548 CR 15										
City: Friona			County: Parmer			State: TX		ZipCode:		
Owner: McClain Borrower-Buyer										
Client: Rabo AgriFinance				Client Address:						
Appraiser Name: Kirby Harper, SRA, ASA-RP				Inspection Date:						
SKETCH										
70.0' 55.0' Shop Area Shop Building 13 3850.0 sf Shop Area Parts RR Office 55.0' 70.0' 25.0' 30.0' Quonset 13 750.0 sf 30.0' 25.0'										
Sketch by Apex Sket										
AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN					
Code	Description	Facto	Net Size	Perimete	Net Total	Name	Base x	Height x	Width =	Area
GBA1	Shop Buildin	1.0	3850.0	250.0		Shop Buildin	70.0 x	55.0 x		3850.0
	Quonset 13	1.0	750.0	110.0	4600.0	Quonset 13		30.0 x	25.0 =	750.0
Net BUILDIN		cnt	2 (rounded		4,600	2 total items		(rounded		4,600

SKETCH/AREA TABLE ADDENDUM

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Property Address: 2548 CR 15									
City: Friona			County: Parmer			State: TX		Zip Code:	
Owner: McClain Borrower-Buyer									
Client: Rabo AgriFinance			Client Address:						
Appraiser Name: Kirby Harper, SRA, ASA-RP					Inspection Date:				
SKETCH									
Sketch by Apex Sket									
AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN				
Code	Description	Factor	Net Size	Perimeter	Net Total	Name	Base x Height	x Width =	Area
GBA1	Commodity	1.0	7920.0	476.0		Commodity B	198.0 x	40.0 =	7920.0
	Mixer Buildin	1.0	2100.0	190.0		Mixer Buildin	60.0 x	35.0 =	2100.0
	Mixer Buildin	1.0	525.0	100.0		Mixer Buildin	35.0 x	15.0 =	525.0
	Flake Corn B	1.0	3000.0	230.0		Flake Corn Bi	75.0 x	40.0 =	3000.0
	Receiving Sh	1.0	1650.0	166.0		Receiving Sh	50.0 x	33.0 =	1650.0
GBA6	Mill and Boil	1.0	4150.0	266.0	19345.0	Mill and Boile	83.0 x	50.0 =	4150.0
	Commodity	1.0	10080.0	456.0	10080.0	Commodity A	168.0 x	60.0 =	10080.0
	Commodity	1.0	600.0	100.0		Commodity A	30.0 x	20.0 =	600.0
	Commodity	1.0	2520.0	224.0	3120.0	Feed Barn 15	45.0 x	45.0 =	2025.0
	Feed Barn 1	1.0	2025.0	180.0		Commodity B	60.0 x	32.0 =	1920.0
GBA8	Apron 15	1.0	1500.0	170.0	3525.0	Apron 15	30.0 x	20.0 =	600.0
							60.0 x	25.0 =	1500.0
Net BUILDIN cnt 11 (rounded) 36,070					12 total item (rounded) 36,070				

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO			
File No.: 19-014K HEC Sketch	Parcel No.:		
Property Address: 2548 CR 15			
City: Friona	County: Parmer	State: TX	ZipCode:
Owner: McClain Borrower-Buyer			
Client: Rabo AgriFinance		Client Address:	
Appraiser Name: Kirby Harper, SRA, ASA-RP		Inspection Date:	

SKETCH

Sketch by Apex Sket

AREA CALCULATIONS SUMMARY						AREA CALCULATIONS BREAKDOWN				
Code	Description	Facto	Net Size	Perimete	Net Total	Name	Base x	Height x	Width =	Area
GBA1	Office 18	1.0	4678.0	363.7	4678.0	Office 18		31.0 x	16.0 =	496.0
GBA2	Office 18 Flo	1.0	1085.0	132.0	1085.0			12.0 x	2.0 =	24.0
OTH	Truck Scale	1.0	840.0	164.0	840.0		0.5 x	2.8 x	1.4 =	2.0
P/P	Covered Ent	1.0	48.0	28.0	48.0		0.5 x	2.8 x	1.4 =	2.0
								74.0 x	31.0 =	2294.0
								60.0 x	31.0 =	1860.0
						Office 18 Flo		35.0 x	31.0 =	1085.0
Net BUILDIN cnt 2 (rounded 5,763						7 total items (rounded 5,763				

North

Water
Stg

No Bunk

995

No Bunk

950

Pen Row 1

140

995

995

950

950

Pen Row 2

150

Pen Row 3

H
12 S

140

995

995

755

Pen Row 4

140

Pen Row 5

140

995

995

Pen Row 6

140

Pen Row 7

140

995

995

Pen Row 8

140

Pen Row 9

140

995

995

Pen Row 10

140

Pen Row 11

140

995

995

Pen Row 12

140

Pen Row 13

140

995

995

Pen Row 14

140

Pen Row 15

Sil

H S 10

140

950

540

540

950

950

Pen Row 16

140

Pen Row 17

140

540

540

950

950

Pen Row 18

140

Pen Row 19

140

540

950

Silage Pit

Silage Pit

Lagoon

9
Horse
Barn