



TRADIMPEX Importação Exportação Ltda.

Av. Pernambuco 1328/302
Porto Alegre - RS - CEP 90.240-001 - Brasil
Tel/Fax: + 55-51-3337.2890 - 3337.1945
e-mail: tradimpex@tradimpex.com.br - commodities@tradimpex.com.br
web site: www.tradimpex.com.br

De: DENNIS BREWER <[REDACTED]>

Enviada em: sexta-feira, 19 de março de 2021 12:37

Para: [REDACTED]

Assunto: RE: Beef Quote Requests

No problem, Lurdes. Additional information below and attached specifications. Please remember to propose on both the boxed beef quote request for rump and flank, and the portion controlled quote request. Thank you!

All beef cuts listed portioned to 6oz. portions? **Unless there is another typical size for an individual cut, I believe it is safe to assume 6 ounce portions. They are transitioning from boxed beef and have not specified any other portion size.**

Any portioning specification requirements on thickness or fat trim %? **These cuts are typically fried or stewed so a moderate to thinner thickness is in order, fat trim 3% or thereabouts.**

Requirements on raw material grade or anything else regarding the meat (grass fed)? **USDA Choice conventional grainfed is fine.**

Would you be able to provide any processing specifications, current labels or control product to review? **See typical attached label. See also the following link:**

<https://animalcare.folio3.com/beef-export-to-china/>

Must comply with Chinese labeling requirement for inner and outer packaging, with label format as indicated in above guide. Both inner and outer labels are typically bilingual and indicate frozen product as that is the state in which they will be received in China.

I would need to understand timing, volumes for each and if there are any target costing/ranges we need to be aware of? **Monthly ocean shipments desired, approximately 150MT total, can be split shipped if needed. First order could be as soon as four weeks from now.**

We will also require a standard NCNDA for this customer prior to providing identifying and contact information. All orders will be coordinated through us.

Regards,
Dennis

Dennis Brewer

Chief Executive Officer

Direct: 201-669-4933

Office: 800-956-9883

<http://www.sheldonbeef.com>

<https://sheldonfoods.com/>



Schedule a call at your convenience here:

<https://calendly.com/ceosheldonbeef>

From: [REDACTED] <[REDACTED]>

Sent: Friday, March 19, 2021 11:12 AM

To: DENNIS BREWER <[REDACTED]>

Cc: [REDACTED]

Subject: Beef Quote Requests

Dear Mr. Brewer,

Before to send any quotation let us check the availability.
Please, give us a couple of days, then we'll get back to you.

Best Regards,

Lurdes Maria Bernardini



TRADIMPEX Importação Exportação Ltda.

Av. Pernambuco 1328/302

Porto Alegre - RS - CEP 90.240-001 - Brasil

Tel/Fax: + 55-51-3337.2890 - 3337.1945

e-mail: tradimpex@tradimpex.com.br - commodities@tradimpex.com.br

web site: www.tradimpex.com.br

De: [REDACTED] <[REDACTED]>

Enviada em: sexta-feira, 19 de março de 2021 11:57

Para: 'DENNIS BREWER' <[REDACTED]>

Cc: 'Tradimpex Commodities' <[REDACTED]>

Assunto: RES: Beef Quote Requests

Dear Mr Brewer,

Thank you for your reply.

Our partener, Mrs. Lurdes Maria Bernardini, in copy, will reply to you in due course.

Best regards,

Edward Thompson
Director.



TRADIMPEX Importação Exportação Ltda.

Av. Pernambuco 1328/302
Porto Alegre - RS - CEP 90.240-001 - Brasil
Tel/Fax: + 55-51-3337.2890 - 3337.1945
e-mail: tradimpex@tradimpex.com.br - commodities@tradimpex.com.br
web site: www.tradimpex.com.br

De: DENNIS BREWER <[REDACTED]>

Enviada em: sexta-feira, 19 de março de 2021 10:26

Para: [REDACTED]

Assunto: Beef Quote Requests

Good day. Thanks for your response on B2Brazil. We have a six container trial order and a 2 container trial order, both for major retailers in China, details below. Customer 1 can originate from North or South America. Customer 2 will most likely require North America but we will entertain a South American quote.

Customer 1- Exact quantities of each item to be confirmed by customer once quote is rendered

Please quote the following beef cuts as both boxed beef subprimals (rump, flank) and (if available) as prepackaged fixed weight portion retail cuts in vacuum packages which require only price labeling to be ready for retail sale. CIF, China main port. Insurance at 110%. SGS inspection required. An independent supply chain certification process (\$5,000 to \$8,000) at the expense of the supplier is required prior to first shipment and annually thereafter for this Customer. Estimated initial monthly quantity is 6 containers per month (150MT) of all cuts combined. Substantial future growth is expected as this customer is expanding rapidly.

1. Heart of rump
2. Flat
3. Eye round
4. Topside
5. Knuckle
6. Flank

Customer 2

1. Boneless short ribs - 4 metric tons
2. Chuck eye roll - 2 metric tons
3. Flap - 4 metric tons
4. Chuck ribs - 4 metric tons
5. Brisket navel end - 6 metric tons
6. Oyster blade - 20 metric tons

Also, should you happen to have a Berkshire pork connection, we are looking for 50 metric tons of slaughter pig 6-way cut.

FYI, we have sales offices in Foshan (an hour from Hong Kong) and Shanghai.

Regards,
Dennis

Dennis Brewer

Chief Executive Officer

Direct: 201-669-4933

Office: 800-956-9883

<http://www.sheldonbeef.com>

<https://sheldonfoods.com/>



Schedule a call at your convenience here:

<https://calendly.com/ceosheldonbeef>

DENNIS BREWER

From: DENNIS BREWER
Sent: Tuesday, March 2, 2021 7:41 AM
To: Steve Summers
Subject: FW: Trial Orders Quote Request

Steve - Will you be quoting this trial order? Need your answer today on that and quote no later than tomorrow.

Regards,
Dennis

Dennis Brewer

Chief Executive Officer

Direct: 201-669-4933

Office: 800-956-9883

<http://www.sheldonbeef.com>

<https://sheldonfoods.com/>



Schedule a call at your convenience here:

<https://calendly.com/ceosheldonbeef>

From: Steve Summers <[REDACTED]>
Sent: Friday, February 26, 2021 7:55 PM
To: DENNIS BREWER <[REDACTED]>
Subject: RE: Trial Orders Quote Request

Hi Dennis,

Next offering for China will be Mid March for April shipment. We are committed on current production.

Thanks

STeve

From: DENNIS BREWER <[REDACTED]>
Sent: Friday, February 26, 2021 1:31 PM
To: Steve Summers <[REDACTED]>
Subject: Trial Orders Quote Request

Steve – Hope all is well with you. Please quote the following trial orders, including Prime and Choice prices so customer can choose either grade, CIF Shanghai. No breed preference. Indicate payment terms.

Shipment 1

1. Boneless ribs - 4 metric tons
2. Chuck eye roll - 2 metric tons
3. Flap meat - 4 metric tons
4. Chuck rib meat - 4 metric tons
5. Brisket navel end - 6 metric tons

Shipment 2

1. Oyster blade – 20 metric tons

Thanks, Steve.

Regards,
Dennis

Dennis Brewer

Chief Executive Officer

Direct: 201-669-4933

Office: 800-956-9883

<http://www.sheldonbeef.com>

<https://sheldonfoods.com/>



Schedule a call at your convenience here:

<https://calendly.com/ceosheldonbeef>

DENNIS BREWER

From: DENNIS BREWER
Sent: Monday, March 22, 2021 1:50 PM
To: [REDACTED] Miles Reiten
Subject: FW: Big Sandy River Ranch

Trying to reach Miles Reiten, see below.

Regards,
Dennis

Dennis Brewer

Chief Executive Officer

Direct: 201-669-4933

Office: 800-956-9883

<http://www.sheldonbeef.com>

<https://sheldonfoods.com/>



Schedule a call at your convenience here:

<https://calendly.com/ceosheldonbeef>

From: DENNIS BREWER
Sent: Thursday, March 18, 2021 1:53 PM
To: 'Miles Reiten' <[REDACTED]>
Subject: Big Sandy River Ranch

Miles - We are back talking again on the financing structure and are presenting another offer with no owner sub debt financing tomorrow – that seemed to be the hang up. Will your organization allow sub debt to be counted as part of our equity? What we are thinking is 65% of land and grazing rights value from you and another 25% as sub debt form a third party. You would have clear first lien, other party would have second lien, and an intercreditor agreement would be worked out between you and this other party. Does that work?

Thanks.

Regards,
Dennis

Dennis Brewer

Chief Executive Officer

Direct: 201-669-4933

Office: 800-956-9883

<http://www.sheldonbeef.com>

<https://sheldonfoods.com/>



Schedule a call at your convenience here:

<https://calendly.com/ceosheldonbeef>



Appraisal Report

Dennis & Pamela Amsbaugh

Grazing Property

Lake County, Oregon

Appraiser: Lesley L. Miller, ARA

Effective Date: March 2, 2021

Report Date: March 22, 2021



March 22, 2021

Ed Rollins
Bank of Eastern Oregon
250 NW Gale Street
Heppner, OR 97836

RE: Amsbaugh – Grazing Property, Lake County, Oregon

Dear Mr. Rollins,

Enclosed is the appraisal report on the property vested in the name of Dennis & Pamela Amsbaugh. The subject property is in one contiguous tract, four miles south of Lakeview, Oregon in Lake County. The report values the property as a total unit which is 3,559.45 deeded acres. Legal and physical access is provided by Old Wells Road, a graveled county maintained road. The appraisal of the subject is reflective of the legal description provided and included in the addenda of the appraisal report. The subject is a minimally improved property that includes a GP building and other miscellaneous improvements in average condition. The subject possesses a land use mix that includes site, irrigated cropland, CRP, pasture, and range lands. An allocation of the total value by land use type is shown starting on page 25. The allocations provided are allocations only and are not intended to be separate appraisals of each individual component if marketed and sold separately.

The subject is a grazing property. Water rights are provided by the State of Oregon and include five water right certificates and a permit that provide ground and surface water. A complete description of the property can be found in the Property Description section of the report starting on page 6.

The subject property was valued in an as is condition of the fee simple interest, surface rights only including the irrigation water rights and irrigation equipment. The value of the subject property, as of the effective date of this report, March 2, 2021 is:

Three Million Five Hundred Sixty Thousand Dollars
(\$3,560,000)

All information contained in this appraisal report is considered to be correct as stated in the Assumptions and Limiting Conditions. This appraisal report conforms to FIRREA and adheres to the USPAP. If you have any questions please feel free to contact me at (208)387-7993.

Sincerely,

Lesley L. Miller, ARA
Agri-Access
Certified General Appraiser
Oregon License #C001252 expires 12/31/21

1087 West River Street Suite #100 Boise, ID 83702

Telephone: 208-387-7993

Uniform Agricultural Appraisal Report

Dennis & Pamela Amsbaugh
4 miles south of Lakeview
3,559.45 Deeded Acres
Effective Date: March 2, 2021



Prepared For:

Bank of Eastern Oregon
250 NW Gale Street
Heppner, OR 97836

Intended User:

Client: Bank of Eastern Oregon

Prepared By:

Lesley L. Miller, ARA
Certified General Appraiser
1087 West River Street Suite #100
Boise, ID 83702

Date Prepared:

March 22, 2021

Table of Contents

Page Title	Page #
Report Summary	1
Scope of Work	2
Area Description	4
Subject Land Description	6
Property Comments	7
Subject Improvements	9
Photos	10
Subject History and Use	13
Sales Comparison Approach	15
Income Approach	23
Reconciliation	25
UAAR Value Definition	27
Limiting Conditions	28
Appraiser Certification	30
Qualifications	31
Appraisal Report Addenda	33

Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant:	Amsbaugh, Dennis & Pamela		Total Deeded Acres:	3,559.45
Property Address:	96195 Old Wells Lane		Effective Unit Size:	3,559.45
State/County:	OR	/ Lake	Zip Code:	97630
Property Location:	4 miles south of Lakeview		Property Code #:	
Highest & Best Use:	Grazing Property	"As If" Vacant	FAMC Comd'ty Gp:	
	Grazing Property	"As Improved"	Primary Land Type:	Pasture
Zoning:	Farm Use		Primary Commodity:	Grazing
Unit Type:	<input checked="" type="checkbox"/> Economic Sized Unit	<input type="checkbox"/> Supplemental/Add-On Unit		
FEMA Community #		FEMA Map #	FEMA Zone/Date:	
Legal Description:	SEC Mult TWP 40S RNG 20E Attached <input checked="" type="checkbox"/>			
Purpose of Report:	To develop an opinion of market value for the subject property on an "as is" basis.			
Use/Intended User(s):	Lending Activities/Bank of Eastern Oregon (Client).			
Rights Appraised:	Fee Simple Interest, Surface Rights only, including irrigation water rights, and irrigation equipment.			
Value Definition:	See Attached			Attached <input checked="" type="checkbox"/>
Assignment:	Report Type: Appraisal			
Extent of Process/Scope of Work: This valuation is of the fee simple interest, surface rights only, in the real estate property as described in the attached legal description including the irrigation water rights. A preliminary title report was not provided to the appraiser. It is unknown if the mineral rights have been severed from the subject property. Mineral rights are of secondary concern to the typical buyer in this market and have minimal impact on value.				

SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection:	03/02/21	Effective Date of Appraisal:	03/02/21	
Value Indication	- Cost Approach:	\$	Not Completed	
	- Income Approach:	\$	3,630,000	
	- Sales Comparison Approach:	\$	3,560,000	
Opinion of Value:	(Estimated Marketing Time 12-18 months)	\$	3,560,000	
Cost of Repairs:	\$	Cost of Additions:	\$	
Allocation:	Land: \$ 3,550,000	\$ 997	/ (100 %)	
	Land Improvements: \$	\$ 0	/ (0 %)	
	Structural Improvement Contribution: \$	\$ 0	/ (0 %)	
	Non-Realty Items: \$ 10,000	\$ 3	/ (0 %)	
Leased Fee Value (Remaining term of encumbrance)	\$	\$ 0	/ (0 %)	
Leasehold Value:	\$	\$ 0	/ (0 %)	
	Overall Value:	\$ 1,000	/ (100 %)	
Income and Other Data Summary:	<input checked="" type="checkbox"/> Cash Rent	<input type="checkbox"/> Share	<input type="checkbox"/> Owner/Operator	<input type="checkbox"/> FAMC Suppl. Attached
Income Multiplier	()	Income Estimate:	\$ 35.25	/ (unit)
Expense Ratio	13.26 %	Expense Estimate:	\$ 4.68	/ (unit)
Overall Cap Rate:	3.00 %	Net Property Income:	\$ 30.58	/ (unit)

Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend		<input checked="" type="checkbox"/>		
Sales Activity Trend		<input checked="" type="checkbox"/>		
Property Compatibility		<input checked="" type="checkbox"/>		
Effective Purchase Power		<input checked="" type="checkbox"/>		
Demand		<input checked="" type="checkbox"/>		
Development Potential		<input checked="" type="checkbox"/>		
Desirability		<input checked="" type="checkbox"/>		

Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location		<input checked="" type="checkbox"/>		
Soil Quality/Productivity			<input checked="" type="checkbox"/>	
Improvement Rating		<input checked="" type="checkbox"/>		
Compatibility		<input checked="" type="checkbox"/>		
Rentability		<input checked="" type="checkbox"/>		
Market Appeal		<input checked="" type="checkbox"/>		
Overall Property Rating		<input checked="" type="checkbox"/>		

Scope of Work

The appraiser has considered this assignment and has developed a Scope of Work necessary to produce credible opinions and conclusions of value based on the subject property and market characteristics, property influences, and needs of the client. The appraiser has concluded that this Scope of Work is what would be expected of intended users or the appraisers' peers for similar assignments. If not identified elsewhere in the report, the following disclosure is provided to ensure that intended users will understand the Scope of Work performed.

Information that was provided by the client and property owner includes: specific property information and characteristics, operational information, water right details, previous appraisal completed on the subject, subject brochure information, answers to appraisers questions and information regarding property management practices and operations. Information gathered by the appraiser includes: Area market data, area demographic information, area economic information, water right research, listing information, county tax and zoning information, soils maps and aerial maps provided by AgriData Inc. and other details observed during the property inspection.

Lesley L. Miller completed an on site inspection of the property on March 2, 2021. Dennis Amsbaugh, the property owner, was present and answered appraisers questions and provided a tour of the property. The subject is made up of six contiguous tax parcels. Legal and physical access is provided by Old Wells Road, a graveled county maintained road. This road as well as farm roads and trails were traveled during the property inspection. The roads and trails traveled are considered adequate for viewing the subject property. The majority of the deeded land was seen visible from the vantage points traveled. This is a common practice for inspecting properties of this nature and considered adequate to identify land uses, acreages, and quality of each land use type. The subject is a minimally improved property that includes a GP building and other miscellaneous improvements. These will be later described in the subject improvement's section of this report.

The total acreage appraised is per the legal description and county tax information. The subject property is being appraised as one unit, which is made up of site, irrigated crop, CRP, pasture and range lands. Productivity of the land is based on the pertinent soils, the owner's representation, the appraiser's estimates and comparisons with other area properties.

The area market data was obtained and verified through record searches, and/or, contact with buyers, sellers, agents, or other sources deemed to be reliable. All of the market data used in this report has been viewed and verified by the appraiser or another appraiser employed by Agri-Access. Parties familiar with each sale were interviewed in order to gain an understanding of the transaction. The inspection of the sales involved a drive by of each property in order to be aware of the general area and of any special attributes that may have affected the sales price. During the drive by inspection, the general market area is also observed. Sales from the area of the subject with similar attributes from Lake and Harney Counties were considered in this valuation. The subject conforms well to the area and to the sales transactions.

The appraiser is competent to complete this appraisal assignment based on her appraisal knowledge and experience and familiarity of the area, and of this type of property. Lesley L. Miller is in compliance with continuing education requirements for state certification as a "Certified General" appraiser under Oregon license number C001252, expiring 12/31/2021, and is an Accredited Rural Appraiser with the American Society of Farm Managers and Rural Appraisers (ASFMRA).

The valuation process is accomplished through the application of specific steps. These steps are applied to the property being appraised to arrive at a well supported final value conclusion. This Appraisal Report is intended to comply with the reporting requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), Standard Rule 2-2(a). This Appraisal Report presents summary discussions of the data. The depth of discussion included in the report is specific to the intended use of the report and the needs of the client and intended users.

SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Scope of Work Continued

The Cost Approach is most applicable to improved properties with newer construction. This approach allows for the valuation of each individual land use type. This approach also includes the depreciated value of the subject's buildings, if any. The subject contains land use types typical to the area and is a minimally improved property with improvements near the middle of their economic life. The completion of this approach would likely be a restating of what can be accurately accomplished through the application of the Sales Comparison Approach. The Cost Approach to value is not considered applicable and will not be completed in this analysis. The omission of this approach is not considered to be misleading to the intended user of the report.

The Income Approach is most applicable to properties with significant income potential. This approach considers sales of comparable nature to the subject from which to obtain market demonstrated rates of return. From the sales used, a representative cap rate is determined and applied to the net income of the subject. The reliability of the Income Approach depends upon the appraiser's estimate of production and ownership costs, and the overall comparability of the sales to the subject. This approach becomes less valid when applied to properties with recreational attributes, as owners of these properties are typically less sensitive to the immediate financial return provided by the property income, and are more concerned with rural lifestyle, long term investment, recreational opportunities, and pride of ownership. These factors make this approach very volatile. The subject is an income producing property, and the Income Approach will be completed as support for the other approaches completed.

The Sales Comparison Approach values the property on an overall dollar per deeded acre basis. There is adequate and reliable information from which to draw a conclusion of value through the application of this approach. There are area sales with comparable land use types, improvements, and qualities compared to the subject. The Sales Comparison Approach will be completed.

Area-Regional Description	Area-Regional Boundary: The area of consideration is the general farming and ranching area located in Southern and Eastern Oregon.		On and Off Property: <table border="1"> <tr> <td></td> <td>Up</td> <td>Stable</td> <td>Down</td> </tr> <tr> <td>Value Trend:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Sales Activity Trend:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Population Trend:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Employment Trend:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			Up	Stable	Down	Value Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sales Activity Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Population Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Employment Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																						
		Up	Stable	Down																																																										
	Value Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																										
	Sales Activity Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																										
Population Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																											
Employment Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																											
Major Commodities: The commodities being produced in the area are livestock, feed crops, and some timber harvest on the appropriate production areas.		Market Availability: <table border="1"> <tr> <td></td> <td>Under Supply</td> <td>Balanced</td> <td>Over Supply</td> <td>No Influence</td> </tr> <tr> <td>Cropland Units:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Livestock Units:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Recreational Tracts:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Rural Res Tracts:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			Under Supply	Balanced	Over Supply	No Influence	Cropland Units:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Livestock Units:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Recreational Tracts:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rural Res Tracts:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																								
	Under Supply	Balanced	Over Supply	No Influence																																																										
Cropland Units:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Livestock Units:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Recreational Tracts:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Rural Res Tracts:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
<table border="1"> <tr> <td></td> <td>Above Avg.</td> <td>Avg.</td> <td>Below Avg.</td> <td>N/A</td> </tr> <tr> <td>Off Property Employment:</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td>Unlikely</td> <td>Likely</td> <td>Taking Place</td> <td></td> </tr> <tr> <td>Change in Economic Base:</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>From</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>To</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>			Above Avg.	Avg.	Below Avg.	N/A	Off Property Employment:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Unlikely	Likely	Taking Place		Change in Economic Base:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		From					To																																			
	Above Avg.	Avg.	Below Avg.	N/A																																																										
Off Property Employment:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
	Unlikely	Likely	Taking Place																																																											
Change in Economic Base:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																											
From																																																														
To																																																														
Forces of Value: (Discuss social, economic, governmental, and environmental forces.) The market area for the subject property is the farming and ranching areas located near Lakeview, in Southeastern Oregon. The subject is located within 4 miles south of Lakeview in Lake County. The area of the subject is an area that possesses many large to small scale ranches. The surrounding area to Lakeview possesses a large amount of range and pasture ground, which includes large amounts of publicly owned lands, as well as irrigated acreage that is utilized as winter feed and cash crops. Non-ag forces consisting of residential, investment, and/or recreation add to this base value. The economic base of the area is dominated by agriculture, mining, and forest products. Lakeview is the county seat of Lake County. Large area towns would include Lakeview, Burns to the Northeast, Klamath Falls to the west, and Bend to the northwest. Recreational pressures and investment opportunities provide additional income opportunities. Governmental influences in the area include zoning regulations that affect land uses and marketability. There are also cost share programs and government subsidy programs that are administered by the United States Department of Agriculture. Environmental forces are considered to be soil quality, topography, irrigation water rights and availability, and privacy or scenic features. The privacy and scenic considerations impact the non-ag buyers.																																																														
Exposure Time: 12-18 months. (See attached definition and discussion)																																																														
Market Area Description	Specific Market Area Boundaries: The specific market is generally defined as the agricultural farming and ranching areas, located throughout Lake and Harney Counties, Oregon.																																																													
	Market Area: <table border="1"> <tr> <td></td> <td>Rural</td> <td>Suburb</td> <td>Urban</td> </tr> <tr> <td>Type</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td>Up</td> <td>Stable</td> <td>Down</td> </tr> <tr> <td>Value Trend</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Sales Activity Trend</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Population Trend</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Development Trend</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			Rural	Suburb	Urban	Type	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Up	Stable	Down	Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Population Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Development Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Market Area: <table border="1"> <tr> <td></td> <td>Above Avg.</td> <td>Avg.</td> <td>Below Avg.</td> <td>N/A</td> </tr> <tr> <td>Property Compatibility</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Effective Purchase Power</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Demand</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Development Potential</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Desirability</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			Above Avg.	Avg.	Below Avg.	N/A	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Rural	Suburb	Urban																																																										
	Type	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
	Up	Stable	Down																																																											
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																											
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																											
Population Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																											
Development Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																											
	Above Avg.	Avg.	Below Avg.	N/A																																																										
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																										
Analysis/Comments: (Discuss positive and negative aspects of market area.) Lakeview is located approximately 175 miles south of Bend, and approximately 15 miles north of the California border. Lakeview is the county seat of Lake County, and is the service center for the subject. The subject is located approximately four miles south of Lakeview. There are areas to the east and west of the subject that are heavily forested and contains the Fremont National Forest. The lower lying areas are considered to be high desert, which possesses a large amount of sagebrush and Juniper tree cover and is a remote area. Water can also be scarce in this area. There are many lakes in the area with the largest being Goose Lake. The water quality of the lakes is poor due to the alkali levels, depths of the lakes, and limited recreational uses. There are large rim rock mountains that possess very steep cliffs and over hangs. While providing scenery to the area they are also popular to hang gliders and paragliders. Other local interests and attractions are for bird watchers, hikers, hunters, recreationalists, and persons that enjoy observing nature. Agriculture, timber, and mining have been the primary industries with the ag production primarily devoted to cattle and hay crops. Irrigation water is mostly supplied by private rights from the area creeks and rivers as well as ground water wells. Irrigation is spread on forage crops and meadows which are harvested for hay. SEE NEXT PAGE FOR ADDITIONAL COMMENTS																																																														

Additional Comments

Market Area Description Continued:

In Northern Lake County an moratorium has been implemented for new irrigation water right applications. While Southern Lake County does not possess an official moratorium, new applications are extensively regulated and reviewed. The availability of developing new water rights in the area is scarce. Recreation in the form of big game hunting has become a factor with landowner preferences being granted for elk and deer tags, there is also populations of antelope in this area as well. There is a large amount of publicly owned land in the area, with over 78% of the land within the county being owned and managed by the federal and state government. Most of this land is under BLM and Forest Service control. Smaller acreages are becoming popular as rural residential tracts or part time farms. The buyers of these properties typically have off farm employment and desire to live and raise families outside of the city limits. Employment is offered by the driving forces of agriculture, mining, and timber industries, as well a hospital, government agencies, and the Warner Creek Correctional Facility.

There is a good system of improved state highways and county roads traveling through the area. State Highways 395 and 140 travel through the area. Highway 395 is a main highway that travels North/South through the state. Highway 140 travels East/West through the county and connects Central Oregon to Northern Nevada. There are county paved and gravel roads that connect rural areas and communities to the Lakeview area and major highways. The nearest services to the subject are located in the town of Lakeview. Lakeview is the area hub and possesses medical facilities, marketing centers, employment opportunities, and a municipal airport. Expanded markets are available in Bend or Klamath Falls, Oregon.

The current real estate market is considered to be stable with limited available market sales information. The market has experienced limited activity and sales transactions. An in-depth search of available real estate market data was made using county records, area appraisers, and local real estate agencies. Though there are recent area sales, real estate listings in the area have been experiencing some extended listing times. It is apparent that the market for irrigated and production properties is increasing. Area realtors were interviewed and it is known that farm and ranch properties for sale are limited, with the realtors carrying a low inventory. The area of the subject has been experiencing ongoing drought conditions, which have been cautioning buyers in the market. Many buyers are considered to be waiting to see how the ag and commodity markets are projected for the next year prior to making any large land acquisitions. Low commodity prices and drought conditions heavily impact the local economy.

Current market participants have been neighboring operators looking to expand current operations, out of area operators, as well as agriculturally motivated investors. These investor buyers are motivated by the production potential of the land, development potential, and future resale of the property. There are very limited recreational buyers in the current market, and these buyers typically desire attributes not found on the subject. Part time farm buyers are active in the area and desire improved properties where full time employment can be achieved along the with the rural living lifestyle. Ranching and farming activities are considered as the primary land use purpose in the area.

Currently the nation and the world is navigating a health pandemic from the Covid-19 virus. This is a recent outbreak, which has stalled the economy, altered the stock market, resulted in a severe reductions of interests rates, created travel restrictions, and implemented a practice termed "social distancing". Locally some business are currently closed to walk in traffic, schools were released, and many businesses are operating under quarantine scenarios with employees working remotely. As we move into 2021 there is still much uncertainty for how the area will continue to handle school, sports, commerce, and travel. The virus has caused much uncertainty and some panic worldwide. The effect of this on the real estate market remains unknown at this point, though no negative impacts to land values have been identified.

The marketing and exposure time for the subject is estimated to be 12 to 18 months. If a quicker marketing time was desired due to a motivated transaction this would likely result in a discounted sales price. The appraiser is aware of limited transactions occurring with reduced marketing times. The situations known are from an extended market area and indicate discount rates ranging from 30% to 60% of fair market value.

Property Description: (Location, use and physical characteristics) The subject consists of a total of 3,559.45 deeded acres and is dedicated to site, irrigated cropland, CRP, pasture and range lands. The subject is located 4 miles south of Lakeview, Oregon in Lake County. Legal and physical access is provided by Old Wells Road, a graveled county maintained road. The subject is minimally improved with a GP building and other miscellaneous improvements.

There is approximately 3 acres of site. This is the acreage where the structural improvements are located as well as the area surrounding the structural improvements. This acreage is near the southern property boundary. Access to the site acreage is via a graveled road from Old Wells Road. The improvements will be later described in the subject improvements section of this appraisal. SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Subject Land Description

Land Use	Deeded Acres	Unit Type	Unit Size
Site	3.00	Acre	(0.1%)
Irrigated Cropland	175.00	Acre	(4.9%)
Meadow			(0.0%)
Dry Crop/CRP	57.00	Acre	(1.6%)
Pasture	2,122.00	Acre	(59.6%)
Range	1,202.45	Acre	(33.8%)
Other			(0.0%)
			(0.0%)
			(0.0%)
			(0.0%)
Total Deeded Acres	3,559.45	Total Units	0.00 (100 %)

Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Zone/Date				
Building Location	SW 1/4 Sec 15 T40S R20E			

Comments The total acreage appraised is per the county tax information. The lands were inventoried according to their use. The subject is made up of site, irrigated crop, CRP, pasture, and range lands. The number of acres of each applicable land class is based on an on-site inspection, Lake County records, applicable water rights and FSA aerial photographs provided by AgriData Inc.

Land Improvements:	Above Avg.	Avg.	Below Avg.	N/A
Domestic Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Water Rights: ☐ No ☒ Yes ☒ Supplement Attached
Mineral Rights: ☒ No ☐ Yes ☐ Supplement Attached

Comments: Water Rights were verified with the Oregon Water Resources Department and are sufficient for the subject property. A preliminary title report was not provided to the appraiser, it is unknown if the mineral rights have been severed from the subject property. Mineral rights are of secondary concern to the typical buyer in this market and have minimal impact on value.

Topography:	Level	Un- dulating	Roll- ing	Slop- ing
Site	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Cropland	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Meadow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Crop/CRP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Range	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Topography	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Soils Description: See the following page for a detailed soils description. Please refer to the soils map located in the addenda of the report for more detail.

Soil Quality/Production: ☐ Above Avg. ☐ Avg. ☒ Below Avg. ☐ N/A ☐ Supplement Attached

Climatic: 8-12 " Annual Precipitation 4705 ' to 4718 ' Elevation 100 Frost-Free Days
Utilities: Domestic Water Yes Electric Septic Sewer None Gas Yes Telephone
Distance To: 4 Schools 4 Hospital 4 Markets 1.5 Major Hwy. 4 Service Center
Easements/Encroachments: (Conservation, Utility, Preservation, etc.) Please see comments in the Property Description for comments regarding easements and encroachments.

Hazards and Detriments: No items atypical of an ag operation was observed, and no concerns were reported to, or observed by, the appraiser. The appraiser's observation is limited to reasonably apparent and accessible conditions and does not include hidden, latent conditions or those in inaccessible areas.

Property Comments

The 175 acres of irrigated cropland is situated around the site acreage. This acreage has been historically farmed to hay, barley and triticale, production was not provided. Irrigation water is supplied by an on site 40 HP pump and well with a reported output of 1,000 GPM. Irrigation water is distributed from a 60 HP booster pump via two reel big gun sprinklers. There is a contiguous 36 acres in Section 21 to the west of the irrigated cropland that appears to have been farmed; however, does not have a designated irrigation water right for this acreage.

Irrigation water rights are provided by the State of Oregon and were researched on the State of Oregon Water Resources Department website. Irrigation water rights are provided by Certificates 5205, 5270, 33180, 37004, 45668, and Permit G-17524. These certificates and permit provides a total of 1,417.12 acres of primary water rights and 39.8 acres of supplemental water rights. These rights are sufficient for what is currently being considered as irrigated cropland and irrigated pasture on the subject property. The permit has an extension for completion date until 10/1/2025. This permit is approved for an additional irrigation well that has not yet been drilled. An application (G-19032 which is from T-12042) was filed on 9/28/20 for irrigation water rights from a well from Goose Lake for 45.5 acres of primary water rights and 430 acres of supplemental irrigation water rights. An Irrigation Water Rights Summary is included in the report addenda, in addition to the Water Right Certificates and Permit.

There is approximately 57 acres under a CRP contract, this acreage is situated near the northern property boundary along both sides of Thomas Creek. A copy of this contract was not provided to the appraiser. This acreage cannot be grazed or farmed and is wildlife habitat. The contract was renewed in 2015 and expires in 2030, the 2020 payment was \$5,477, or \$96.09 per acre.

There is approximately 2,122 acres of pasture land. Approximately 1,242 possesses irrigation water rights and is flood irrigated, the remainder of the pasture lands benefit from sub-irrigation moisture. This acreage is improved with native and planted grasses. Irrigation water is distributed via flood irrigation methods from several diversions throughout the property and distributed from various head gates, dike systems and dirt ditches. The sub irrigated lands benefit from runoff and sub irrigation moisture from these ditches. These lands are perimeter and cross fenced to allow for rotational grazing. Stockwater is supplied by Thomas Creek, a domestic well, and by several artisan wells. There is a diversion dam situated on the northern property boundary that diverts the water from Thomas Creek east and west. This is the main diversion point for the flood irrigation. Ducks Unlimited has helped improve the system over the years. This has created a habitat for spring waterfowl.

The remaining approximate 1,202.45 deeded acres is dedicated to range lands. These lands are made up of the acreages that do not possess irrigation water rights, do not benefit from sub-irrigation moisture and are utilized for grazing purposes. The range lands are primarily situated on the subjects southern property boundary. These acreages are utilized in conjunction with the pasture lands for grazing. Some of these lands have been cleared of sagebrush while the other lands are improved with sage brush and other native grasses. Stockwater is supplied by artisan wells.

Soils consist of Tandy loamy fine sand, 0-1% slopes, class VIw; Thunderegg fine sandy loam, 0-1% slopes, Class VIw; Fluvuquents, 0-2% slopes, Class VIw; Stockdrive fine sandy loam, 0-1% slopes, Class Vw all non-irrigated and a small amount of Lakeview silty clay loam, sodic, 0-2% slopes, Class IIIw irrigated.

The southern property boundary borders Goose Lake. The property owners around Goose Lake possess rights to graze the lake bed when the water levels are low. There is electric fencing for the riparian grazing below the 4,702 elevation mark along the subjects southern property boundary on the north end of Goose Lake for seasonal grazing purposes. The subject is grazed in conjunction with approximately 500+/- acres of lake bed. There is no cost to the property owner to graze these lands. This is not considered a deeded grazing right, it is considered a riparian benefit to the property owners that own lands that surround Goose Lake.

No items atypical of a farm operation were observed, no other concerns were reported to the appraiser. The appraiser's observation is limited to reasonably apparent and accessible conditions and does not include hidden, latent conditions or those in inaccessible areas. The appraiser is not trained as an environmental expert and does not know, in fact, that environmental or hazardous concerns do not exist on the subject property. There was nothing viewed or reported considered to be a hazard or a detriment to the property. A preliminary title report was not provided to the appraiser. It is assumed that the subject contains typical easements for the area. It is assumed that the subject does not include any atypical easements. These type of easements include irrigation ditches, pipelines, utilities, and roads. SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Property Comments

It is unknown if the mineral rights have been severed from the subject property. Mineral rights are of secondary concern to the typical buyer in this market and have minimal impact on value. They were not researched as part of this appraisal analysis. The appraiser was not provided with an owner completed environmental disclosure. A FEMA was not provided to the appraiser.

A summary of the property's positive attributes include the following:

- The subject possess many recreational attributes including: habitat for wildlife, large continuous acreage, views of the surrounding valley, and live water.
- There are reliable and adequate sources of livestock water in each field on the subject.

A summary of the property's negative attributes include the following:

- The acreages considered irrigated are not set up with an efficient irrigation system and an additional well has not been drilled on the subject property for an adequate supply of irrigation water rights to the acreages considered as irrigated cropland.

The subject property would likely sell as one unit. Potential buyers would include ag operators wanting to expand current operations and/or ag investment buyers.

Type	Size	Construction	Qty	Foundation	Roof	Floor	Exterior	Act. Age	Eff. Age	Rem. Life	Con-formity	Utility	Cond.
GP Building Other	2,400 1	Pole	A	Conc	Metal	Conc	Metal	39	25	15	A	A	A

Subject Improvement Description

Improvement Comments: *(Discuss and/or expand any items affecting value structure-by-structure, if necessary)*

Building information was gathered from the Lake County Assessor's office. The improvements are described from the available Lake County Assessors information, the appraiser's observations as well as the owners representations.

GP Building: The GP building was constructed in 1982 on a concrete foundation with concrete flooring, metal siding and roofing. The GP building consists of 2,400 square feet, has power, 2-12' overhead doors, a man door and is in average condition.

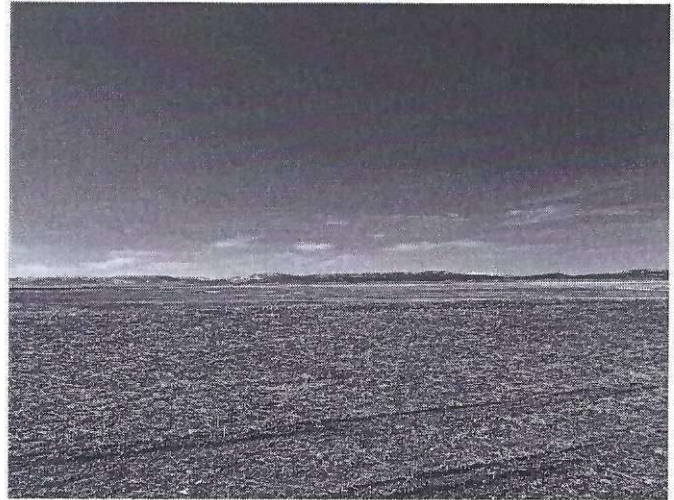
Other: This category includes all of the buildings and improvements that do not contribute a specific individual value but do provide value to the subject, as well as the site improvements of the subject. The site improvements consist of the domestic well, artisan wells, power services, septic system, gravel drives, corrals, perimeter and cross fencing, etc. Also considered in this category is a livestock shed. These improvements provide utility however do not derive a specific dollar value.

Site Improvements: The site improvements consist of the domestic well, artisan wells, power services, septic system, gravel drives, corrals, perimeter and cross fencing, etc.

	Above Avg.	Avg.	Below Avg.	N/A
Overall Structural Balance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Overall Structural Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

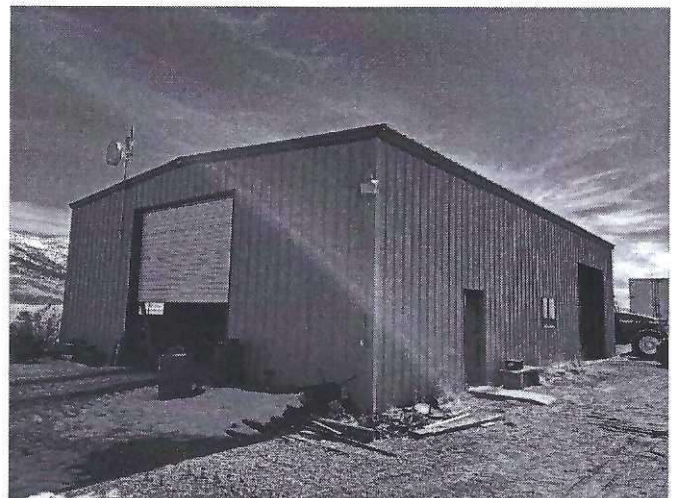
Overall Building REL 15 years

RIGHT: Irrigated cropland

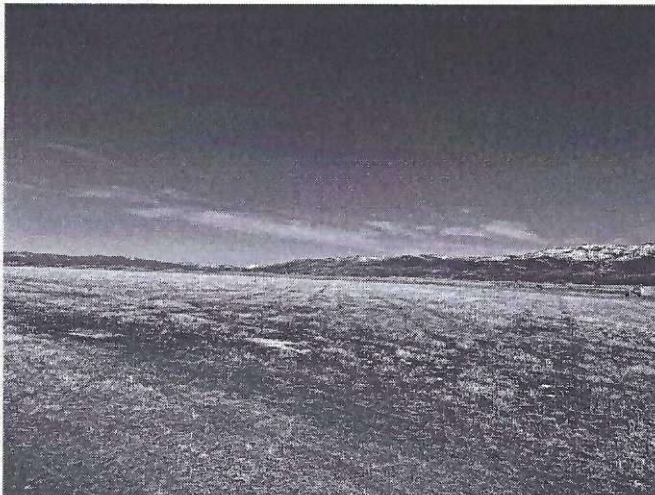


LEFT: 40 HP pump and well that services the irrigated cropland

RIGHT: GP Building

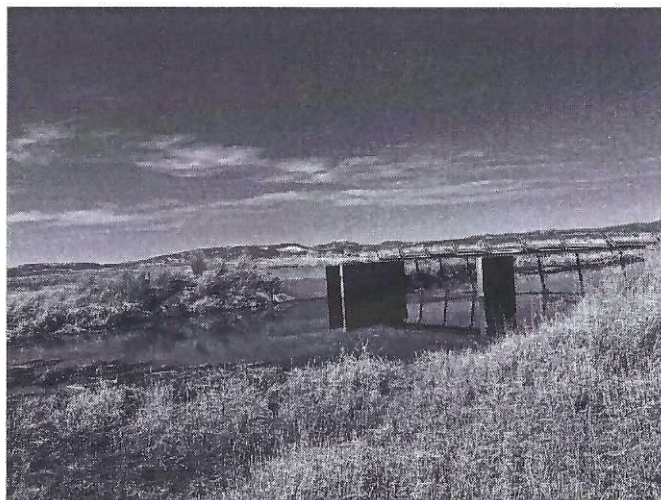


RIGHT: Irrigated pasture

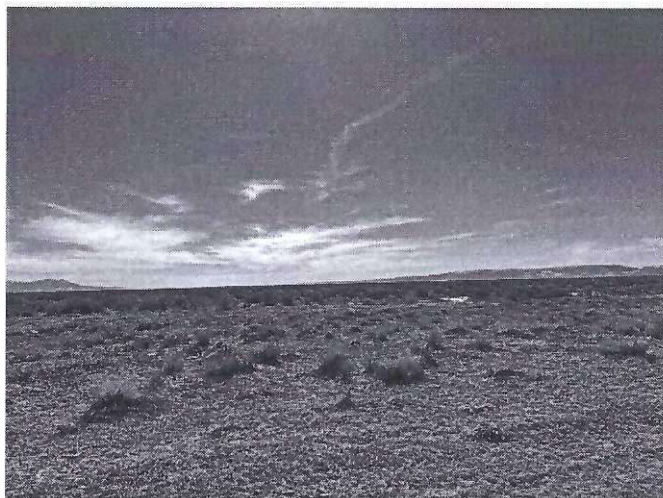


LEFT: Pasture

RIGHT: Northern property boundary and diversion on Thomas Creek

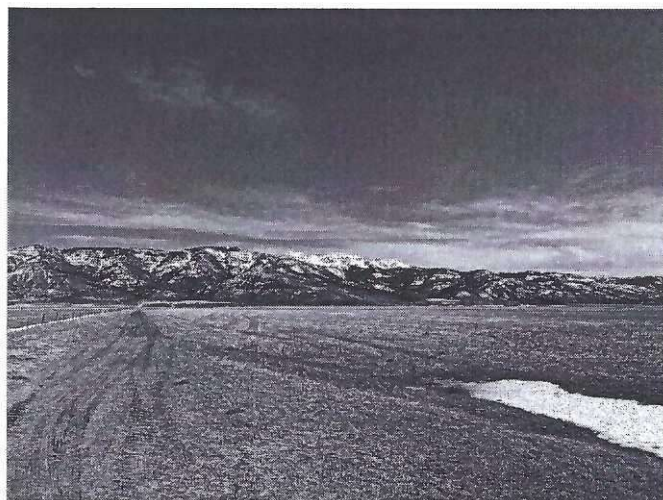


RIGHT: Irrigated pasture



LEFT: Range lands

RIGHT: View from subject



History	<input checked="" type="checkbox"/> Ownership Longer Than <u>3</u> Years <div style="display: flex; justify-content: space-between; width: 100%;"> Owner Recording/Reference Date Price Paid Terms </div>					
	Previous: _____ Present: <u>Amsbaugh</u> _____					
	Currently: <input type="checkbox"/> Optioned <input type="checkbox"/> Under Contract Contract Price: \$ _____ Buyer: _____ <input checked="" type="checkbox"/> Currently Listed Listing Price: \$ <u>3,600,000</u> Listing Date: <u>08/01/20</u>					
	PLEASE SEE NEXT PAGE FOR ADDITIONAL COMMENTS					
Zoning	Current Zoning: _____ Farm Use Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Zoning Change: <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable To: _____ Comments: Zoning is regulated by Lake County in this area. Current and proposed use of the subject conforms well to it's zoning of Farm Use. Zoning was verified with the Lake County Assessor's Department. The subject is considered to be in compliance with the current zoning.					
Taxes	Tax Basis: <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> _____ <input type="checkbox"/> _____ Parcel #: <u>See Below</u>		Assessment Year <u>2020</u> Land \$ _____ Building(s) \$ _____ Combined \$ <u>336,394</u> Total Assessed Value \$ <u>336,394</u> Assessed (Taxable) Value _____		Forecast: Current Tax \$ <u>4,491.81</u> Estimated/Stabilized \$ <u>4,492</u> Or (<u>3,559.45</u> Ac.) = \$ <u>1.26</u> /acre Trend: <input type="checkbox"/> Up <input type="checkbox"/> Down <input checked="" type="checkbox"/> Stable	
	Comments: Tax information was gathered and estimated from the Lake County Assessor and is reflective of the 2020 tax year. The subject includes parcels from Map 40s20; Tax Lots 1400, 2200, 3200, 3300, 3400, and 3500; reference #s 15813, 15829, 19248, 15847, 15849, 19251, 15850, 19252, 15853, and 19253.					
Highest & Best Use Analysis	<small>Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.</small>					
	Analysis: <i>(Discuss legally permissible, physically possible, financially feasible, and maximally productive uses)</i> Legally Permissible: The subject is currently in agricultural use and is in compliance with county zoning regulations. Commercial activity forces are minimal in the immediate area of the subject. Commercial properties are typically located closer to population centers, and many times within the city limits. The subject is located in a rural area, where there are considered to be few commercial interests. The subject is made up of site, irrigated crop, pasture, and range lands. The subject is a minimally improved property which includes a GP building and other miscellaneous improvements. The subject is located 4 miles south of town in an area where the market is primarily influenced by agricultural operations, with influences from recreational and investor buyers as well. The subject is available for any legal use under the Farm Use zoning of Lake County. The subject is considered to be open for any uses desired and allowable, with no known legal obstacles. SEE NEXT PAGE FOR ADDITIONAL COMMENTS					
	Highest and Best Use: "As if" Vacant <u>Grazing Property</u> "As Improved" <u>Grazing Property</u>					
	Discussion: SEE NEXT PAGE FOR ADDITIONAL HIGHEST AND BEST USE ANALYSIS COMMENTS					
Value Methods	Valuation Methods: <input type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) Please see the comments in the Scope of Work section of this report for the explanation to support the exclusion of one of the approaches to value, and the support of the two valuation methods used.					

Highest and Best Use Continued**Property History Continued**

The property is currently listed with Fisher Nicholson Realty, LLC for the list price of \$3,600,000. The property has been listed since August 2020. The sellers determined the list price. One of the listing agents indicated that the property has had some interest; however, no official offers have been made.

The property has been on and off the market since the owners had purchased the property in 2012. The property was listed with Jett Blackburn Real Estate Inc. in 2018 with an original list price of \$4,600,000 and eventually reduced to \$4,200,000. The seller pulled the listing and re-listed with United Country Real Estate on 12/31/18 for \$4,900,000 the property was reduced over time and the listing was removed on 11/24/19 at a reduced list price of \$3,600,000.

The subject has been owned by the same owner in excess of three years. The Appraiser did not discover any other current listings, options or contracts involving the subject property that have occurred in the last three years.

Highest and Best Use Continued

Physically Possible: Soil quality, terrain, location, and climate are the primary physical conditions that affect or restrict the highest and best use. The subject possess irrigated crop land with soils that are considered to be productive and similar to many other area operations. The terrain of the irrigated crop is nearly level. The pasture land on the subject is limited by soil type, water rights, and terrain to livestock grazing uses. The range land on the subject is also limited by soil type, water rights, and terrain to livestock grazing uses. The subject is improved with a GP building and other miscellaneous improvements. The improvements are considered to contribute to the current use of the subject and are typical of the area and for the property type.

The improvements are not considered to appeal to a part time farm buyer, the subject's larger acreage is also considered to be less desirable as a part time farm buyer as the subject's size is much larger than part time farm buyers desire. The attributes of the subject property are such that it is physically possible to use the property for agriculture, investment, and recreation. Recreational buyers are typically interested in properties with attributes such as timber, live water, populations of wildlife, seclusion, and aesthetic views. The subject does not possess all of the recreational attributes that would appeal to a purely recreational buyer. Ag investment buyers have been active in the market and desire large blocks of irrigated lands. These buyers desire properties that can be purchased, leased for income, and held for future resale. In many instances these buyers desire quality irrigated, or highly productive, farm properties. The subject may not meet the requirements of a purely investment motivated buyer. Investor buyers may be disinterested in the subject due to not having primarily irrigated production lands, majority of the lands being utilized for grazing. The subject is located in a farming and ranching area with many area operators as perspective tenants for the property. In the current market the primary motivations have been the agricultural influences of the properties.

Financially Feasible and Maximally Productive: Agricultural production is typical for the immediate area with farms and livestock enterprises being owned and operated for a business profit, generally providing a reasonable return and demonstrating financial feasibility. Ag production buyers and investor buyers will be most concerned with a monetary return on their purchase money. Part time farm buyers and recreational buyers are motivated by the way of life, rural lifestyle, and recreational attributes of properties. The financial return of the properties is less of a concern to these buyers.

The area surrounding the subject property is an agricultural area and is heavily influenced by agricultural buyers. Considering the subject, current market transactions and the overall market area, the current use of the property, the highest and best use of the subject property "as if" vacant and "as improved", is as a grazing property.

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 18001	Sale #2 18002	Sale #3 19003	Sale #4 20003	Sale #5 20001
	Grantor (Seller)						
	Grantee (Buyer)						
	Source		Appraiser	Realtor	Seller	Buyer	Assessor
	Date	Eff 03/21	03/18	12/18	08/19	07/20	09/20
	Eff Unit Size/Unit	3,559.45 / Acre	1,284.23	3,373.03	2,080.00	1,636.72	2,585.91
	Sale Price		1,450,000	2,000,000	1,650,000	2,650,000	4,650,000
	Finance Adjusted		Conventional	Seller Financed	Conventional	Cash	Cash
	CEV Price		1,450,000	2,000,000	1,650,000	2,650,000	4,650,000
	Multiplier						
	Expense Ratio		29.51	9.12	30.40	20.08	

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Acre	1,129.08	592.94	793.27	1,619.09	1,798.21
-----------------	----------	--------	--------	----------	----------

LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment	107.17	396.20	773.30	-603.84	-773.45
Impvt. Adjustment	-118.69	19.27	-147.70	-158.43	-11.19
Adjusted Price	1,117.56	1,008.41	1,418.87	856.82	1,013.57

TIME ADJUSTMENTS

<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods				
<input checked="" type="checkbox"/> Smpl	<input type="checkbox"/> Cmp	Rate				
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment				
		Time Adj. Price				

OTHER ADJUSTMENTS

	Adjustment					
	Adjustment					
	Adjustment					
	Adjustment					
	Adjustment					
	Adjustment					
Net Adjustments		-12	415	626	-762	-785
ADJUSTED PRICE		1,117	1,008	1,419	857	1,013

Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value)

The Sales Comparison Approach is based on the premise that the market value of a property is directly related to the prices of comparable, competitive properties. The principle of substitution comes into play where the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability. A knowledgeable buyer will pay no more for a property than they would pay for a substitute of equal utility or desirability. The Sales Comparison Approach uses a direct comparison to other market transactions on some common unit of comparison such as acres, animal units, etc. The Sales Comparison Approach was completed on an overall dollar per total deeded acre basis.

SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ 3,050,000.00 to \$ 5,050,000.00
 Unit Basis: \$ 1,000.00 / 3,559.45 Acre = \$ 3,559,450.00
 Multiplier Basis: \$ X (multiple) = \$

Sales Comparison Indication:

\$ 3,560,000

Sales Comparison Comments

Sales from the market area of the subject were considered, with five representative sales included in this approach to value. Two Sales occurred in 2018, one sale occurred in 2019 and two sales occurred in 2020. Please refer to the Comparable Sales Summaries, page 22, for a brief discussion of each of the sales.

Each of the sales was compared to the subject on a "head to head" basis to adjust for land allocation and building contribution differences. The sales adjustment pages 18 through 22 show these direct comparisons. The subject is made up of site, irrigated crop, CRP, pasture and range lands. All of the sales used each contain land use types similar to the subject property. The sales that contain additional land classes are adjusted to be similar to the subject. For the sales that lack land use types that exist on the subject a market derived value relationship is applied to the sales. The value relationship is derived by the appraiser and kept in the work file. The adjustments are made to make the sales "like" the subject in terms of land mix. All of the land adjustments are derived from market information.

The subject is a minimally improved farm property that contains improvements that are considered to be common for the area. All of the sales are improved with improvements that have contributory value. The improved sales include improvements that vary in type, condition, construction, size, and age compared to those present on the subject. On the sales adjustment pages a contributory value for the subject's improvements is determined and applied to derive the appropriate improvement adjustment for the sale. The subject's building condition, type, age, and comparison to applicable buildings on the sales are considered when determining the contributory value of the improvements. The applied contributory values are considered to be accurate, and a well supported reflection of value for the individual improvements. The building adjustments are made to make the sales "like" the subject in terms of improvement mix. These adjustments are market derived and are not considered to be misleading to the reader of the report.

After the land and buildings adjustments are made, the sales are "like" the subject in land and building mix. From this point, comparisons can be made for other factors that may affect the overall value of the property. Adjustments for time, size, quality, location, and other physical differences are considered. The sales used date back to 2018 and are current for the market with no time adjustment considered to be appropriate. Sales comparisons and pairings do not indicate any quality evidence of a consistent market trend. While many area properties are considered to be comparable and similar, many have widely different attributes or amenities, creating differences that make a specific time adjustment difficult to determine. All of the sales used are considered to be current for the market, with the most comparable sales used in this analysis. The subject consists of 3,559.45 deeded acres. The sales range from approximately 1,187 to 3,773 deeded acres in size. There is no market evidence of an adjustment for size. The grid on the previous page indicates that some large net adjustments to the sales were applied. These adjustments are due to the differences in size, land use types, and improvements between the sales and the subject. The adjustments are market derived. No other specific adjustments were isolated or applied in this analysis.

After applying the land and buildings adjustments, the values indicated by the sales range from \$857 to \$1,419 per deeded acre. Sale 19003 makes up the top end of the range. This property is located near Crane, Oregon in Harney County. The property was not formally listed and was marketed by word of mouth in a small community. The seller was asking \$1,900,000 for the ranch. Many area operators were interested in the property but it was too high of an asking price. There was one offer made at the \$1.9 and during the course of financing the appraisal was very short of the purchase price and the seller would not accept the lower price. The buyer entered into negotiations with the seller and the same situation occurred where the appraisal for financing came back very short of the listing price. The buyer was very motivated to purchase the property and creatively the seller took a \$225,000 2nd mortgage behind the sales price of \$1,425,000. The property possesses quality ranch improvements with a updates, new furnishings, a quality GP building and hay shed. There is an 77 acre wheel line irrigated field that produces hay crops. The south end of the property contains some quality meadow lands for livestock grazing. The remainder of the property is native range lands. There were two allotments included that adjoin the sales deeded lands. Overall this sale is considered superior due to buyer motivations. The four remaining sales indicate a tighter range of values from \$857 to \$1,117 per deeded acre. Sale 18001 indicates the value at the top end of the tightened range. This sale consists of a higher elevation ranch with pivot irrigated lands, pasture and range land near Plush, Oregon in Lake County. A BLM permit was also transferred with this sale. Overall this sale is considered slightly superior due to the pivot irrigated lands. Sale 20003 that makes up the bottom end of the tightened range. This was a private sale between area operators situated west of Riley in Harney County. The seller was selling out and moving his operation to Nebraska. The buyers are part of a large scale family ranching operation with significant holdings in the area. They also own the adjoining lands to this sale. The price was negotiated over a long period of time. SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Sales Comparison Comments

The ranch was originally listed to sell for \$2,850,000 and an agreement was made and the seller backed out as Covid 19 hit the nation. As time went on the parties renegotiated the sales where the price was lowered \$200,000 due to the unsettled market Covid influences. The property consist of three newer Zimmatic pivot systems with well and surface rights. The meadow lands benefit from seasonal run off on good moisture years. The pasture lands have crested wheat grass seedings and have been cleared of sagebrush. The range lands are native grasses. The public leased grazing rights are provided by the BLM. The irrigation equipment is in good condition. The improvements are also newer and in good condition. Sale 18002 indicates a value of \$1,008 per deeded acre. This is the largest sale utilized of pasture and range land in Harney County. This property was sold by a retiring operator looking to secure some retirement money. The seller inquired with a local area realtor about listing the property. The buyer is a local area rancher that is expanding. The properties original asking prices was \$2.1 mil. Multiple realtors indicated that there were multiple buyers interested at this sales prices. The property has pasture lands that can be utilized for hay, with the remaining of the acreage being considered as range. Irrigation water is diverted from the Silvies River and is flooded onto the property. The pasture acreage receives flood waters on an annual basis. The pasture acreage benefits from flood irrigation water on flood years as well as has some sub irrigation. There are some areas with sagebrush present, though the majority of the property is open and undulating in terrain. The property is perimeter fenced and there is some cross fencing. Sale 20001 indicates the value of \$1,013 per deeded acre. This is the most recent sale utilized near Adel in Lake County. The sale property consists of 2,585.91 deeded acres dedicated to site, irrigated meadow lands, pasture and range lands. The property is minimally improved with a hay shed and several miscellaneous improvements in average condition. The sale property is situated in multiple non-contiguous tracts near Adel, Oregon in Lake County. Legal and physical access is provided by State Highway 140 and County Highway 3-10. The irrigated cropland is flood irrigated and farmed to meadow hay, reported production is 2.5 to 3 tons per acre. The pasture lands benefit from sub-irrigation, the range lands are non-contiguous and could be utilized for grazing. The seller is a trust and the buyer is from California. Overall each sale possesses similarities to the subject with varying land use types, location and improvements.

The subject is valued by taking into consideration the overall range of indicated values. The appraiser also considers the comparability of each sale to the subject, the characteristics of each sale and the subject, the properties location, improvement contribution, irrigation water rights, irrigation system information, attributes, and the current active market participants and current real estate trends. The subject property is valued at \$1,000 per total deeded acre. The overall indicated value in this approach to value is \$3,560,000 cash.

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements – either individually or as a lump sum.

The different land classes are unified into a single value for the total property. Land ratios are used to calculate values where individual land classes are not identified. The portion of the sale property's value contributed by buildings, if any, is also equalized through these calculations.

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

The different land classes are unified into a single value for the total property. Land ratios are used to calculate values where individual land classes are not identified. The portion of the sale property's value contributed by buildings, if any, is also equalized through these calculations.

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements – either individually or as a lump sum.

The different land classes are unified into a single value for the total property. Land ratios are used to calculate values where individual land classes are not identified. The portion of the sale property's value contributed by buildings, if any, is also equalized through these calculations.

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

The different land classes are unified into a single value for the total property. Land ratios are used to calculate values where individual land classes are not identified. The portion of the sale property's value contributed by buildings, if any, is also equalized through these calculations.

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

The different land classes are unified into a single value for the total property. Land ratios are used to calculate values where individual land classes are not identified. The portion of the sale property's value contributed by buildings, if any, is also equalized through these calculations.

Income Approach

Basis of Income Estimate:							
Cash <input checked="" type="checkbox"/>		Share <input type="checkbox"/>		Owner/Operator <input type="checkbox"/>		FAMC <input type="checkbox"/> See Attached	

Gross Income Estimate	Income Source	Units	Unit Measure	Stabilized Yield	Total Production		Cash/Share/Owner's Income	
					Stabilized \$/Unit	Gross Income	Share %	Income
	Cropland	1,100.00	AUM		\$ 30.00	\$ 33,000	100	\$ 33,000
	CRP Contract	57.00	Acre		\$ 96.08	\$ 5,477	100	\$ 5,477
	Grazing	2,900.00	AUM		\$ 30.00	\$ 87,000	100	\$ 87,000
					\$	\$		\$
					\$	\$		\$
					\$	\$		\$
<input checked="" type="checkbox"/> Improvements Included in Land Rent				Rent: \$	/mo., \$ 0	/yr.	100	\$ 0
					Stabilized Gross Income = \$ 125,477			

Comments: (Typical area rental terms and conditions) The gross rental rates are market extracted, as verified with the comparable sales data sheets and current ranching operations. Properties similar to the subject typically lease on a total animal unit basis (aum). Aum's were estimated for each of the land use types present on the subject. The lease for the CRP land is actual. Lease rates are consistent throughout the area and were applied to the subject from comparable sales. The real estate taxes are actual for the subject property. The management costs are estimated using a percentage of the subject's gross income. The cash operating expenses are the same items that were considered when evaluating the market area. A consistency of analysis methods between the market and the subject was maintained in order to achieve a realistic comparison.

Expenses	Expense Items:		Additional Expenses:		Additional Expenses:		Additional Expenses:	
	Real Estate Tax \$	4,492	Pump Cost \$	6,125.00		\$		\$
	Insurance \$	500		\$		\$		\$
	Maintenance \$	250		\$		\$		\$
	Management \$	5,274		\$		\$		\$
		\$		\$		\$		\$
		\$		\$		\$		\$
		\$		\$	Total Expenses = \$ 16,641 (13.26 %)			

Cap Rate Info	Sale	Date	Size	Impvt %	Gross Income	Exp. Ratio	Net Income	CEV Price	Cap Rate
	18001	03/18	1,284.23	12	73,944	29.51 %	52,121	1,450,000	3.59 %
	18002	12/18	3,373.03	0	71,250	9.12 %	64,753	2,000,000	3.24 %
	19003	08/19	2,080.00	21	68,610	30.40 %	47,750	1,650,000	2.89 %
	20003	07/20	1,626.72	11	152,350	20.08 %	121,756	2,650,000	4.59 %
	20001	09/20	2,585.91	2	301,375	8.19 %	276,696	4,650,000	5.95 %
						%			%

Analysis/Comments: The Income Approach to value is based on the principle of anticipation in that the value of a property is equal to the present value of future anticipated economic benefits. In this approach, estimated net property income is capitalized into a value estimate based on an overall capitalization rate. The rates are derived from transactions in the market which reflect the market's reactions to the relationship between income and price.

The Income Approach is completed on a cash basis. There are multiple methods to calculate and estimate the subject's net income. The cash basis is selected because it is the most common in the subject's market area, and is considered to be the least subjective by the appraiser. There is sufficient and reliable lease data available in the market.

SEE THE NEXT PAGE FOR ADDITIONAL COMMENTS

Total Deeded Acres: <u>3,559.45</u>				Net Income / Cap Rate = Indicated Value			
Gross Income: \$ 125,477 = \$ 35.25 / Acre				\$ 108,836 / 3.0000 % = \$ 3,627,867			
Expenses: (\$ 16,641) = \$ 4.68 / Acre							
Net Income: \$ 108,836 = \$ 30.58 / Acre				Income Approach Indication = \$ 3,630,000			

Income Approach Comments

This basis does not account for operational, management, or varying yield differences in its income projection. Area sales were considered for this analysis from throughout the market area, with five sales selected and applied. The sales were selected for use in this approach based on their type of operation and location. All of the sales are considered to have locational similarities and have varying degrees of land use similarities. A detailed sales sheet for each comparable sale is available in the addenda of this report. Please refer to these sales sheets for specific sale details.

There are several factors that affect capitalization rates for ag properties. They include land use types, contribution to value by buildings, and expense to income relationships. Properties with significant income from irrigated land, tend to have higher cap rates than those with dry crop or pasture. Properties with public leased grazing lands also tend to have higher cap rates. Properties with larger contributions to value by buildings tend to have lower cap rates. Properties with higher expense to income ratios tend to also have lower cap rates. The combination of factors within the sales comparisons makes the selection of a specific cap rate difficult in many instances.

The sales used in this analysis indicate capitalization rates from 2.89% to 5.95%. This is considered to be a relatively wide range of cap rates. The subject is considered to be close to Sale 18002 in size. This sale indicates a cap rate of 3.24%. The subject is a minimally improved property and has a 2% improvement contributory value from the Sales Comparison Approach. The sales possess improvement percentages from 0% to 21%. The subject is most similar to Sales 18002 and 20001, which make up the bottom of the range. These sales possess a 0% and 2% improvement contribution and indicate cap rates of 3.24% and 5.95%. Typically properties with lower amounts of value derived from improvements have increased cap rates. The subject possesses an expense ratio of 13.26%, which is within the range of expense ratios. The sales present a range of expense ratios from 8.19% to 30.40%. The subject is most similar to sale 18001 which contains an expense ratio of 9.12%, and possess a cap rate of 3.24%. Generally properties with lower expense ratios tend to have higher cap rates. The subject possesses characteristics that would indicate a both an increased and decreased cap rate selection. It is reasonable using these comparisons and the general capitalization rate trends, the selected cap rate should be selected from the middle of the range of indicated cap rates.

The total range of indicated capitalization rates and the factors that affect cap rates, the size of the subject, the subject's improvement percentage, expense ratio, and land use types compared to the sales are considered when the subject is analyzed in this approach. Also considered are the direct similarities and characteristics of the sales and the subject. The rate selected and applied to the estimated net income of the subject is 3.00%. The selected cap rate of 3.00% when applied to the net income of the subject indicates a value from the Income Approach of \$3,627,867. The Income Approach is rounded to \$3,630,000.

It is important to note that with capitalization rates in a large range and this low in value, with many determining factors, and as volatile as the approach can be, a .25% change in the cap rate results in a change to the indicated value of 7.69% to 8.33%. The low capitalization rates, recreational influences, and selective nature of this approach, makes the indicated results volatile and in some instances less reliable. The Income Approach was completed and provides support for the final value conclusion.

Reconciliation and Opinion of Value

Summary

Cost Approach _____	\$	Not Completed
Income Approach _____	\$	3,630,000
Sales Comparison Approach _____	\$	3,560,000

Discussion & Correlation of Values

Analysis of Each Approach and Opinion of Value: This appraisal is being presented in summary report form. All three of the approaches to value were considered in accordance with USPAP, with the Income and Sales Comparison approaches to value completed. The subject is a minimally improved grazing property in Lake County, Oregon. The property is made up of site, irrigated crop, pasture and range lands. Improvements consist of a GP building and several other miscellaneous improvements. The improvements are considered to be in average condition and contribute nicely to the subject. The sales used in this report all contain land use types similar to what exists on the subject property, though not all of the sales possess all of the land use types that are present on the subject. The sales utilized are considered to compare reasonably well with the subject and are current in the market. The market area of the subject is heavily driven by agriculture forces. While there are recreational amenities in the area, the most probable buyer in the current market will contain agricultural motivations. The most active market participants are area operators, whose primary concern is the production potential of the land.

As mentioned previously the Cost Approach was not completed.

The Income Approach considers area sales of comparable nature to the subject from which to obtain market demonstrated rates of return. From the five sales used, a representative cap rate is determined and applied to the net income of the subject. The reliability of the Income Approach depends upon the appraiser's estimate of production and ownership costs, and the overall comparability of the sales to the subject. The sales have reasonable overall similarity to the subject property but present a wide range of capitalization rates making the selection of a specific rate difficult. The many contributing factors within this approach as well as its selective nature makes the approach more volatile. It is noted that a .25% change in the cap rate results in a 7.69% to 8.33% change in the indicated value. The selection of a specific cap rate is difficult, and the value indicated by the Income Approach is used as support for the final value derived in this report.

The Sales Comparison Approach considers area sales of comparable nature to the subject. Each sale is compared directly to the subject and is adjusted for land allocation and building contribution differences. This approach allows for additional adjustments apparent in the market for differences such as time, location, quality, size, and other physical characteristics. The five sales used in this approach compare reasonably well to the subject. After adjustments the sales present a reasonable range of indicated values for the subject property. SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Allocation of Value

Opinion Of Value -	(Estimated Marketing Time	12-18	months, see attached)	\$	3,560,000
Cost of Repairs	\$	_____			
Cost of Additions	\$	_____			
Allocation:	(Total Deeded Units: 3,559.45)	Land:	\$ 3,550,000	\$ 997 /	(100 %)
		Land Improvements:	\$ _____	\$ 0 /	(0 %)
		Structural Improvement Contribution:	\$ _____	\$ 0 /	(0 %)
Value Estimate of Non-Realty Items:					
	Value of Personal Property (local market basis)	\$	_____		
	Value of Other Non-Realty Interests:	\$	Irrigation Equipment		
	Non-Realty Items:	\$	10,000	\$ 3 /	(0 %)
Leased Fee Value (Remaining Term of Encumbrance)	\$	_____	\$ 0 /	(0 %)	
Leasehold Value	\$	_____	\$ 0 /	(0 %)	
Overall Value	\$	3,560,000	\$ 1,000 /	(100 %)	

Reconciliation Continued

A strength of this approach is that similar methodology is applied by typical buyers in the market. The comparability of the sales to the subject and the resulting ranges of indicated values enhance the reliability of this approach to value. The concluded value for the subject from the Sales Comparison Approach is \$3,560,000.

The two approaches completed indicate overall values for the subject property from \$3,560,000 to \$3,630,000. This range results in a \$70,000 or just under a 2% difference in indicated values. The Sales Comparison Approach to Value was relied upon in deriving the final value conclusion due to the volatility and subjectivity within the Income Approach to Value. While considering both approaches to value, the current real estate market, the attributes, characteristics, condition, and amenities of the subject property, the final value conclusion for the subject as of March 2, 2021 is \$3,560,000, cash.

The property is currently listed with Fisher Nicholson Realty, LLC for the list price of \$3,600,000. The property has been listed since August 2020. The appraised value is \$3,560,000. The difference in appraised value and list price is \$40,000, just over a 1% difference in value. The property has been listed on the open market for approximately 7 months and has been well exposed to the open market prior to the current listing of the property. The estimated marketing and exposure time is 12-18 months.

MARKET VALUE DEFINITION

Regulations published by federal regulatory agencies pursuant to title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure on the open market;
4. Payment is made in terms of cash in United States 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.

Other:

Market value means the most probably price that 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 neither is under duress. Implicit in this definition is the consummation of a sale as a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in United States 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 sale concessions granted by anyone associated with the sale.

Source: 12 CFR Part 614 Subpart F

EXPOSURE AND MARKETING TIME ESTIMATES

Market value (see above definition) conclusion and the costs and other estimates used in arriving at conclusion of value is as of the date of the appraisal. Because markets upon which these estimates and conclusions are based upon are dynamic in nature, they are subject to change over time. Further, the report and value conclusion is subject to change if future physical, financial, or other conditions differ from conditions as of the date of appraisal.

In applying the market value definition to this appraisal, a reasonable exposure time of 12-18 months has been estimated. Exposure time is the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; exposure time is always presumed to **precede** the effective date of the appraisal.

Marketing time, however, is an estimate of the amount of time it takes to sell a property interest at the market value conclusion during the period **after** the effective date of the appraisal. An estimate of marketing time is not intended to be a prediction of a date of sale. It is inappropriate to assume that the value as of the effective date of appraisal remains stable during a marketing period. Additionally, the appraiser(s) have considered market factors external to this appraisal report and have concluded that a reasonable marketing time for the property is 12-18 months.

Comments: The estimated marketing times have their basis from conversations with local real estate agents and supported by past sales activities.

Assumptions and Limiting Conditions

The certification of the Appraiser(s) appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth in the report.

1. The Appraiser(s) assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser(s) render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser(s) have made no survey of the property. Drawings and/or plats are not represented as an engineer's work product, nor are they provided for legal reference.
3. The Appraiser(s) are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. The separate valuations of components must not be used outside of this appraisal and are invalid if so used.
5. The Appraiser(s) have, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser(s) have relied on such information and assumes there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser(s) assume no responsibility for such conditions, for engineering which might be required to discover such factors, or the cost of discovery or correction.
6. While the Appraiser(s) ☒ have ☐ have not inspected the subject property and ☒ have ☐ have not considered the information developed in the course of such inspection, together with the information provided by the ownership and client, the Appraiser(s) are not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present and subsequent ownerships will exercise due diligence to ensure that the property does not become otherwise contaminated.
7. Information, estimates, and opinions furnished to the Appraiser(s), and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser(s) can be assumed by the Appraiser(s).
8. Unless specifically cited, no value has been allocated to mineral rights or deposits.
9. Water requirements and information provided has been relied on and, unless otherwise stated, it is assumed that:
 - a. All water rights to the property have been secured or perfected, that there are no adverse easements or encumbrances, and the property complies with Bureau of Reclamation or other state and federal agencies;
 - b. Irrigation and domestic water and drainage system components, including distribution equipment and piping, are real estate fixtures;
 - c. Any mobile surface piping or equipment essential for water distribution, recovery, or drainage is secured with the title to real estate; and
 - d. Title to all such property conveys with the land.
10. Disclosure of the contents of this report is governed by applicable law and/or by the Bylaws and Regulations of the professional appraisal organization(s) with which the Appraiser(s) are affiliated.
11. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client specified in the report without the written consent of the Appraiser.
12. Where the appraisal conclusions are subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner consistent with the plans, specifications and/or scope of work relied upon in the appraisal.
13. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.
14. EXCLUSIONS. The Appraiser(s) considered and used the three independent approaches to value (cost, income, and sales comparison) where applicable in valuing the resources of the subject property for determining a final value conclusion. Explanation for the exclusion of any of the three independent approaches to value in determining a final value conclusion has been disclosed in this report.
15. SCOPE OF WORK RULE. The scope of work was developed based on information from the client. This appraisal and report was prepared for the client, at their sole discretion, within the framework of the intended use. The use of the appraisal and report for any other purpose, or use by any party not identified as an intended user, is beyond the scope of work contemplated in the appraisal, and does not create an obligation for the Appraiser.
16. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.
17. Other Contingent and Limiting Conditions:
18. This appraisal has been prepared for the sole and specific needs of Bank of Eastern Oregon. To the extent any third party relies upon or uses this appraisal, Agri-Access, and the person making this appraisal, hereby disclaim any liability for the contents and for any changes that may have occurred since the date of the appraisal.

SEE NEXT PAGE FOR ADDITIONAL COMMENTS

Assumptions and Limiting Conditions

19. Irrigation water rights are provided by the State of Oregon and were researched on the State of Oregon Water Resources Department website. Irrigation water rights are provided by Certificates 5205, 5270, 33180, 37004, 45668, and Permit G-17524. These certificates and permit provides a total of 1,417.12 acres of primary water rights and 39.8 acres of supplemental water rights. These rights are sufficient for what is currently being considered as irrigated cropland and irrigated pasture on the subject property. The permit applied for an extension for completion date until 10/1/2025. This permit is approved for an additional irrigation well that has not yet been drilled. An application (G-19032 which is from T-12042) was filed on 9/28/20 for irrigation water rights from a well for 45.5 acres of primary water rights and 430 acres of supplemental irrigation water rights. An Irrigation Water Rights Summary is included in the report addenda, in addition to the Water Right Certificates and Permit.

20. There is approximately 57 acres under a CRP contract, this acreage is situated near the northern property boundary along both sides of Thomas Creek. A copy of this contract was not provided to the appraiser. This acreage cannot be grazed or farmed and is left to it's natural state. The contract was renewed in 2015 and expires in 2030, the 2020 payment was \$5,477, or \$96.09 per acre.

21. The southern property boundary borders Goose Lake. The property owners around Goose Lake possess rights to graze the lake bed when the water levels are low. There is electric fencing for the riparian grazing below the 4,702 elevation mark along the subjects southern property boundary on the north end of Goose Lake for seasonal grazing purposes. The subject is grazed in conjunction with approximately 500+/- acres of lake bed. There is no cost to the property owner to graze these lands. This is not considered a deeded grazing right, it is considered a riparian benefit to the property owners that own lands that surround Goose Lake.

22. No items atypical of a farm operation were observed, no other concerns were reported to the appraiser. The appraiser's observation is limited to reasonably apparent and accessible conditions and does not include hidden, latent conditions or those in inaccessible areas. The appraiser is not trained as an environmental expert and does not know, in fact, that environmental or hazardous concerns do not exist on the subject property. There was nothing viewed or reported considered to be a hazard or a detriment to the property. A preliminary title report was not provided to the appraiser. It is assumed that the subject contains typical easements for the area. It is assumed that the subject does not include any atypical easements. These type of easements include irrigation ditches, pipelines, utilities, and roads. It is unknown if the mineral rights have been severed from the subject property. Mineral rights are of secondary concern to the typical buyer in this market and have minimal impact on value. They were not researched as part of this appraisal analysis. The appraiser was not provided with an owner completed environmental disclosure. A FEMA was not provided to the appraiser.

Appraiser 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 my personal, impartial and unbiased professional analysis, opinions, and conclusions.
3. I have ☒ no ☐ the specified present or prospective interest in the property that is the subject of this report and I have ☒ no ☐ the specified personal interest with respect to the parties involved.
4. I have performed ☒ no ☐ the specified services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. my engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I ☒ have ☐ have not made a personal inspection of the property that is the subject of this report.
10. ☒ no one ☐ the specified persons provided significant real property appraisal assistance to the person signing this certification.

Effective Date of Appraisal: 03/02/21

Opinion of Value: \$ 3,560,000

Appraiser:

Signature: Lesley L. Miller, ARA

Property Inspection: ☒ Yes ☐ No

Inspection Date: 03/02/21

Name: Lesley L. Miller, ARA

License #: C001252 Exp: 12/31/21

Certification #: _____

Appraiser has ☒ inspected ☒ verified ☒ analyzed the sales contained herein.

Date Signed: 03/22/21

QUALIFICATIONS**LESLEY L. MILLER, ARA**

Appraiser – Agri-Access
1087 W. River Road Suite 100
Boise, ID 83702

PROFESSIONAL LICENSES**Certified General Real Estate Appraiser**

California License #AG3002960 – March 2015 to Present

Idaho License #CGA-4180 – June 2016 to Present

Oregon License #C001252 – August 2016 to Present

State of California, Realtor License #01871570 – 2009 to Present

PROFESSIONAL APPRAISAL EXPERIENCE**AGRI-ACCESS**

Certified Appraiser – July 2016 to Present

FARM CREDIT WEST

Certified Appraiser – March 2015 to June 2016

Appraiser Trainee – June 2012 to February 2015

PROFESSIONAL AFFILIATIONS

AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS (ASFMRA)

Associate Member since February 2016, Accredited in 2018

APPRAISAL EDUCATIONAL BACKGROUND**APPRAISAL INSTITUTE**

Course 101GR	Basic Appraisal Procedures (10/15/12)
Course I1410N	15- Hour National USPAP Course (5/30/13)
Course 401 G	General Appraiser Sales Comparison Approach (7/03/13)
Course 402G	General Appraiser Site Valuation & Cost Approach (8/13/13)
Course N300GR	Real Estate Finance, Statistics, and Valuation Modeling (9/20/15)
Course N400G	General Appraiser Market Analysis and Highest & Best Use (4/29/14)
Course N403G	General Appraiser Income Approach Part 1 (9/8/14)
Course N404G	General Appraiser Income Approach Part 2 (9/16/14)
Course	General Appraiser Report Writing and Case Studies (10/27/14)
Seminar	Federal and California Statutory and Regulatory Laws (12/11/15)
Course	2016-2017 7-Hour National USPAP Update Course (2/18/16)

AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS

Course A101	Basic Appraisal Principles (2/20/13)
Seminar	Technology Applications in Appraisal – Google Earth (9/30/15)
Seminar	Financial Aspects of Agriculture (10/1/15)
Course A250	Eminent Domain (3/7/16)
Course A315	Valuation of Conservation Easements (3/10/16)

Seminar	Using Excel in Specific Appraisal Applications (1/26/17)
Seminar	Intro to Excel Statistical Analysis to Determine Adjustments (1/27/17)
Seminar	Water Rights Survival Course for Real Estate Appraisers (1/27/17)
Webinar	Best in Business Ethics (2/10/17)
Course A304	Integrated Approaches to Value (3/27/17)
Seminar	Economics of Farmland/Water Investing (1/25/18)
Seminar	Agricultural Consulting for the Appraiser (1/25/18)
Seminar	Soil Survey Fundamentals & Land Capability Classifications (1/25/18)
Course	2018-2019 7-Hour National USPAP Update Course (1/26/18)
Course A400	Advanced Rural Case Studies (4/30/2018)
Course A500	Advanced Appraisal Exam Preparation Course (10/27/2018)
Course A600	Foundations of Appraisal Review (10/5/2020)

McKISOCK

Course	2020-2021 7-Hour National USPAP Update Course (11/29/2020)
--------	--

EDUCATIONAL BACKGROUND

CALIFORNIA STATE UNIVERSITY, CHICO– Chico, CA (2011)
Bachelor of Science in Agricultural Business

FEATHER RIVER COMMUNITY COLLEGE – Quincy, CA (2009)
Associate Degree of Science in Agricultural Business

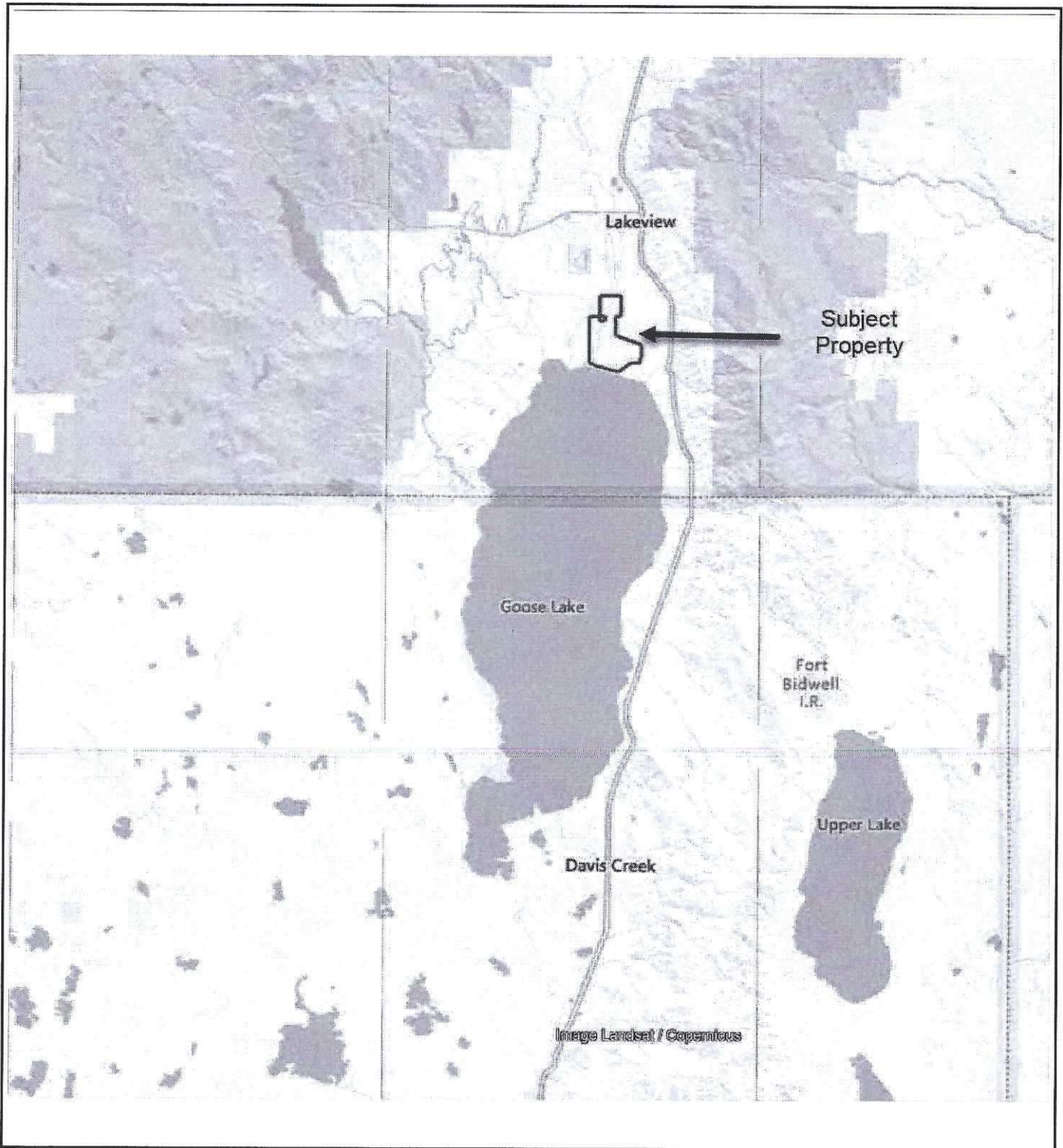
**A
D
D
E
N
D
A**

Addenda Table of Contents

Page Title	Page #
Subject Information	
Subject Locator	1
Aerial Map	2
Subject Plat	3
Soils Map	4
Topography Map	5
County Assessor Map 40S20	6
Legal Description	7
Irrigation Water Rights Summary	8
Certificate #5205	9
Certificate #5270	10
Certificate #33180	11
Certificate #37004	12
Certificate #45668	14
Permit G 17524	16
Well Log #2851	21
Signed Engagement Letter	22
Sales Information	
Sale # 18001	24
Sale # 18002	27
Sale # 19003	30
Sale # 20003	33
Sale # 20001	36

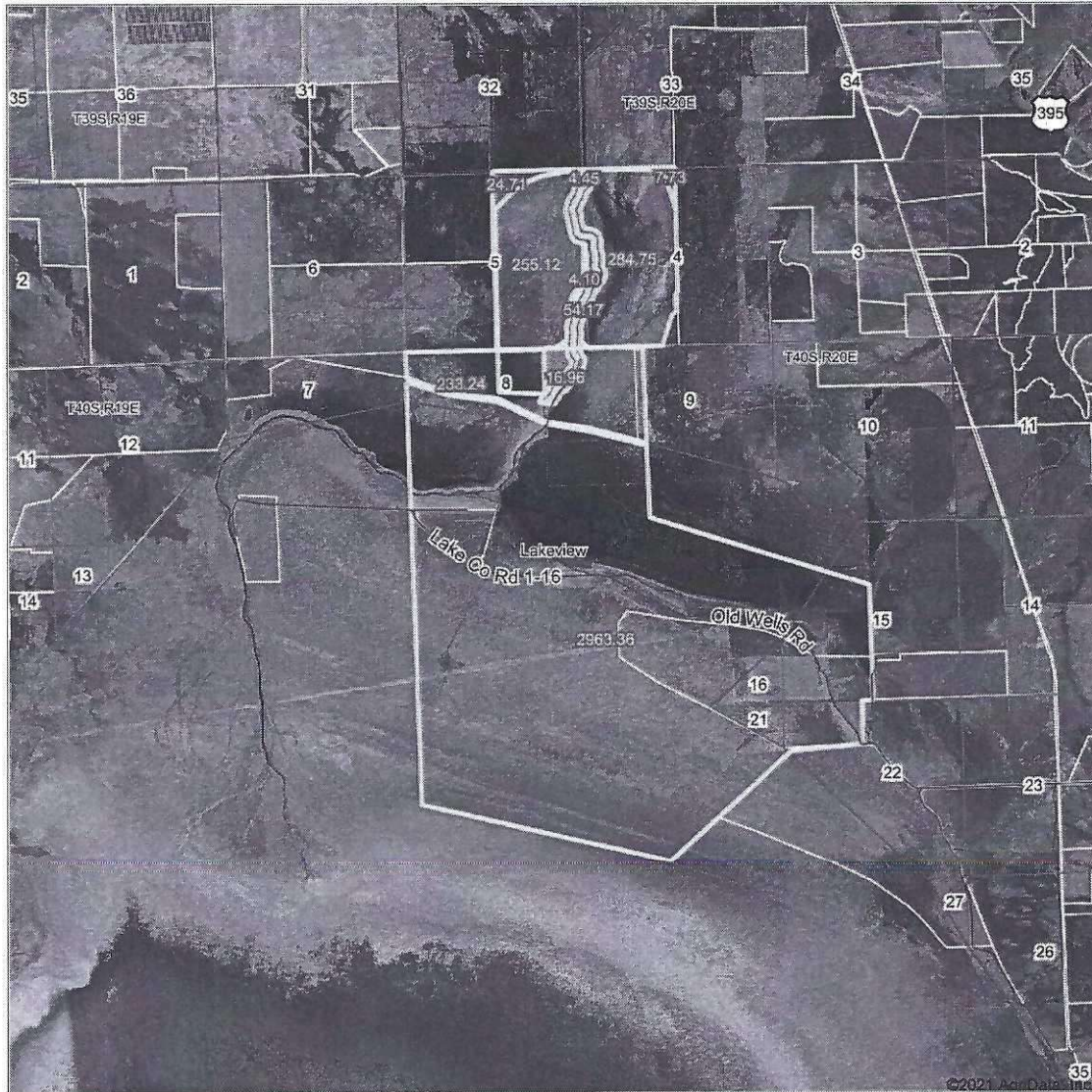
Subject
Information

Subject Locator



Aerial Map

Aerial Map



map center: 42° 6' 15.63, -120° 22' 49.4

0ft 4576ft 9153ft

Maps Provided By:
surety
CUSTOMER ONLINE MAPPING
© AgriData, Inc. 2021 www.AgrDataInc.com

Lake County
 Oregon



3/23/2021

Field borders provided by Farm Service Agency as of 6/21/2008.

Subject Plat

