

A Restricted Appraisal Report
of 4,099.90 Acres of Agricultural Pastureland
Located Approximately 5 Miles
East of Lefors, in
Gray County, Texas

Effective Date
February 22, 2019

Requested By
Mrs. Jenni Winegarner
Vice President of Operations
Triangle National, LLC
7673 Canyon Drive
Amarillo, Texas 79110

Prepared By
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Job # 2019-090

March 15, 2019

Mrs. Jenni Winegarner
Vice President of Operations
Triangle National, LLC
7673 Canyon Drive
Amarillo, Texas 79110

RE: A *Restricted Appraisal Report* of a tract of agricultural land located approximately 5 miles east of Lefors in Gray County, Texas.

Dear Mrs. Winegarner,

In accordance with your request, we have prepared a *Restricted Appraisal Report* of the property referenced above. The purpose of the appraisal is to estimate the current "as is" market values, as defined in the accompanying report, of the fee simple interest, surface only estate in the property as of the effective date of the appraisal. We understand that the function of the report is to establish market value of the property for internal decision making.

The effective date of this appraisal is February 22, 2019, and is based on data and market conditions prevailing on that date. The research and analysis contained herein was conducted during the months of February and March, 2019.

By reason of our investigation and analysis of data contained in this report, other information in our files, and our experience in the real estate and appraisal profession, it is our opinion that the "as is" market values of the fee simple estate in the subject property, being approximately 4,099.90 acres of agricultural land, in Gray County, Texas, as of February 22, 2019, was in round numbers:

| | |
|-------------------------|-------------|
| Subject As Whole | \$3,895,000 |
| Subject As Multi Parcel | \$4,475,000 |

Mrs. Winegarner
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March 15, 2019

It should be noted that, to our knowledge, no environmental hazard was known to be located on the property, as of the effective date of this appraisal. The value concluded in this appraisal report assumes that no hazardous building materials are in place in the building improvements and that no hazardous conditions affect the subject site.

We do not warrant that the improvements meet the specifications established by the Americans with Disabilities Act. Furthermore, as a result of our analysis, we have concluded that the property has no scientific, natural, cultural, or recreational value.

The following pages of this report and addenda contain the pertinent data gathered in the course of our investigation and sets forth the methods employed in completing the value estimate.

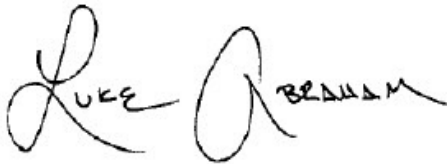
Sincerely yours,

A handwritten signature in blue ink, reading "Clint W. Bumguardner".

Clint W. Bumguardner, MAI, ASA
State Certification No. TX-1321020-G

A handwritten signature in blue ink, reading "Andrew Cox".

Andrew Cox
General Certified Appraiser
Texas Certification No. TX-1380366-G

A handwritten signature in black ink, reading "LUKE M. ABRAHAM".

Luke M. Abraham
Appraiser Trainee
Authorization No. TX-1341588

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Summary of Salient Facts, Data and Conclusions

| | |
|---|--|
| Property Appraised: | Rural agricultural pastureland. |
| Property Type: | Rural agricultural land consisting of approximately 4,099.90 acres of native pastureland. |
| Location: | The subject is located approximately 5 miles east of Lefors, along both sides of paved Farm to Market Road 1321, in the eastern portion of Gray County, Texas. |
| GPS Coordinates: | Latitude: 35° 25' 22.07" N Longitude: 100° 42' 03.61" W |
| Legal Description: | Being 4,099.90 acres, more or less, out of Section 11, Block A-6, Section 50, The S/2 and NW/4 of Section 49, Block A-9, Section 9 (Less an 11 acres tract out of the SW portion, 480 acres out of the N Portion of Section 8, 503.90 Acres out of the N Portion of Section 7, All of Section 10, Block 26, All in the H&GN Survey, 38 acres out of Section 2, Block SD, C Davis Survey, and 52 Acres out of Section 24, Block SJ, W Davidson Survey, All in Gray County, Texas. |
| Purpose of Appraisal: | The purpose of the appraisal is to develop an opinion of the "As Is" market values of the subject property. |
| Property Rights Appraised: | The property rights appraised for the subject property is the fee simple interest - surface rights. |
| Client Identity and Intended Users of the Appraisal: | This report is intended for use only by the client, Triangle National LLC. Use of this report by others is not intended by the appraisers. No purchaser or seller of the subject property, nor any borrower are intended users of this appraisal and no such parties should use or rely on this appraisal for any purpose. All such parties are advised to consult with appraisers or other professionals of their own choosing. |

Summary of Salient Facts, Data, and Conclusions (Continued)

| | |
|-------------------------------------|---|
| Intended Use of Appraisal: | The intended use of this appraisal is to assist Triangle National LLC and-or participants with internal decision making regarding the subject property. This report is not intended for any other use. |
| Effective Date of Valuation: | February 22, 2019 |
| Land Data: | |
| Size: | 4,099.90 acres of native pastureland. |
| Shape: | Subject is one tract of land being irregular in shape. |
| Land Use: | Approximately 4,099.90 acres of native pastureland. |
| Topography: | The subject is mostly rolling in topography, which is considered to be typical for the area. The elevation ranges from 2,625 feet to 2,880 feet above sea level. |
| Frontage/Access: | The subject has frontage and access via both sides of paved Farm to Market Road 1321. |
| Flood Zone: | A FEMA Flood Map was not available for the subject area. Portions of the subject property feature frontage along the North Fork of the Red River as well as Sand Creek and are subject to occasional flooding. <i>However, it is recommended that a survey, by a registered surveyor be performed to determine exact elevations, flood status and the amount of acreage and/or improvements that might be affected.</i> |
| Oil Field Activity: | The subject does contain scattered oil field activity. |
| Wildlife Amenities: | Commonly seen wildlife in the subject area are whitetail and Mule deer, turkey, quail, and seasonal Mourning and White Wing Dove. |

Summary of Salient Facts, Data, and Conclusions (Continued)

Grasses and Vegetation:

The subject is comprised of approximately 4,099.90 acres of native pasture. The majority of the grasses and vegetation in the subject and the area are in average condition due to sporadic precipitation.

Improvements:

The subject does not feature any structural improvements. Site improvements include perimeter and interior barb wire fencing in good condition. Also on the subject are 4 windmills in poor to fair condition with associated steel livestock water tanks. Various other livestock associated structures located on the subject were observed to be in dilapidated condition.

Utilities:

Electricity and a private water well.

Easements, Restrictions, and Encroachments:

Typical utility easements were assumed on the property. A physical inspection of the property did not reveal any other adverse encroachments.

Nuisances, Hazards and Detrimental Influences:

We were not provided with an environmental study on the subject property. For purposes of this appraisal assignment, we have assumed that no hazardous conditions affect the subject site. If subsequent environmental studies indicate a hazardous condition at the subject site, it could affect the value conclusions in this report.

Summary of Salient Facts, Data, and Conclusions (Continued)

**Natural, Recreational,
Cultural Or Scientific Value:**

The appraisers were not provided with a study regarding natural, recreational, cultural or scientific amenities on the subject and are not qualified as experts in determining value attributed with these amenities. If a subsequent study is completed and indicates a value for any of these specific amenities, the appraisers reserve the right to modify the value conclusions in this report.

Current Use:

Rural agricultural native pastureland.

Highest and Best Use:

Rural agricultural native pastureland.

**Indicated Improvement Value by
Cost Approach:**

N/A

**Indicated Value by
Sales Comparison Approach:**

As Whole:

\$3,895,000

As Multi Parcel:

\$4,475,000

**Indicated Value by
Income Approach:**

N/A

| FINAL MARKET VALUE INDICATION | |
|-------------------------------|-------------|
| As Whole | \$3,895,000 |
| As Multi Parcel | \$4,475,000 |

Estimated Exposure Time:

12 months

Identification of Subject Property

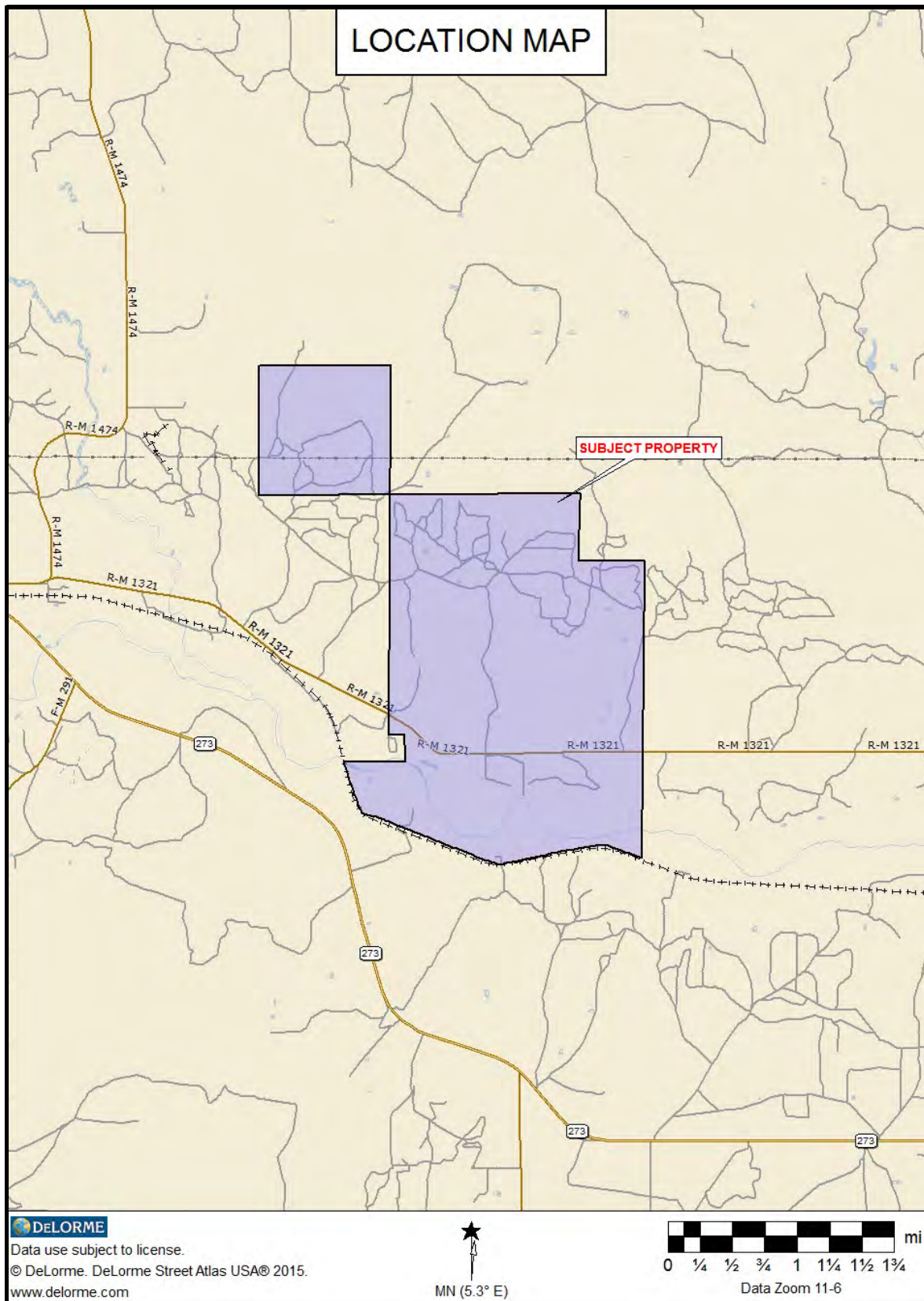


The subject property consists of a tract of agricultural land, encompassing 4,099.90 acres, comprised of native pasture. The property is located approximately 5 miles east of Lefors, along both sides of paved Farm to Market Road 1321, in the eastern portion of Gray County, Texas.

Legal Description

The legal description for the subject tract is as follows:

Being 4,099.90 acres, more or less, out of Section 11, Block A-6, Section 50, The S/2 and NW/4 of Section 49, Block A-9, Section 9 (Less an 11 acres tract out of the SW portion, 480 acres out of the N Portion of Section 8, 503.90 Acres out of the N Portion of Section 7, All of Section 10, Block 26, All in the H&GN Survey, 38 acres out of Section 2, Block SD, C Davis Survey, and 52 Acres out of Section 24, Block SJ, W Davidson Survey, All in Gray County, Texas.



SCOPE OF WORK

Appraisal Problem to be Solved

The problem to be solved in this appraisal assignment is to support and develop an opinion of value of the “as is” market value of the subject property, as of the effective date of appraisal, and subject to the assumptions and limiting conditions set forth in the appraisal. The fee simple, surface only interest in the subject property is being appraised.

Intended Use and Intended Users of the Appraisal

This report is intended for use only by the client, Triangle National LLC and/or assigns. Use of this report by others is not intended by the appraisers. No purchaser or seller of the subject property, nor any borrower are intended users of this appraisal and no such parties should use or rely on this appraisal for any purpose. All such parties are advised to consult with appraisers or other professionals of their own choosing.

The intended use of this report is for loan underwriting and/or credit decisions by Triangle National LLC and/or assigns. This report is not intended for any other use. Triangle National LLC reserves the right to use the report for the purposes of syndication with other financial institutions or securitization.

Effective Date of Appraisal and Date of Report

This appraisal has an effective date of February 22, 2019 and is based on data and market conditions prevailing on that date. A physical inspection of the property was made on February 22, 2019. This appraisal report was written during the months of February and March 2019 and was completed on March 15, 2019.

Property Rights Appraised

In this particular appraisal, the property rights appraised consist of the fee simple interest, surface only estate, in the subject.

A **fee simple interest** is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

¹The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 114.

Type and Definition of Value Used in the Appraisal

Market value is defined as being the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.² 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 each acting in what they consider their own best interests;
- 3) A reasonable time is allowed for exposure in the open market,
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.³

Extent of Property Identification

Physical Characteristics

The subject property consists of a tract of agricultural land, encompassing 4,099.90 acres, comprised of native pasture. The property is located approximately 5 miles east of Lefors, along both sides of Farm to Market Road 1321, in Gray County, Texas. The property includes no structural improvements with contributory value. The topography of the subject is mostly rolling, which is considered to be typical for the area. Livestock water is provided by 4 windmills in poor to fair condition, supplying water to two steel livestock tanks. Additional livestock water is provided by the North Fork of the Red River as well as Sand Creek. A FEMA Flood Map was not available for the subject area. The subject property appears to have portions that can be effected by flooding from the North Fork of the Red River as well as Sand Creek. *However, it is recommended that a survey, by a registered surveyor be performed to determine exact elevations, flood status and the amount of acreage and/or improvements that might be affected.*

²The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 23.

³ The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 24.

Economic Characteristics

According to the client, Triangle National LLC, the subject is currently leased for livestock grazing to Jeff Haley at an undisclosed price.

Legal Characteristics

We relied on information from surveys, deeds, and county records concerning easements, restrictions and other encumbrances. The subject legal description is:

Being 4,099.90 acres, more or less, out of Section 11, Block A-6, Section 50, The S/2 and NW/4 of Section 49, Block A-9, Section 9 (Less an 11 acres tract out of the SW portion, 480 acres out of the N Portion of Section 8, 503.90 Acres out of the N Portion of Section 7, All of Section 10, Block 26, All in the H&GN Survey, 38 acres out of Section 2, Block SD, C Davis Survey, and 52 Acres out of Section 24, Block SJ, W Davidson Survey, All in Gray County, Texas.

Extent of Property Inspection

The subject property was photographed and visually inspected from exterior and interior locations on the property. The inspection was performed in order to gather information about the physical characteristics of the subject that are relevant to the valuation problem. The inspection was conducted on February 22, 2019. The appraisers were accompanied by Chance Walker, a representative of Triangle National, LLC during the inspection. It should be noted, the size of the subject was based upon information obtained from the Gray County Appraisal District and information provided by the client.

Type and Extent of Data Researched

Comparable land sales were obtained and verified by principals, brokers or appraisers in order to form an opinion of value for the subject by the Sales Comparison Approach. All of the sales used were inspected either physically or by plats and/or photographs. All sale information was analyzed in applying the sales comparison to value. In addition, we reported the current assessed value and an estimate of annual property taxes. We reviewed factors controlling highest and best use, formed a preliminary opinion, and checked that opinion against collected data for reasonableness. We also reviewed employment, population, and other demographic data from various federal and local governmental agencies for analysis and reliance on for demographic trends.

Type and Extent of Analysis Applied

The value opinion presented in this report was based upon review and analysis of the market conditions affecting real property value of competitive properties and sales in Gray County and surrounding counties.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, our conclusion of highest and best use was based on logic, observed evidence and our experience in the real estate appraisal profession.

In the Sales Comparison Approach, a comparative analysis of relevant factors that influence value was undertaken to adjust the sales to the subject based upon the actions and preferences demonstrated by the participants in the market and based upon the appraiser's knowledge and experience in the appraisal business. Thus, the Sales Comparison Approach to value was utilized to form opinions of value for the subject property. The Cost Approach was not utilized as there were no structural improvements with any contributory value.

History of Subject Property

According to Standard Rule 1-5, as set out in the Uniform Standards of Professional Appraisal Practice by the Appraisal Standards Board of the Appraisal Foundation, effective January 1, 2012, a three year sales history of the subject property shall be included for all non-residential real estate.

According to information obtained from the Gray County Appraisal District, the subject property is currently under the ownership of the John B. Hines Estate and has been for a number of years. The appraisers are unaware of any additional ownership changes, listing prices, previous offers or contracts concerning the subject property that have taken place during the three years prior to the date of appraisal.

Exposure Time Analysis

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

Exposure time may be defined as follows: The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. The reasonable exposure period is a function of price, time, and use, not an isolated opinion of time alone.

Based upon the historical activity of sales similar to the subject and the appraiser's personal conversations with area agents/brokers, appraisers, and property owners familiar with the subject market, it is our opinion that a reasonable exposure time for agricultural properties in the value range of \$3,000,000 to \$5,000,000, in Gray County, Texas area to be approximately 12 months.

Competency Statement

The appraiser(s) have valued numerous farm and ranch properties within the State of Texas during the past ten years. In addition, the appraiser(s) have valued several agricultural properties in northwest Texas area over the past five years. For these reasons, the appraiser(s) have the professional competency required to appraise the subject property.

Mr. Bumguardner is a member of the Appraisal Institute (MAI No. 10161), an Accredited Senior Appraiser of the American Society of Appraisers and a State Certified General Real Estate Appraiser in the State of Texas, certificate number TX-1321020-G. Mr. Cox is a State Certified General Real Estate Appraiser in the State of Texas, certificate number TX-1380366-G.

Report Type

This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents limited discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value, that is consistent with the intended use of the appraisal. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.

Gray County Area Analysis

Analysis of a local economy often focuses on trends in population, employment and income. The conditions and potential of the local economy are relevant to most appraisal assignments. The value of real estate in a community is influenced by the demand for its use. The demand for various types of real estate, including vacant land, depends on the population of the market that the real estate serves, the effective purchasing power of this population, and their desire to own real estate. Demand may change for various types of real estate and between real estate and non-realty investment sources. "Market areas are defined by a combination of factors, such as, physical features, the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements, and land use trends."⁴

Location

Gray County is located in the northeastern part of Texas, at the eastern portion of the Texas Panhandle. The county was created in 1876 and later organized in 1902. It is named for Peter W. Gray, a Confederate lawyer and soldier in the American Civil War. Gray County covers a total area of 594,560 acres or 929 square miles. Elevations in the county range from about 2,800 feet to about 3,500 feet above sea level. Adjacent counties include Roberts County to the north, Wheeler County to the east, Donley County to the south, Carson County to the west, Hemphill County to the northeast, Hutchinson County to the northwest and Collingsworth County to the southeast. The McClellan Creek National Grassland is located in the county.

Pampa, the county seat and the hub of the eastern panhandle, is located 55 miles northeast of Amarillo and 53 miles west of the Oklahoma State Line. Major highways which provide access to the area include US Highway 60 and I-40. The county is also dissected by many county and farm to market roads. All of these highways are in good condition and provide the area with adequate access. Other towns in Gray County include Leflors with a 2014 population of 512 and McLean with a population of 808.

In the following discussions, the four forces that influence value 1) social, 2) economic, 3) governmental and 4) environmental will be examined. An understanding of the four forces is fundamental to appraising because the interaction of these forces creates the climate in which property values increase, decrease, or remain stable.

⁴The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008 p. 54.

Social Forces

Population

The city and county's population have declined slightly since 1970 and have fluctuated since 2010. Pampa comprises 79% of Gray County's population. Shown below are population statistics from the U.S. Census for Gray County and Pampa.

| COMPARATIVE POPULATION STATISTICS | | | | |
|-----------------------------------|--------|----------------|-------------|----------------|
| Year | Pampa | Percent Change | Gray County | Percent Change |
| 1970 | 21,726 | N/A | 26,949 | N/A |
| 1980 | 21,396 | -1.52% | 26,386 | -2.09% |
| 1990 | 19,959 | -6.72% | 23,967 | -9.17% |
| 2000 | 17,887 | -10.38% | 22,744 | -5.10% |
| 2010 | 17,944 | 0.32% | 22,535 | -0.92% |
| 2013 | 18,305 | 2.01% | 22,986 | 2.00% |
| 2014 | 18,399 | 0.51% | 23,437 | 1.96% |
| 2015 | 18,177 | -1.21% | 23,245 | -0.82% |
| 2016 | 17,762 | -2.28% | 22,738 | -2.18% |
| 2017 | 17,475 | -1.62% | 22,404 | -1.47% |

Economic Forces

Agriculture

The economy of Gray County is agriculture, oil and gas production, and varied manufacturing. Agribusiness is the largest contributor to the county's economy. According to the 2012 U.S. Ag Census, \$207.6 million of agricultural products were sold with livestock sales accounting for 88% and crop sales totaling 12% of goods sold. The Census shows that 417 farms were in the county and comprised an average of 1,235 acres per farm. Major crops produced in the county are wheat for grain, cotton and forage crops. The USDA, NASS chart shows the most recent agricultural statistics for Gray County.

| Item | Year | Planted Acres | Harvested Acres | Yield per Acre | Production | Dollars per Acre | Head |
|-------------------------|------|---------------|-----------------|----------------|----------------------|------------------|---------|
| Crops | | | | | | | |
| Cotton, Upland | | | | | | | |
| Total for crop | 2016 | 26,500 | 25,700 | 926.0 pounds | 49,600 480 lb. bales | | |
| Land | | | | | | | |
| Cash Rent, yearly rent | | | | | | | |
| Cropland, Non-Irrigated | 2016 | | | | | 19.50 | |
| Pastureland | 2016 | | | | | 6.50 | |
| Livestock | | | | | | | |
| Cattle | | | | | | | |
| All Cattle, January 1 | 2017 | | | | | | 115,000 |

Labor Force

Major employers in the county include all public school districts, Pampa Regional Medical Center, TDCJ, IRI International, National Oil Well, Cato/All Divisions, City of Pampa, Hudson Drilling Co., Wal-Mart, Gray County, and Titan/Hunting Specialties.

According to the Bureau of Labor Statistics, the civilian labor force as of July 2015 was 10,069, the number employed was 9,518, the number unemployed was 551, and the unemployment rate was 5.5%, which is slightly higher than the state average of 4.2% for the same time period. The civilian labor force one year later, May 2016, recorded 8,704, the number employed at 8,106, the number unemployed at 598 and the unemployment rate at 6.9%, which is higher than the state average of 4.2%. Clearly, statistics show that the national oil and gas situation has hampered Gray County's economy.

Governmental Forces

Local Services

Gray County is governed by a county judge and 4 precinct commissioners. The county also has one hospital and ten clinics for healthcare needs.

Burlington Northern Sante Fe Railroad provides piggyback and switching services in the county. Perry Lefors Airfield provides private air service.

Education

Gray County has six elementary, three middle schools, three high schools, one alternative high school and one private school which educate approximately 4,050 students. Clarendon College and Frank Phillips College are near Pampa, and West Texas A&M in Canyon is 106 miles away.

Environmental Forces

Terrain

Gray County is primarily a mix of level plains and rolling basins. According to the General Soil Map of Gray County provided by the USDA Natural Resources Conservation District the county consists of sandy, sandy loam, loam, and salty clay loam soils .

Gray County comprises approximately 929 square miles of the rolling grasslands of the Panhandle. The terrain is marked by numerous dry arroyos and by the intermittent McCellan creek, which drains into the North Fork of the Red River. The county's sandy, sandy loam, loam, and salty clay loam soils support a variety of natural grasses and trees as well as numerous crops, including wheat, corn, milo, sorghum, and other grain products.

Climate

The annual rainfall averages 17.38 inches, and the temperatures range from an average low of 21.9° F in January to an average high of 92° in July. The growing season averages 178 days annually.

Real Estate Market

Gray County is located in Region 1 of Texas, and specifically the Panhandle - Central Region (LMA 2) in research studies performed by the Texas A&M University Real Estate Center in conjunction with the Texas Chapter of the ASFMRA. The South Plains of Amarillo to Lubbock Region of LMA 2 includes Armstrong, Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Floyd, Hale, Hockley, Lamb, Lubbock, Randall, and Swisher Counties.

According to *Texas 2016 Rural Land Value Trends*, an article published by the ASFMRA Texas Chapter, in the South Plains Texas area, “due to timely rains, crop yields on dryland were up throughout the region. Irrigated cotton brought in good yields. The market price for cotton experienced a moderate increase. The land market for good irrigated farms was generally stable. The demand for farms with weaker irrigation water has declined.

Native rangeland is in scattered areas along draws or a band of sand hills and runs southeast across the region; generally, these are smaller tracts utilized in conjunction with adjoining cropland. Range conditions were average due to the timely rainfall.

Crop share leases are the most common lease arrangement for both irrigated and dry cropland; rental rates and terms remain stable. The trend of absentee landlords selling to tenants continued but to a lesser degree. Drip irrigation continued to be installed but has slowed some. Prices for land enrolled in the Conservation Reserve Program (CRP) are generally stable.”

An illustration of the observations for the South Plains (Amarillo to Lubbock) follows.

| South Plains - Amarillo to Lubbock Market Observations | | | | |
|---|---------------------|-----------------------|---------------------|-----------------------|
| Land Use or Class | Value Ranges | Activity/Trend | Rental Range | Activity/Trend |
| Irrigated Cropland Good Water | \$2,250 to \$4,000 | Stable/Stable | \$150 to \$200 | Stable/Stable |
| Irrigated Cropland Fair Water | \$1,100 to \$1,650 | Stable/Declining | \$100 to \$150 | Stable/Stable |
| Drip Irrigation | \$1,600 to \$3,000 | Stable/Stable | n/a | Stable/Stable |
| Dry Cropland Wheat | \$600 to \$900 | Stable/Stable | \$25 to \$45 | Stable/Stable |
| Dry Cropland Cotton | \$600 to \$900 | Stable/Stable | \$25 to \$45 | Stable/Stable |
| Rangeland | \$350 to \$1,100 | Stable/Stable | \$7 to \$10 | Stable/Stable |
| Conservation Reserve Program | \$500 to \$900 | Stable/Stable | \$30 to \$45 | Stable/Stable |

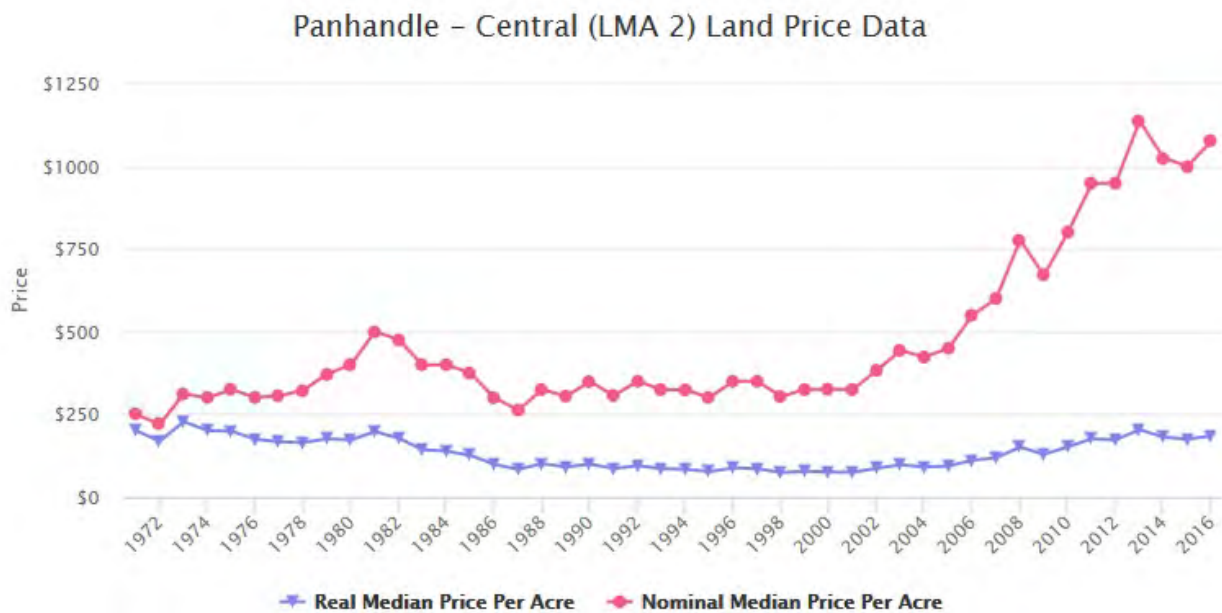
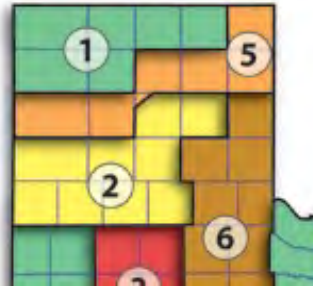
Vales for irrigated cropland typically includes center pivot sprinklers.

Minerals are typically either not included or not a factor in the land classes listed above.

General highlights of the overall Region 1 market as observed by the ASFMRA are as follows:

- Low commodity prices are a major concern to producers. There has been some improvement in cotton prices. Grain prices are still weak.
- Timely rainfall resulted in above average yields for much of the area. Yields were down in some areas compared to previous years.
- The demand for large hunting and recreational properties has been stable. Oil related investors have backed off this market in the early part of the year. After the November elections, demand increased due to the easing of uncertainty. Moderate demand was for small to mid-sized ranches with stable prices.
- The inventory of good irrigated land that is for sale is stable. There are some producers still in the market due to other income sources. Sales activity remained stable in the North Plains as well as the southern areas. Still some demand remains throughout the region for most classes of cropland from small and large investors. Values for farms with weak, or marginal irrigation water have declined somewhat, primarily due to low commodity prices.
- Dairies continue to purchase farm land to grow forages in order to control costs of inputs. These buyers have been the primary market makers in some areas of the Panhandle and to a significant extent in the northwest sector of the South Plains.
- Large investors are still in the market for prime irrigated farmland. The large investors are typically only interested in farms with strong water.
- Looking forward to 2017, much of the area has good underground moisture. There is still concern about underground water pumping restrictions on the Plains. Operators have adjusted to the pumping limitations. They have been taking advantage of the ability to bank water on the north plains for use in future years.

The following illustrations provided by the Texas A&M University Real Estate Center display trends of rural land prices in Region 1 from 1966 to 2016:



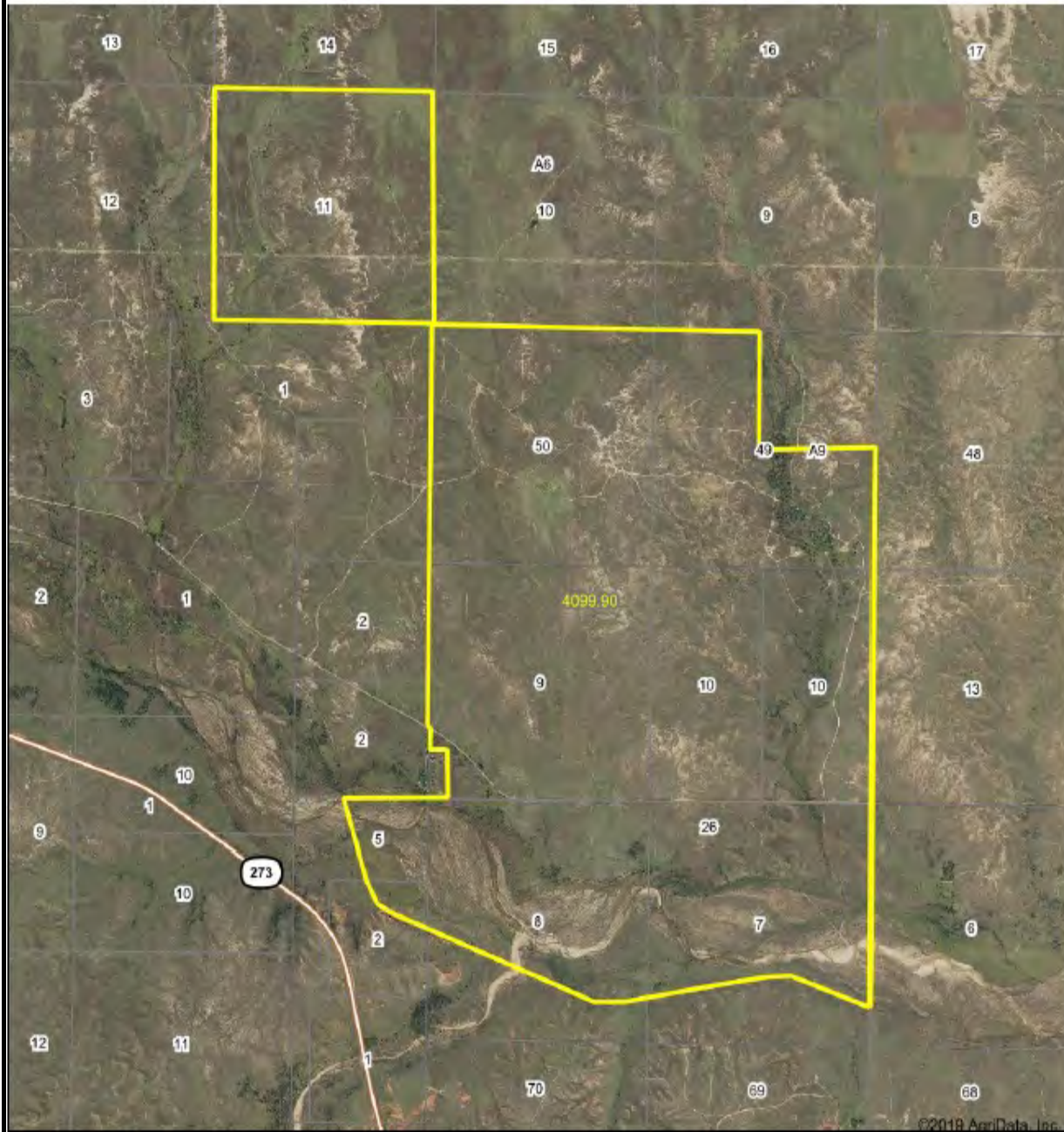
The following chart presents a detailed analysis of the trends noticed in the data above including land prices, percent changes, and median tract sizes for rural land sales from years 2004 to 2016.

| Texas Region 1 - Panhandle - Central (LMA 2) Statistics | | | |
|---|------------------------|----------------|---------------------------|
| Year | Average Price Per Acre | Percent Change | Median Tract Size (Acres) |
| 2004 | \$423 | -3.79% | 366 |
| 2005 | \$450 | 6.30% | 434 |
| 2006 | \$549 | 22.01% | 402 |
| 2007 | \$600 | 9.28% | 377 |
| 2008 | \$777 | 29.57% | 332 |
| 2009 | \$660 | -15.10% | 320 |
| 2010 | \$800 | 21.21% | 324 |
| 2011 | \$947 | 18.36% | 365 |
| 2012 | \$949 | 0.18% | 543 |
| 2013 | \$1,140 | 20.13% | 525 |
| 2014 | \$1,025 | -10.01% | 324 |
| 2015 | \$1,000 | -2.48% | 449 |
| 2016 | \$1,075 | 7.50% | 403 |

Summary

In conclusion, the economy of this area is based primarily upon agricultural and the oil and gas industry for economic growth and stability. Gray County is primarily an agricultural area with several large farming and ranching operations that have existed for a number of years. Thus, the local land market appears to be remaining relatively strong with a demand for rural agricultural tracts. However, the effects of the downturn in the national oil and gas sector remains to be seen as it relates to agricultural/recreational properties.

Aerial Map



map center: 35° 25' 47.83, -100° 42' 29.52

0ft 3615ft 7231ft



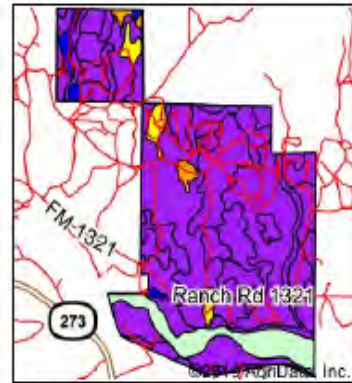
Maps Provided By:
surety
CUSTOMIZED ONLINE MAPPING
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Gray County
Texas



3/13/2019

Soils Map



State: Texas
 County: Gray
 Location: 35° 25' 47.83, -100° 42' 29.52
 Township: Pampa East
 Acres: 4099.9
 Date: 3/13/2019



Maps Provided By:



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Area Symbol: TX179, Soil Area Version: 15

| Code | Soil Description | Acres | Percent of field | Non-Irr Class Legend | Water Table | Non-Irr Class °C | Irr Class °C | Range Production (lbs/acre/yr) | Cotton Int | Cotton Int Irrigated | Grain sorghum | Grain sorghum Irrigated | Improved bermudagrass | Introduced bluestem | Soybeans Irrigated |
|------|---|---------|------------------|----------------------|-------------|------------------|--------------|--------------------------------|------------|----------------------|---------------|-------------------------|-----------------------|---------------------|--------------------|
| Tf | Tivoli fine sand, 5 to 30 percent slopes | 1403.34 | 34.2% | | > 6.5ft. | Vlle | | 3042 | | | | | | | |
| Tm | Likes complex | 748.08 | 18.2% | | > 6.5ft. | Vle | | 2100 | | | | | | | |
| LfD | Likes loamy fine sand, 1 to 8 percent slopes | 633.62 | 15.5% | | > 6.5ft. | Vle | Vle | 1425 | | | | | | | |
| Ln | Lincoln soils, 0 to 2 percent slopes, frequently flooded | 360.62 | 8.8% | | 6.4ft. | Vw | | 2165 | | | | | 3.5 | | |
| RW | Riverwash | 327.44 | 8.0% | | > 6.5ft. | | | 0 | | | | | | | |
| MoC | Mobeetie fine sandy loam, 3 to 8 percent slopes | 113.87 | 2.8% | | > 6.5ft. | Vle | | 2250 | | | | | | | |
| Sw | Sweetwater soils, 0 to 3 percent slopes, occasionally flooded | 101.02 | 2.5% | | 1ft. | Vw | | 3825 | | | | | | | |
| Sb | Springer loamy fine sand, 3 to 8 percent slopes | 79.91 | 1.9% | | > 6.5ft. | Ive | Ive | 2635 | | | | | | | |

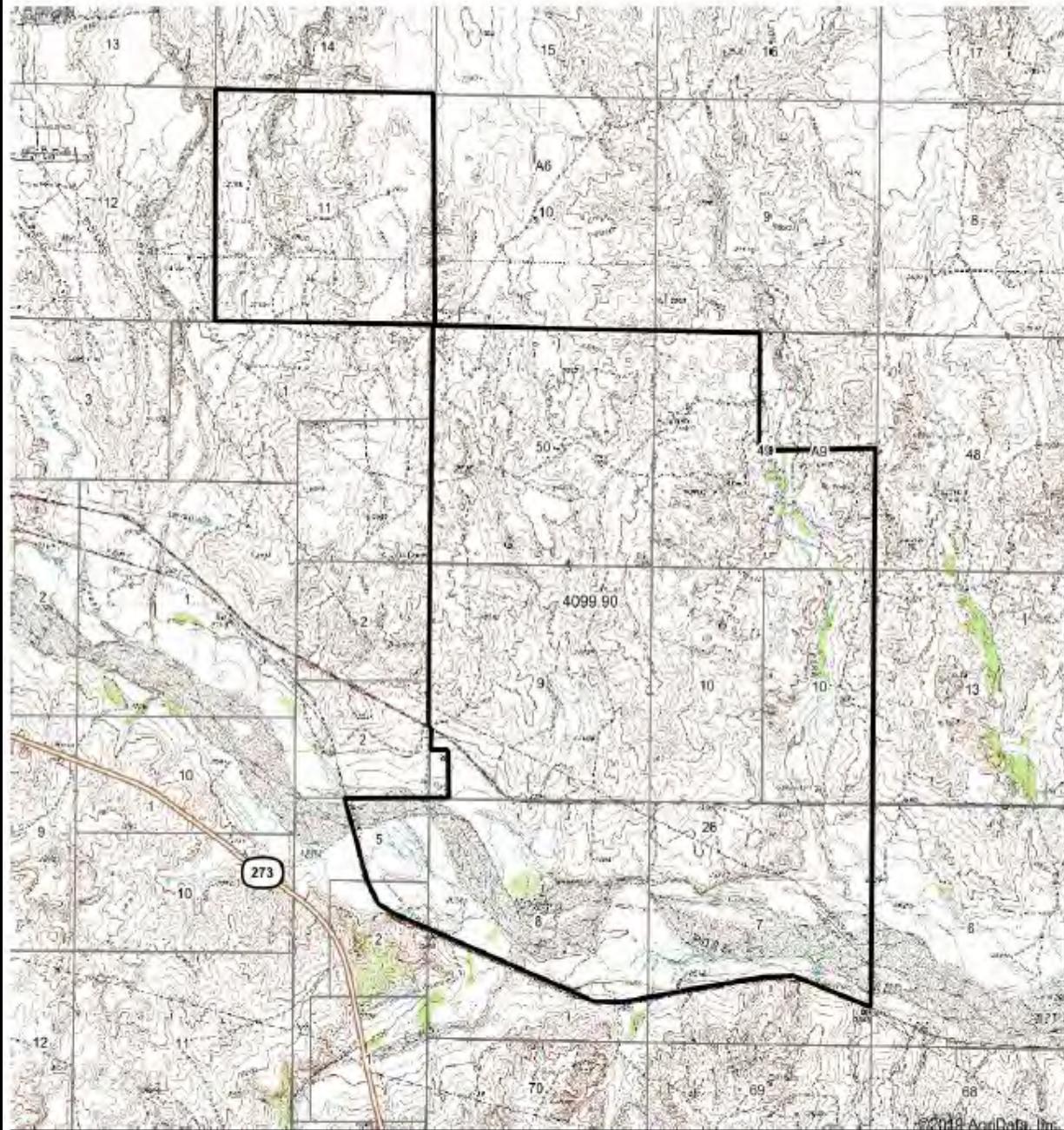
| | | | | | | | | | | | | | | | | |
|------------------|---|-------|------|--|----------|------|------|--------|-----|------|-----|-----|-----|----|---|-----|
| Hg | Polar soils | 54.20 | 1.3% | | > 6.5ft. | Vle | | 1100 | | | | | | | | |
| Gg | Spur and Guadalupe soils, 0 to 2 percent slopes, occasionally flooded | 42.21 | 1.0% | | > 6.5ft. | Ilw | Ilw | 2490 | 400 | 1000 | 50 | 110 | | | | 45 |
| MxD | Mobeetle-Veal-Potter complex, 3 to 20 percent slopes | 41.64 | 1.0% | | > 6.5ft. | Vle | | 1554 | | | | | | | | |
| MdB | Veal and Mobeetle fine sandy loams, 1 to 3 percent slopes | 37.95 | 0.9% | | > 6.5ft. | Ive | Ille | 2160 | 150 | 400 | 28 | 55 | | | | |
| Ga | Springer loamy fine sand, 0 to 3 percent slopes | 31.30 | 0.8% | | > 6.5ft. | Ille | Ille | 2610 | | | | | | | | |
| PmE | Potter-Berda-Mansker complex, 5 to 20 percent slopes | 30.57 | 0.7% | | > 6.5ft. | Vle | | 1130 | | | | | | | | |
| Gc | Spur clay loam, 0 to 1 percent slopes, occasionally flooded, cool | 25.56 | 0.6% | | > 6.5ft. | Ilw | Ilw | 3325 | | | | | | | | |
| MfB | Miles fine sandy loam, 1 to 3 percent slopes | 22.18 | 0.5% | | > 6.5ft. | Ille | Ille | 1913 | | | | | | | | |
| McD | Veal-Potter complex, 3 to 12 percent slopes | 21.80 | 0.5% | | > 6.5ft. | Vle | | 1680 | | | | | | | | |
| WcF | Woodward-Quinian complex, 5 to 50 percent slopes | 18.08 | 0.4% | | > 6.5ft. | Vle | | 2320 | | | | | 2.5 | | 3 | |
| MTA | Miles fine sandy loam, 0 to 1 percent slopes | 6.51 | 0.2% | | > 6.5ft. | Ille | Ille | 1913 | | | | | | | | |
| Weighted Average | | | | | | | | 2202.5 | 5.5 | 14 | 0.8 | 1.6 | 0.3 | *- | | 0.5 |

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

*c: Using Capabilities Class Dominant Condition Aggregation Method

Soils data provided by USDA and NRCS.

Topography Map



Maps Provided By:
 **surety**
CUSTOMIZED ONLINE MAPPING
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map center: 35° 25' 47.83, -100° 42' 29.52

0ft 3615ft 7231ft

Gray County
Texas



3/13/2019

Real Estate Tax and Assessment Analysis

The property is located in Gray County, Texas. The Gray County Appraisal District estimates market values for all properties in the county, and these values are utilized by all taxing authorities in each county as a basis for assessing taxes. The following taxing entities have jurisdiction over the subject property: Gray County, Gray County Hospital District, Clarendon College, Gray County Special, and Groom ISD and the Panhandle Groundwater Conservation District. The 2018 appraised value summary of the land - assigned to the property by the Appraisal District is listed in the chart below.

| APPRAISAL DISTRICT ASSESSED VALUE 2018 | | | | | | |
|---|----------|---------------|-------------------|-------------------|---------------------|-----------------|
| Parcel I.D. | Acres | Ag Land Value | Market Land Value | Improvement Value | Total Taxable Value | Estimated Taxes |
| 18246 | 480.00 | \$17,910 | \$416,040 | \$0 | \$19,910 | \$432 |
| 18243 | 503.90 | \$18,570 | \$434,990 | \$0 | \$18,570 | \$403 |
| 18384 | 38.00 | \$1,370 | \$32,680 | \$0 | \$1,370 | \$30 |
| 18401 | 52.00 | \$1,880 | \$44,740 | \$0 | \$1,880 | \$41 |
| 18250 | 640.00 | \$23,190 | \$550,990 | \$0 | \$23,190 | \$503 |
| 18248 | 626.00 | \$22,690 | \$539,800 | \$0 | \$22,690 | \$492 |
| 18337 | 480.00 | \$17,530 | \$413,750 | \$0 | \$17,530 | \$380 |
| 18339 | 640.00 | \$23,260 | \$557,070 | \$0 | \$23,260 | \$505 |
| 18276 | 640.00 | \$25,250 | \$576,470 | \$0 | \$25,250 | \$548 |
| Total | 4,099.90 | \$151,650 | \$3,566,530 | \$0 | \$153,650 | \$3,334 |

After analysis of the data within this report, it is our opinion that the assessed market value of the subject tract is similar to other properties in the area, and is considered to be slightly above market when compared to current market sales. As of the date of the appraisal, there were no delinquent property taxes according to the Gray County Tax Collector's office. The Gray County Appraisal District can be contacted at 806-655-0791.

Highest and Best Use

Highest and best use is a basic premise of value. As with value, highest and best use is not an absolute fact; it reflects an appraiser's opinion of the best use of a property based on an analysis of prevailing market conditions. The term highest and best use, as used in this appraisal report, is defined as:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value.⁵

Highest and best use has also been defined as that use which produces the greatest return to land over time.

Because existing improvements can limit the use of land, a determination of highest and best use for both 1) the site as if vacant and 2) the property as improved is based on the following four criteria:

- 1) *Legally permissible* - such use must be allowed under existing zoning, building codes, deed restrictions, and environmental regulations;
- 2) *Physically possible* - the size, shape, area and terrain of the property must be adequate to develop such use;
- 3) *Financially feasible* - the use must produce a positive return; and
- 4) *Maximally productive* - the use must produce a value, consistent with the rate of return indicated by the market, higher than all other uses which meet the first three criteria.⁶

The analysis of these four criteria is based on consideration of several factors. These factors include any legal restriction on its utilization, the property's physical attributes, current supply and demand conditions, potential gross income and market derived rates or return.

⁵ The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, pg. 277-278.

⁶ Ibid

Highest and Best Use, As Though Vacant

Land, as vacant, is a fundamental concept of valuation theory and the basis for the cost approach. There are two primary reasons to identify the highest and best use of the land as vacant: 1) to estimate a land value and 2) to identify comparable sales of vacant land.

The highest and best use of land is generally that use which, among all reasonable, alternative uses, provides the highest land value. The estimation of highest and best use, as vacant, is accomplished by applying the four criteria previously listed.

Physically Possible Use

This criterion is dictated by the physical features of the tract. The size, shape, frontage, topography, and soil conditions affect the uses to which it can be utilized. The size and shape of the subject are considered to be adequate to support most of the legally permissible forms of use and development.

The subject generally conforms with the size, shape, and topography of other sites in the area and is considered to be typical. We could find no market evidence that would suggest the subject is at a physical disadvantage with other properties in the area. In our opinion, a variety of uses are physically possible for the subject property.

Legally Permissible Use

The subject property does not lie within a municipality, therefore, it is not subject to any zoning or other regulations. Typical utility easements exist along the property perimeter. However, these easements should have no adverse effect on the utilization of the subject.

The property is subject to the typical county flood restrictions and rural septic system inspections which are enforced by the county. We are not aware of any private deed restrictions or environmental regulations which would limit property type or use.

Financially Feasible Use

Financial feasibility relates to all uses that are physically possible and legally permissible which are likely to produce some income, or return, greater than the combined income needed to satisfy operating expenses, financial expenses, and capital amortization. All uses expected to produce a positive return with a satisfactory equity yield are regarded as financially feasible.

Highest and Best Use

In considering the financial feasibility of the subject's most probable uses, several factors must be considered. These factors include, but are not limited to, the surrounding land uses, the physical characteristics of the site itself, the supply and demand forces which influence property values, and the cost of development.

The demand for properties in the subject's immediate area has been limited within the recent past due primarily to the state of the local economy and the lack of monetary lending which has been precipitated by the sluggish economy. There are several miles of similar land surrounding the subject property which are not currently developed. As mentioned earlier, the subject property is located approximately 5 miles east of Lefors, in Gray County, Texas. Due to all of the above mentioned reasons, it is our opinion that the subject property is most likely years from any development activity and will remain in agricultural production throughout the foreseeable future. Therefore, the most feasible use of the subject is determined to be a use of agricultural production and recreational hunting with potential development in the future. The current use also conforms to the general make-up of the immediate area.

Maximally Productive Use

It has been concluded that the most probable use to which the subject could be put is an ongoing agricultural operation. Additionally, the most productive use determined for the subject, as of the date of this appraisal, is rural, agricultural/ recreational land.

Cost Approach to Value

The cost approach to value is one of the three methods used in the valuation process. It is based on the understanding that market participants relate value to cost. The principle of substitution is basic to the cost approach. This principle affirms that a knowledgeable buyer would pay no more for a property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility without undue delay.⁷

The applications of the approach to a specific property involves the following steps:

- ◆ Estimate the value of the site as though vacant and available to be developed to its highest and best use.
- ◆ Estimate the reproduction cost or replacement cost new of all the improvements
- ◆ Estimate direct, and indirect costs of improvements, and entrepreneurial profit
- ◆ Add estimated direct and indirect costs, and entrepreneurial profit to cost of improvements.
- ◆ Estimate amount of depreciation from all causes {physical deterioration, functional obsolescence and economic (external) obsolescence}.
- ◆ Deduct estimated depreciation from the total cost new of the improvements to arrive at a depreciated value of the improvements.
- ◆ Add the site (land) value (Step 1) to the depreciated value of the improvements (Step 7) to arrive at a value indicated by the cost approach.
- ◆ Adjust value conclusion if any personal property or intangible assets are included in the appraisal assignment.

The reproduction cost is the cost to reproduce the improvements with the exact or similar materials as subject property - to produce a replica. The replacement cost is the cost associated with replacement of the improvements with equivalent utility using modern materials and current standards, design, and layout. The accrued depreciation is measured by estimating the physical deterioration, functional obsolescence, and the economic obsolescence. When the reproduction cost and the accrued depreciation are accurately estimated, then the indicated value by the cost approach will be comparable to the values indicated by the sales comparison and the income approaches. However, there were no improvements with contributory value. Thus, the cost approach to value was not used to value the subject property.

As the subject property does not include structural improvements, the Cost Approach was omitted from this report.

⁷The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p. 142, 377-385.

The Sales Comparison Approach to Value

The Sales Comparison Approach to value is an opinion of market value developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are under contract. This approach to value is premised on the principle of *Substitution*, which holds that the value of property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time.⁸

The applicability of this approach is based upon the collection of similar sales and offerings for comparison, from which market derived adjustments for relevant factors can be extracted. The sales data is compared to the subject on the basis of significant characteristics exhibited in the subject property. Considerations for such factors as time, location, size, building quality, age-condition, and amenities, as well as the terms of the transaction, are all related to the subject property. Because the adjustments are primarily market-derived, the desires and actions of typical buyers and sellers are reflected in the comparison process.

In the Sales Comparison Approach, value is estimated by comparing recent sales of similar properties to the property appraised. Preferably, all properties are located in the same area, and are of similar size, quality, and age. One premise of the Sales Comparison Approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties.

In estimating the value of the subject property, via the Sales Comparison Approach, we utilized the Price Per Unit Method, which derives a market value by utilizing an analysis of the sales and concludes an adjusted price per unit, which is then applied to the subject property in order to derive a current estimate of value.

⁸The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, Chicago, 2008, Page 298-299.

As requested by the Client, the Sales Comparison will be used in two different ways. The first Sales Comparison Analysis will be on the whole subject (4,099.90 Acres). The second portion of the Sales Comparison Analysis will be completed as if the whole subject was parceled out into four individual tracts, with each tract being compared to the most similar sales data available to reach a second value conclusion. These tracts are as follows:

Tract 1: 1,082.00 Acres being out of the Northern Portions of Sections 7 and 8, 8.1 acres out of the SW portion of Section 9, Block 26, H&GN Survey, and 38 acres out of Section 2, Block SD, C David Survey, 52 acres out of Section 24, Block SJ, W Davidson Survey, Gray County Texas.

Tract 2: 320.00 Acres being the E/2 of Section 10, Block 26, H&GN Survey, Gray County Texas.

Tract 3: 2,057.90 Acres being the W/2 of Section 10, All of Section 9 North of FM 1321, Block 26, H&GN Survey, The S/2 and NW/4 of Section 49, and all of Section 50, Block A-9, H&GN Survey, Gray County, Texas.

Tract 4: 640.00 Acres being all of Section 11, Block A-6, H&GN Survey, Gray County, Texas.

The analysis and comparison of the market information utilized in this approach is included in this section of the report. A summary of each sale follows.

| SUMMARY CHART OF COMPARABLE RANCH SALES - PROPERTY AS WHOLE | | | | | | |
|---|-----------------------------|----------------|----------------|---|----------------|--------------------------------------|
| Sale # | Subject | 1 | 2 | 3 | 4 | 5 |
| Location | E of Lefors | N of Alanreed | NE of Mobeetie | SE of Shamrock | N of Miami | E of Pampa |
| Date | Feb-19 | Mar-19 | Oct-16 | Nov-17 | Oct-17 | Mar-19 |
| County & State | Gray, TX | Gray, TX | Wheeler, TX | Collingsworth, TX, Beckham & Harmon, OK | Roberts, TX | Gray, TX |
| Total Size | 4,099.90 | 2,381.00 | 2,926.38 | 3,088.00 | 12,160.00 | 3,150.00 |
| Price | | \$2,234,650 | \$2,487,426 | \$3,057,000 | \$16,500,000 | \$3,300,000 |
| Price / Acre | | \$939 | \$850 | \$990 | \$1,357 | \$1,040 |
| Land Mix | Native Pasture | Native Pasture | Native Pasture | Native Pasture | Native Pasture | Native Pasture / Dryland Cultivation |
| Stock Water | 4 windmills | Multiple wells | Multiple wells | Multiple wells | Multiple wells | Multiple wells |
| Imp. / Acre | \$0 | \$0 | \$0 | \$0 | \$11 | \$0 |
| Live Water | NF of Red River, Sand Creek | None | None | Elm, Coon, and Wagon Creeks | None | None |
| Access | FM 1321 | FM 291, CR 21 | FM 1046 | CR J4 | QH Road | FM 1474, CR 17, 18, and F |

Sales Summarization and Unit Comparison Method

- Subject As Whole

The land sales utilized are considered the best available. As previously mentioned, this report has an effective date of February 22, 2019. The sales range in sale date from October 2016 to March 2019. The sales indicate a range in size from 2,381.00 acres to 12,160.00 acres and an unadjusted, land only price per acre from \$850 to \$1,346, with an average of \$1,035 per acre.

When comparing these land sales to the subject, value adjustments for their similar and dissimilar characteristics must be made. Some of the applicable value influencing characteristics considered are property rights conveyed, financing, market conditions (date of sale), conditions of sale, location, size, water, soils and terrain, property condition, improvements, recreational amenities, and any known conditions that would affect or distort the sale price. For example, Sale No. 4 featured a premium price due to the buyer selling the properties commercial water rights for \$425 per acre immediately after purchasing the property. Sale No 4, as well as Sale No. 2 also featured partial mineral interests that conveyed with these sales, and were considered superior to the subject for Property Rights. Recreational features, especially live water, of properties can also effect price. The subject features frontage along the North Fork of the Red River as well as Sand Creek. All of the comparable sales other than Sale No. 3 were considered inferior for recreational and live water features. Size was also an applicable adjustment due to larger properties typically selling for less per acre than smaller properties of the same highest and best use. When these value adjustments are made to the selling price of the comparables, the adjusted price yields an indication of market value applicable to the subject. Additionally, Sale No. 3 was considered most similar to the subject and thus was given further consideration.

Range of Comparable Sales

| | | | |
|-------------------------------|----------|----|-----------|
| Date of Sale | Oct-16 | to | Mar-19 |
| Size (Acres) | 2,381.00 | to | 12,160.00 |
| Value/Acre Before Adjustments | \$850 | to | \$1,357 |

Summary of Sales Comparison Approach - Property as Whole

The sales prices per acre ranged from \$850 per acre to \$1,357 per acre with a mean price per acre of \$1,035 per acre and a median of \$990 per acre. Given the physical attributes of the subject, a value in the middle to lower portion of the established range is considered to be reasonable and appropriate. Therefore, it is our opinion that the indicated market value of the subject, being 4,099.90 acres of land, as of February 22, 2019, is:

| 4,099.90 Acres | | | | |
|-----------------------|---|-------|----------|--------------------|
| 4,099.90 Acres | X | \$950 | = | \$3,894,905 |
| Rounded To: | | | = | \$3,895,000 |

| SUMMARY CHART SUBJECT AS MULTI PARCEL TRACTS | | | | |
|--|-----------------------------|----------------|----------------|----------------|
| Subject Tracts | Tract 1 | Tract 2 | Tract 3 | Tract 4 |
| Total Size | 1,082.00 | 320.00 | 2,057.90 | 640.00 |
| Land Mix | Native Pasture | Native Pasture | Native Pasture | Native Pasture |
| Stock Water | North Fork of the Red River | Sand Creek | 2 Windmills | 2 Windmills |
| Imp. / Acre | \$0 | \$0 | \$0 | \$0 |
| Live Water | North Fork of the Red River | Sand Creek | None | None |
| Access | FM 1321 | FM 1321 | FM 1321 | Easement |

| SUMMARY CHART OF COMPARABLE RANCH SALES - PROPERTY AS MULTI PARCEL | | | | | |
|--|----------------|----------------|-------------------------------------|----------------|----------------------------|
| Sale # | 1 | 6 | 7 | 8 | 9 |
| Location | N of Alanreed | E of Pampa | SW of Quail | E of Pampa | NW of Mclean |
| Date | Mar-19 | Sept-18 | July-16 | Oct-17 | U/C |
| County & State | Gray, TX | Gray, TX | Collingsworth, TX | Gray, TX | Gray, TX |
| Total Size | 2,381.00 | 1,407.00 | 1,280.00 | 1,087.20 | 960.00 |
| Price | \$2,234,650 | \$1,618,050 | \$1,216,000 | \$1,032,840 | \$1,348,800 |
| Price / Acre | \$939 | \$1,150 | \$950 | \$950 | \$1,405 |
| Land Mix | Native Pasture | Native Pasture | Native Pasture | Native Pasture | Native Pasture |
| Stock Water | Multiple wells | Multiple wells | Multiple wells | Multiple wells | Multiple wells |
| Imp. / Acre | \$0 | \$100/acre | \$0 | \$0 | \$50 |
| Live Water | None | None | Wet weather creek, spring feed pond | None | Spring fed creek and ponds |
| Access | FM 291, CR 21 | CR 26 | CR U | CR 22 | Willis Rd |

| SUMMARY CHART OF COMPARABLE RANCH SALES - PROPERTY AS MULTI PARCEL (CONTINUED) | | | | | |
|---|------------------|----------------|----------------------------|----------------|----------------|
| Sale # | 10 | 11 | 12 | 13 | 14 |
| Location | S of Alanreed | SW of Mobeeite | N of Quail | N of Mclean | NW of Mclean |
| Date | Jan-18 | Feb-19 | June-18 | Feb-19 | Oct-17 |
| County & State | Donley, TX | Wheeler, TX | Collingsworth, TX | Gray, TX | Gray, TX |
| Total Size | 640.00 | 320.00 | 320.00 | 162.00 | 160.00 |
| Price | \$1,024,000 | \$352,000 | \$398,400 | \$324,000 | \$230,000 |
| Price / Acre | \$1,600 | \$1,100 | \$1,125 | \$2,000 | \$1,438 |
| Land Mix | Native Pasture | Native Pasture | Native Pasture | Native Pasture | Native Pasture |
| Stock Water | Multiple wells | Windmill | None | Pond | Pond |
| Imp. / Acre | \$251/acre | \$0 | \$0 | \$0 | \$0 |
| Live Water | Live creek, pond | Dry Creek | Salt Fork of the Red River | McLellan Creek | Seasonal Creek |
| Access | St Hwy 291 | CR J & 3 | Easement from CR L | CR T | CR 23 |

Sales Summarization and Unit Comparison Method

- Subject as Multi Parcel

The land sales utilized are considered the best available. As previously mentioned, this report has an effective date of February 22, 2019. The sales range in sale date from July 2016 to March 2019 with on sale currently pending. The sales indicate a range in size from 160.00 acres to 2,381.00 acres and an unadjusted, land only price per acre from \$939 to \$2,000, with an average of \$1,226 per acre.

When comparing these land sales to the subject, value adjustments for their similar and dissimilar characteristics must be made. Some of the applicable value influencing characteristics considered are property rights conveyed, financing, market conditions (date of sale), conditions of sale, location, size, water, soils and terrain, property condition, improvements, recreational amenities, and any known conditions that would affect or distort the sale price. Size was also an applicable adjustment due to larger properties typically selling for less per acre than smaller properties of the same highest and best use. When these value adjustments are made to the selling price of the comparables, the adjusted price yields an indication of market value applicable to the subject. In our analysis, we have grouped the subject multi parcel tracts to the most similar sales and adjusted were made accordingly and consistently. Subject multi parcel tracts were grouped by similar properties as accordingly.

Range of Comparable Sales

| | | | |
|-------------------------------|----------|----|-----------|
| Date of Sale | Oct-16 | to | Mar-19 |
| Size (Acres) | 2,381.00 | to | 12,160.00 |
| Value/Acre Before Adjustments | \$850 | to | \$1,357 |

Summary of Sales Comparison Approach - Property as Multi Parcel

Tract 1 was most similar to Sale Nos. 1, 7, 9, 10 and 12. These sales feature similarities to subject in size, land mix, water and recreational aspects. The mean indicated land price per acre of these sales was \$1,144 per acre while the median was \$1,125 per acre. Given the physical attributes of the subject tracts, specifically tract one being comprised mainly in river bottom land possessing exceptional hunting and recreational aspects, a value in the upper portion of the established ranges is considered to be reasonable and appropriate. Therefore, it is our opinion that the indicated market value of the subject multi parcel tract 1, as of February 22, 2019, is as follows:

Tract 1 - 1,082.00 Acres

1,082.00 Acres **X** \$1,400 = \$1,514,800

Rounded To: = **\$1,515,000**

Tract 2 was most similar to Sale Nos. 10, 11, 12, 13 and 14. These sales feature similarities to subject in size, land mix, water and recreational aspects. The mean indicated land price per acre of these sales was \$1,402 per acre while the median was \$1,349 per acre. Given the physical attributes of the subject tract 2, specifically tract 2 featuring frontage along Sand Creek possessing good hunting and recreational aspects, a value in the middle portion of the established ranges is considered to be reasonable and appropriate. Therefore, it is our opinion that the indicated market value of the subject multi parcel tract 2, as of February 22, 2019, is as follows:

Tract 2 - 320.00 Acres

320.00 Acres **X** \$1,300 = \$416,000

Rounded To: = **\$415,000**

Tract 3 was most similar to Sale Nos. 1, 6, 7 and 8. These sales feature similarities to subject in size, land mix, and livestock water. The mean indicated land price per acre of these sales was \$972 per acre while the median was \$950 per acre. Given the physical attributes of the subject tract 3, a value in the middle portion of the established ranges is considered to be reasonable and appropriate. Therefore, it is our opinion that the indicated market value of the subject multi parcel tract 3, as of February 22, 2019, is as follows:

Tract 3 - 2,057.90 Acres

2,057.90 Acres **X** \$975 = \$2,006,453

Rounded To: = **\$2,000,000**

Tract 4 was most similar to Sale Nos. 1, 6, 7, 8 and 11. These sales feature similarities to subject in size, land mix, and livestock water. The mean indicated land price per acre of these sales was \$998 per acre while the median was \$950 per acre. Given the physical attributes of the subject tract 4, specifically the lack of recreational value and access via public roadway, a value in the lower portion of the established ranges is considered to be reasonable and appropriate. Therefore, it is our opinion that the indicated market value of the subject multi parcel tract 4, as of February 22, 2019, is as follows:

| Tract 4 - 640.00 Acres | | | | |
|-------------------------------|----------|--------------|----------|------------------|
| 640.00 Acres | X | \$850 | = | \$544,000 |
| Rounded To: | | | = | \$545,000 |

Summary of Sales Comparison Approach - As Multi Parcel

The following chart list each multi parcel tract values derived from the sales comparison approach. These values are totaled together to find the sum of the four tracts to find the total value of the subject as a multi parcel property.

| FINAL MARKET VALUE INDICATION - AS MULTI PARCEL | |
|--|--------------------|
| Tract 1 - 1,082.00 Acres | \$1,515,000 |
| Tract 2 - 320.00 Acres | \$415,000 |
| Tract 3 - 2,057.90 Acres | \$2,000,000 |
| Tract 4 - 640.00 Acres | \$545,000 |
| Total | \$4,475,000 |

The Income Approach To Value

The principal assumption of the Income Approach is there is a definite relationship between a property's value and the income it can produce. It is based on the premise that the value of a property is represented by the present worth of anticipated future benefits derived from ownership. These future benefits consist of the annual net income of the subject property for a projected period of years, plus a net capital sum realized through property disposition (reversion) at the end of a projected typical investment period.

In the evaluation of agricultural properties, the use of the Income Approach is typically secondary. There are two primary methods in income estimates, production and cash lease. In the production method, estimates of yields and production costs must be made. In the cash lease method, analysis of the area market must be made to determine the appropriate lease payment. Both methods then required capitalizing the net income based on market derived overall rates.

Research indicates that 38 percent of all agricultural land in the United States is leased. Furthermore, it stated that 65 percent of all leased land is rented on a cash basis while only 30 percent is rented for shares. The remaining 5 percent was identified as free rent. Based on this data, an income approach utilizing a cash lease scenario was considered.

Direct Capitalization

There are four basic steps in this technique. First, an estimate of the gross income of the property under a market lease must be made. Second, all owner incurred expenses must be estimated in order to arrive at the net income for the property. Third, an analysis of the overall capitalization rates is present based on information abstracted from market sales. Finally, the subject's estimated net income is divided by the overall capitalization rate to arrive at the indicated value.

The income approach to value is based on the premise that a direct relationship exists between the income-producing potential of a property and its market value. Typically, the income approach does not represent the basis for purchasing agricultural or recreational land in the immediate area and was not considered applicable.

Reconciliation and Final Value Estimate

In final reconciliation, the appraiser reexamines the entire appraisal to confirm consistent application of the approaches applied (comparables used and adjustments calculated), the highest and best use conclusions upon which each approach is based, the defined value estimated in each approach, and the real property interests being appraised. The value conclusion can be expressed as a single number, as a range of numbers, or as a relationship to some benchmark amount. The nature of reconciliation depends on the appraisal problem, the approaches that have been used, and the reliability and adequacy of the data used.

The Cost, Sales Comparison, and Income Approaches normally provide individual indications of value for the property in question which are then correlated into a final opinion of value for the property by the appraisers. Whenever possible, all three approaches should be applied in making an estimate of value. One approach, however, will often be given greater consideration than the others, depending largely upon the type of property appraised and the quality of the data upon which the approach is based. The greatest consideration is normally given to the approach most typically used by buyers and sellers to determine sale prices for properties of the subject type in the local market.

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

| | |
|--|-------------|
| Cost Approach (CV of Imp.) | N/A |
| Sales Comparison Approach - Whole | \$3,895,000 |
| Sales Comparison Approach - Multi Parcel | \$4,475,000 |
| Income Approach | N/A |

Cost Approach

The Cost Approach is important in estimating the market value of new or relatively new construction because cost and market value are closely related when properties are new. The Cost Approach is also used to estimate the market value of proposed construction, special-purpose properties and other properties that are not frequently exchanged in the market. Due to the lack of structural improvements, the Cost Approach was omitted from this report.

Sales Comparison Approach

The Sales Comparison Approach estimates market value by comparing the sales prices of recent transactions with similar attributes of the property being appraised. The Sales Comparison Approach was utilized to provide indications of value for the land.

Several sales of rural agricultural land properties were identified in the area and the data obtained from these sales was considered to be accurate and reliable. Fourteen of the most similar sales were included for review and analysis. These properties were analyzed on an overall per acre basis.

When the market is dominated by purchasers who intend to occupy the property, the Sales Comparison Approach is a strong indicator of value. Since the subject is agricultural farmland and there was adequate sale data for analysis, the Sales Comparison Approach was given the most weight.

Income Approach

The Income Approach to value is based on the premise that a direct relationship exists between the income-producing potential of a property and its market value. Typically, the Income Approach does not represent the basis for purchasing agricultural or recreational land in the area and was not considered applicable.

Conclusion

Based on these considerations, it is our opinion that the "as is" market value of the surface only, fee simple interest in the subject property, a tract of agricultural land, being approximately 4,099.90 acres, in Gray County, Texas, as of February 22, 2019, was in round numbers:

| FINAL MARKET VALUE INDICATION | |
|--------------------------------------|-------------|
| As Whole | \$3,895,000 |
| As Multi Parcel | \$4,475,000 |

Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. The appraisers have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The appraisers have not performed services, as appraisers or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. The appraisers have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. The appraisers engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. The appraisers compensation for completing this assignment is not contingent upon the developing 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 the appraisal.
8. The appraisers analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. Luke Abraham made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusion were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Clint W. Bumguardner, MAI, ASA, has completed the requirements of the continuing education program of the Appraisal Institute.

By reason of our investigation and analysis of data contained in this report, other information in our files, and our experience in the real estate and appraisal profession, it is our opinion that the market value of the fee simple estate in the subject property, being approximately 4,099.90 acres of agricultural land, in Gray County, Texas, as of February 22, 2019, was in round numbers:


| FINAL MARKET VALUE INDICATION | |
|-------------------------------|-------------|
| As Whole | \$3,895,000 |
| As Multi Parcel | \$4,475,000 |



Clint W. Bumguardner, MAI, ASA
State Certification No. TX-1321020-G



Andrew Cox
General Certified Appraiser
Texas Certification No. TX-1380366-G



Luke M. Abraham
Appraiser Trainee
Authorization No. TX-1341588

ADDENDA

Assumptions and Limiting Conditions

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

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

Assumptions and Limiting Conditions

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

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

17. Disclosure by the appraiser of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of The Appraisal Institute and The American Society of Farm Management & Rural Appraisers.

Assumptions and Limiting Conditions

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

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication, unless prior arrangements have been made.
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
5. This appraisal was made in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and the Appraisal Institute and The American Society of Farm Management & Rural Appraiser.
6. Acceptance of and/or use of this report constitutes acceptance of all assumptions and limiting conditions stipulated.
7. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Key Definitions

Appraiser/Appraisal

Appraiser - One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.

Appraisal Practice includes, but is not limited to, the three types of valuation services:

1) Appraisal, 2) Appraisal Review, 3) Appraisal Consulting. A wide range of activities, from measuring the size of a building to developing a detailed market study, qualify as appraisal practice, but do not fit the definitions of the three types of valuation services. The application of the appraisal procedures and the level of detail in the report that communicates the appraiser's conclusions are guided by the nature of the property, the type of opinion to be developed, the intended use, and the intended users.

Appraisal involves selective research into appropriate market areas, the assemblage of pertinent data, the use of appropriate analytical techniques, and the application of knowledge, experience, and professional judgement to develop an appropriate solution to an appraisal problem. The appraiser provides the client with an opinion of real property value that reflects all pertinent market evidence.⁹

Valuation

The valuation process is a systematic procedure an appraiser follows to provide answers to a client's questions about real property. It is a mode that can be adapted to a wide variety of questions that relate to value. It can also be used—perhaps with some modification—to answer questions not directly related to value, as in the case of review and consulting assignments.¹⁰

Real Estate

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

- * Land
- * All things that are natural part of land, such as trees and minerals
- * All things that are attached to land by people, such as buildings and site improvements¹¹

⁹ *The Appraisal of Real Estate*, Thirteenth Edition, Appraisal of Real Estate, page 9-10.

¹⁰ *The Appraisal of Real Estate*, Thirteenth Edition, Appraisal of Real Estate, page 129.

¹¹ *The Appraisal of Real Estate*, Thirteenth Edition, Appraisal of Real Estate, page 6.

Real Property

Real property includes all interests, benefits, and rights inherent in the ownership of physical real estate. A right or interest in real property is also referred to as an estate.¹²

Market Value

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.¹³

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 each acting in what they consider their own best interests;
- 3) A reasonable time is allowed for exposure in the open market,
- 4) Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹² *The Appraisal of Real Estate*, Thirteenth Edition, Appraisal of Real Estate, page 6.

¹³ The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 24.

Fee Simple Interest

The property rights appraised are the fee simple estate. Fee simple estate is defined as Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹⁴

Leased Fee Estate

The leased fee estate is the lessor's, or landlord's, estate. A landlord holds specified rights that include the right of use and occupancy conveyed by lease to others. The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.¹⁵

Leasehold Interest

The leasehold interest is the lessee's, or tenant's estate. A leasehold estate is the right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹⁶

¹⁴The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 114.

¹⁵The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 114.

¹⁶The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 114.

Flood Zone Definitions

500 Year Flood Area

The flood elevation that has a 0.2 percent chance of being equaled or exceeded in any given year; it is not the flood that will occur once every 500 years.

Area not studied

Areas that have not been studied by FEMA.

Flood Transition Area

An area that is adjacent to a Special Flood Hazard Area, and that may be subject to development regulations.

Floodway

The area along both sides of a river, tributary, or creek including the main channel that has the strictest regulations on it because it is the area that is needed to move the 1 percent flood downstream and out of the homes or businesses that it may have flooded. The state of Washington does not allow construction in the floodway.

Floodway Fringe

The portion of the floodplain lying on either side of the floodway.

Non Special Flood Hazard Area (NSFHA)

An area in a low to moderate risk flood zone (Zones B, C, X) that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. However, it's important to note that structures within a NSFHA are still at risk.

Outside Flood Area

An area determined to be outside of a Special Flood Hazard Area, and considered to be a moderate or low risk flood area.

Special Flood Hazard Area (SFHA)

A high risk flood area that has special flood, mudflow, or flood-related erosion hazards. This area is shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map as Zone A, AO, A1A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V. Flood insurance is mandatory for properties in a SFHA.

Flood Zone Designations reflect the severity or type of flooding in an area. Your property may be located in a high risk zone or a low to moderate risk zone.

High Risk Zones

- **A** - High flood risk. Base flood elevations have not been determined. Flood insurance is mandatory and local floodplain development codes apply. These properties have a 1 percent annual chance of flooding and a 26 percent chance of flooding over the life of a 30 year mortgage.
- **AE** - High flood risk. Base flood elevations have been determined. Flood insurance is mandatory and local floodplain development codes apply. These properties have a 1 percent annual chance of flooding and a 26 percent chance of flooding over the life of a 30 year mortgage.
- **AH** - High flood risk. Base flood elevations have been determined. Flood insurance is mandatory and local floodplain development codes apply. These properties have a 1 percent annual chance of shallow flooding, usually in the form of a pond, with an average depth of one to three feet.
- **AO** - High flood risk. Flood insurance is mandatory and local floodplain development codes apply. River or stream flood hazard areas, and areas with a one percent or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth or one to three feet. These areas have a 26 percent chance of flooding over the life of a 20year mortgage.
- **AR** - Areas with temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Flood insurance is mandatory, but rates will not exceed rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.

Low to Moderate Risk Zones

- **X (shaded)** - Area of moderate flood hazard. This flood risk is reduced, but not removed. Flood insurance is not required in this zone, but is available and local floodplain development codes may apply.
- **X (unshaded)** - These properties are outside the highrisk zones. This flood risk is reduced, but not removed. Flood insurance is not required in this zone, but is available and local floodplain development codes may apply.

QUALIFICATIONS OF THE APPRAISERS

QUALIFICATIONS OF CLINT W. BUMGUARDNER, MAI, ASA

Educational

Bachelor of Science, Texas A&M University, College Station, Texas, August, 1987.

Master of Agriculture, Land Economics and Real Estate, Texas A&M University, College Station, Texas, December, 1988.

Completed Course Work and Continuing Education:

- Capitalization Theory & Tech., Part A - Appraisal Institute
- Capitalization Theory & Tech., Part B - Appraisal Institute
- Basic Valuation Procedures - Appraisal Institute
- Real Estate Appraisal Principles - Appraisal Institute
- Standards and Professional Practice - Appraisal Institute
- Case Studies in Real Estate Valuation - Appraisal Institute
- Report Writing & Valuation Analysis - Appraisal Institute
- 3rd/4th Legal Seminar on Ad Valorem Taxation - TX A&M & State Bar Assoc.
- Condemnation in the 90's - Law Offices of Windle Turley
- Nevada Real Estate Statutes - Appraisal Institute
- Appraisers Complete Review - Appraisal Institute

Professional

Member, Appraisal Institute (MAI) No. 10161

Accredited Senior Appraiser (ASA), American Society of Appraisers

Licensed Texas Real Estate Broker, No. 0393607

Texas Certified General Real Estate Appraiser, Certification No. TX-1321020-G

New Mexico Certified General Real Estate Appraiser, Certification No. 001579-G

Certified General Appraiser, Arkansas, License No. CG2050N

Certified General Appraiser, Oklahoma, License No. 12547CGA

Certified General Appraiser, Kansas, License No. G-2075

Certified General Appraiser, Georgia, License No. 332280

Certified General Appraiser, Iowa, License No. CG03070

Certified General Appraiser, Idaho, License No. CGA-3825

Certified General Appraiser, Indiana, License No. CG40801054

Certified General Appraiser, Arizona, License No. 32066

Certified General Appraiser, Utah, License No. 6219920-CG00

Certified General Appraiser, South Dakota, License No. 1281CG

Certified General Appraiser, Colorado, License No. 100032989

Certified General Appraiser, Washington, License No. 1102340

President, Texas Plains Chapter, Appraisal Institute, 2006-07

Real Estate Committee Member, Texas A&M Foundation

Experience

Principal, W. T. Appraisal, Inc., Abilene, 1992-present (wtappraisal.com)

Associate, Dominion Property Advisors, Albuquerque, NM 1999-present

Appraiser, Wayne Austin, Associates, Abilene, 1992

Staff Appraiser, J.R. Kimball, Inc., Fort Worth, 1989-92.

Testified as expert witness in State & Federal Court proceedings

Testified as expert witness before State Property Tax Board

Testified as expert witness before various Appraisal Districts Review Boards in Texas and Oklahoma

**QUALIFICATIONS OF CLINT BUMGUARDNER, MAI, ASA
(CONTINUED)**

Scope of Agricultural Appraisal Assignments

- Agricultural Industry Properties
- Feedyards
- Poultry Facilities
- Swine Operations
- Grain Handling Facilities
- Feed Mills
- Flour Mills
- Meat Processing - Hog, Beef, Chicken, Duck
- Vegetable Processing
- Food Processing - Peanut, Cheese, Apple, Potato
- Commercial Dairies
- Special purpose properties including orchards and plant nurseries, etc.
- Cotton Gins / Compress Warehouses
- Appraisal Review
- Feasibility and Market Studies
- Property Inspections
- Provided real estate consulting and appraisal services throughout the United States.

Scope of Commercial Appraisal Assignments

- Apartment complexes
- Office and Industrial properties
- Shopping and Industrial Centers
- Farms and Ranches (5 acres to 165,000 acres)
- Residential Subdivisions
- Hotels & Motels
- Commercial Feedlots
- Nursing Homes & Long Term Care Facilities
- Special purpose properties including mini-warehouses, car dealerships, restaurants, convenience stores, water parks, churches, car washes, lumberyards, grocery stores, etc.
- Condemnation
- Appraisal Review
- Feasibility and Market Studies
- Property Inspections
- Provided real estate consulting and appraisal services throughout the Southwestern United States.
- Completed Annual Property Value Study for State Comptroller Property Tax Division
- Completed Valuations of various Electric Transmission Lines, Substation sites and Wind Turbine projects.

Recent Ranch Appraisals

| | | | |
|--------------------------|---------------------|--------------------------------|--------------|
| Lambshead Ranch, Tx | 40,000+ Acres | G-F Ranch, NM | 27,000+ Ac. |
| Nail Ranch, Tx | 40,000+ Acres | Staley Ranch, NM | 12,480 Ac. |
| Hendrick Ranch, Tx | 46,000+ Acres | Roosevelt Co., NM | 6,080 Ac. |
| Swenson Ranch, Tx | 79,000 Acres | Latir Mtn. Ranch, NM | 6,097Ac. |
| Ford Ranch, Tx | 38,000+ Acres | Lee Ranch, NM | 39,795 Ac. |
| 700 Springs Ranch, Tx | 13,000+ Acres | Autrey Ranch, NM | 5,411 Ac. |
| Cibola Creek Ranch, Tx | 20,000+ Acres | Colfax Co., NM | 23,703 Ac. |
| Covered S Ranch, Tx | 23,000 Acres | Hat Bar Ranch, NM | 19,919 Ac. |
| C Ranch, Tx | 165,000 Acres | Cross Y Ranch, NM | 21,000+Ac. |
| T Diamond Ranch, Tx | 25,000 Acres | EZ Heart Ranch, NM | 128,000+ Ac. |
| La Mesa, Tx | 72,000 Acres | San Miguel Co. , NM | 4,800+ Ac. |
| Sears Ranch, Tx | 18,000+Acres | Big Springs Ranch, NM | 7,600+ Ac. |
| Burr Ranch, Tx | 78,000+ Acres | Broken O Ranch, TX | 4,900+ Ac. |
| Robinson Ranch, Tx | 20,000 Acres | Brushy Creek Ranch, TX | 38,000+ Ac. |
| VNN Ranch, TX | 26,000+ Acres | Park Springs Ranch, NM | 36,000+ Ac. |
| Dewey Farms/Ranch, KS | 14,500 +Acres | South Dakota Ranch | 22,000+ Ac |
| Southwest Kansas Ranch | 15,000+Acres | Colorado/ Utah/Wyoming Ranches | |
| Multiple Ranches between | 1,000 -10,000 acres | Maes Ranch, NM | 55,000+ Ac. |

Recent Special Agricultural Appraisals

| | |
|---------------------------|---|
| Feed Mills - multiple | Texas, Oklahoma, New Mexico, Arkansas, Missouri, Georgia |
| Feed Yards - multiple | Texas, Oklahoma, Kansas, Nebraska, Idaho, South Dakota, Washington |
| Dairy - multiple | Texas, New Mexico, Oklahoma, Georgia, Kansas, Colorado, Nebraska, Utah, California, Washington, Iowa, Arizona |
| Peanut Processing Plant | New Mexico, Texas, Georgia, Alabama, South Carolina |
| Cotton Gin/ Compress | Texas, Arizona |
| Cattle Sale Barns | Texas & New Mexico |
| Grain Elevators / Shuttle | Texas, Oklahoma, Kansas, New Mexico, Indiana |
| Flour Mills | Texas, Nebraska, Utah |
| Poultry Farms | Texas, Oklahoma, Oregon, Washington, Arkansas, Mississippi, Delaware, Maryland, Virginia, West Virginia |
| Processing Facilities | California, Oregon, Washington, Colorado, Arkansas, Alabama, Texas, Missouri, Oklahoma, South Carolina, Idaho, Virginia, North Carolina, Utah, Indiana, Wisconsin, New Mexico |

Recent Special Use Appraisals

Electric Substation Site
Electric Transmission Lines
Wind Turbine Project

Personal

Ranching background - Eldorado, Schleicher County, Texas.
Active in local Church
Member local School Board and County Appraisal District
Married with three children

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number:

TX 1321020 G

Issued:

06/02/2017

Expires:

06/30/2019

Appraiser:

CLINT WARD BUMGUARDNER

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.



Douglas E. Oldmixon
Commissioner

QUALIFICATIONS OF ANDREW COX

Educational

BBA - Management, Minor - Agriculture Economics, Oklahoma State University, Stillwater, Oklahoma, 2011.

Completed Course Work and Continuing Education:

- Farm and Ranch Real Estate - Champions School of Real Estate
- Eminent Domain and Condemnation - Appraisal Institute
- Advanced Map Reading and Surveys - Kaplan Professional Schools
- General Appraiser Income Approach Part II - Appraisal Institute
- General Appraiser Income Approach Part I - Appraisal Institute
- General Appraiser Market Analysis and Highest & Best Use - Appraisal Institute
- General Appraiser Site Valuation and Cost Approach - Appraisal Institute
- General Appraiser Sales Comparison Approach - Appraisal Institute
- Real Estate Finance, Statistics & Valuation Modeling - Appraisal Institute
- Basic Procedures Course - Appraisal Institute
- Basic Principles Course- Appraisal Institute
- Uniform Standards of Professional Appraisal Practice - Appraisal Institute
- Business Practices and Ethics - Appraisal Institute
- Farm Appraisal - Oklahoma State University
- Agriculture Marketing & Price Analysis - Oklahoma State University

Professional

Certified General Real Estate Appraiser, Texas, No. 1380366
Certified General Real Estate Appraiser, Oklahoma, No. 13092CGA
Certified General Real Estate Appraiser, New Mexico, No. 03399-G

Authorized Texas Real Estate Salesperson
No. 632638

Experience

Appraiser, West Texas Appraisal Associates, Abilene, TX, June 2011-present.

Scope of Appraisal Assignments

- | | |
|---------------------------------------|-------------------------|
| - Farms (Irrigated & Non-Irrigated) | - Industrial Properties |
| - Ranches (100 acres to 65,000 acres) | - Vacant Land |
| - Agricultural Warehouses | - Service Stations |
| - Commercial Dairies | - Convenience Stores |
| - Feedlots | - Restaurants |
| - Meat Processing Facilities | - Condemnation |
| - Swine Facilities | - Office Properties |
| - Grain Handling Facilities | |

Personal

Committee Member - TX Parks & Wildlife: Stewards of the Wild - Amarillo Chapter
Committee Member - Amarillo YoungLife Christian Youth Ministry
Member - First Presbyterian Church, Amarillo, Texas.
Member - Oklahoma State University Alumni Association

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number:

TX 1380366 G

Issued:

08/29/2018

Expires:

09/30/2020

Appraiser:

ANDREW STEPHEN COX

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.



Douglas E. Oldmixon
Commissioner

QUALIFICATIONS OF LUKE ABRAHAM

Educational

- Bachelors Degree of Animal Science, West Texas A&M University - 2015
 - Texas Christian University, Ranch Management Program. - 2016
 - Texas Christian University, Institute of Energy, Mineral Royalty Management Short Course - 2017
- Completed Course Work and Continuing Education:
- Basic Procedures Course - Champions School of Real Estate
 - Basic Principles Course- Champions School of Real Estate
 - Uniform Standards of Professional Appraisal Practice - Champions School of Real Estate
 - General Appraiser Sales Comparison Approach - Appraisal Institute

Professional

Appraiser Trainee - TX 1341588 Trainee

Authorized Texas Real Estate Salesperson
No. 682209

Experience

Appraiser Trainee, West Texas Appraisal Associates, Abilene, TX, January 2018 - present.

Scope of Appraisal Assignments

- Farms (Irrigated and Dryland)
- Ranches (640 - 2,089 Acres)
- Recreational Properties
- Vacant Land
- Industrial Properties
- Office/Warehouse Properties
- TxDOT ROW

Personal

Member - Texas and Southwestern Cattle Raisers Association
Member - Ranch Horse Association of America
Certified Private Rated Rotorcraft/Helicopter Pilot

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Appraiser Trainee

Authorization#: **TX 1341588 Trainee** I. D. Number: **1000060719**

Issued: **02/15/2018** Expires: **02/29/2020**

Trainee: **LUKE MALOUF ABRAHAM**

Supervisor: **ANDREW STEPHEN COX** Certification #: **TX 1380366** **C**

I. D. Number: **999936817**

The Texas Appraiser Licensing and Certification Board authorizes the named person to act as an Appraiser Trainee under the supervision of the certified appraiser noted above, pursuant to Texas Occ. Code, Chapter 1103.

An Appraiser Trainee may perform appraisals only under the direct supervision of the Trainee's supervisory appraiser(s) who signs the report and is responsible for the conduct of the Appraiser Trainee.

An Appraiser Trainee may be supervised by one or more certified appraisers.


Douglas E. Oldmixon
Commissioner

LETTER OF ENGAGEMENT

PROPOSAL OF APPRAISAL SERVICES

DATE OF PROPOSAL: February 14, 2019

Ms. Jenni Winegarner
Vice President of Operations
Triangle National, LLC
7673 Canyon Drive
Amarillo, TX 79110
jenni@superiorland.com

Appraiser:

WT Appraisal, Inc.
1302-B Petroleum Drive
Abilene, TX 79602
325-692-5039 office
800-340-5039
325-692-1587 fax
clint@wtappraisal.com

Proposal for a Restricted Appraisal of the following:

PROPERTY IDENTIFICATION

Approximately 4,121 Acres of land located in Grey County, Texas.

PROPERTY TYPE

Agricultural Land

~~Gray~~

INTEREST VALUED

Fee simple – Real Estate

INTENDED USERS

Ms. Jenni Winegraner and associated parties.

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

PROPOSED DELIVERY DATE

30 Days or less from receipt of signed agreement

NUMBER OF COPIES

PDF w/ Hard copies upon request

PROPOSED FEE

\$2,500

Please provide our firm with the following information if available.

- Name of person to contact for inspection Jenni Winegarner 806-324-7949
- Property Tax ID Please see attached
- Survey / Plat – Building Plans
- Deed
- Mailing address for completed Appraisals 7673 Canyon Drive, Amarillo, TX 79110
- Any additional information that would aid in our analysis of the property.

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

GOVERNING LAW & JURISDICTION

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

By Appraiser:



(Signature)

Clint W. Bumgardner

(Printed name)

2/14/19

(Date)

By Client:



(Signature)

Jennifer Winegarner

(Printed name)

2/14/2019

(Date)

Hines Estate - Gray County, Texas

| | | Assessed Value | Acres |
|--------------------|--|-------------------|--------|
| 18243 HINES JOHN B | SEC 7 BLK 26 H&GN503.9 AC ABST 62 | \$18,570 | 503.9 |
| 18246 HINES JOHN B | SEC 8 BLK 26 H&GN480 AC ABST 806 | \$17,910 | 480 |
| 18248 HINES JOHN B | SEC 9 BLK 26 H&GN626 AC ABST 63 | \$22,690 | 626 |
| 18250 HINES JOHN B | SEC 10 BLK 26 H&GN640 AC ABST 805-E/2ABST 1118-W/2 | \$23,190 | 640 |
| 18276 HINES JOHN B | SEC 11 BLK A-6 H&GN640 AC ABST 116 | \$25,250 | 640 |
| 18337 HINES JOHN B | SEC 49 BLK A-9 H&GNS/2 & NW/4 480 ACSABST 157 | \$17,530 | 480 |
| 18339 HINES JOHN B | SEC 50 BLK A-9 H&GN640 ACS ABST 1107 | \$23,260 | 640 |
| 18384 HINES JOHN B | SEC 2 BLK SD C DAVIS38 AC ABST 731 | \$1,370 | 38 |
| 18401 HINES JOHN B | SEC 24 BLK SJ W DAVIDSON52 AC ABST 1222 | \$1,880 | 52 |
| | | | 4099.9 |

<https://mapright.com/ranching/maps/e0914baa2fe1d5927c94df9b7b468ac1/share>

Subject Photographs
4,099.90 Acres, E of Lefors, Gray County, Texas



Tract 1 - River Bottom



River bottom

Subject Photographs
4,099.90 Acres, E of Lefors, Gray County, Texas



Tract 2 - S side looking N



N side looking W

Subject Photographs
4,099.90 Acres, E of Lefors, Gray County, Texas



Oilfield activity on Tract 2

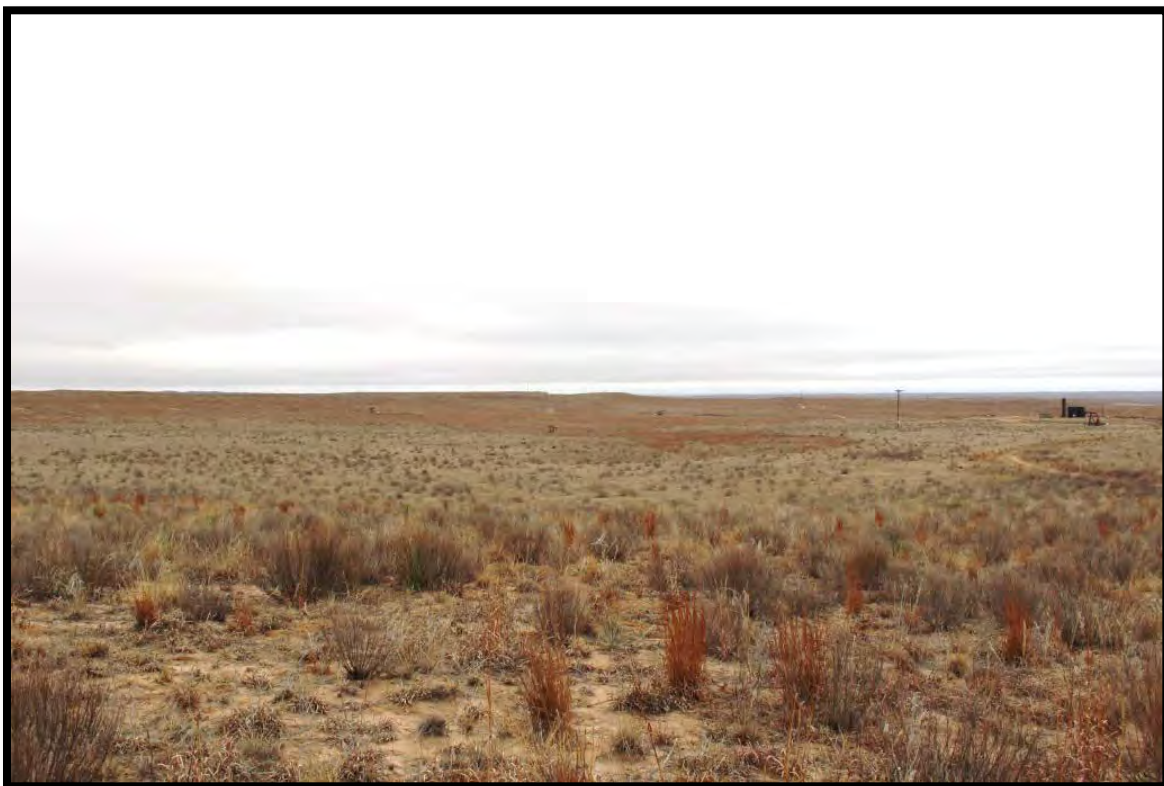


Tract 3 – Pasture scene

Subject Photographs
4,099.90 Acres, E of Lefors, Gray County, Texas



Windmill – Tract 3



Tract 3 - North end looking SE

Subject Photographs
4,099.90 Acres, E of Lefors, Gray County, Texas



Tract 4 - SE side looking NW