

December 22, 2016

[REDACTED]

The accompanying appraisal report of the TLC, Inc. ranch properties in Blaine and Custer counties has been prepared at your request. The purpose of this report is the determination of the Market Value of the subject property of this report.

[REDACTED]

Irrigation well registration information on the subject property's irrigation well that is registered with the Nebraska Department of Natural Resources (NDNR) is made a part of this report and that information is also retained in the appraiser's work file and available on request.

I have made a careful study of the property and all accompanying data and information documented in the report. This appraisal is a Market Value Appraisal according to the Uniform Standards of Professional Appraisal Practice (US PAP). It is presented in Appraisal Report format.

The value estimate is based on the market definition provided in the Uniform Standards of Professional Appraisal Practice (US PAP) using an estimated marketing period of six to twelve months. All data and information used in the compilation of this report was assembled by myself and is assumed to be correct and true. My opinion of the market value of the fee simple estate of the real property that is the subject of this report, as of November 21, 2016, the last date of inspection, is :

**FIFTEEN MILLION, NINETY THOUSAND DOLLARS (\$15,090,000)**

The supporting data, analysis, and conclusions upon which these value estimates are based have been presented in a summary format. If you have any questions regarding this report please feel free to call me.

Sincerely,

William Mulligan  
Certified General Appraiser  
P. O. Box 711  
Valentine, NE 69201

402-376-1880



## Uniform Agricultural Appraisal Report

Owner/Occupant: <u>TLC Ranch, Inc.</u>	Total Deeded Acres: <u>22,358.41</u>
Property Address: <u>41337 Wild Horse Creek Road, Dunning</u>	Effective Unit Size: <u>22,358.41</u>
State/County: <u>Nebraska / Blaine &amp; Custer</u>	Zip Code: <u>68833</u>
Property Location: _____	Property Code #: _____
Highest & Best Use: <u>Nebraska Sandhills Cattle Ranch "As If" Vacant</u>	FAMC Comd'ity Gp: _____
<u>Nebraska Sandhills Cattle Ranch "As Improved"</u>	Primary Land Type: _____
Zoning: <u>Agriculture</u>	Primary Commodity: _____
Unit Type: <input checked="" type="checkbox"/> Economic Sized Unit <input type="checkbox"/> Supplemental/Add-On Unit	
FEMA Community # <u>N/A</u> FEMA Map # <u>Not Mapped</u> FEMA Zone/Date: <u>N/A</u>	
Legal Description: <u>See Attached Legal Description SEC 13 TWP 21 RNG 25 Attached</u> <input checked="" type="checkbox"/>	
Purpose of Report: <u>Estimate of Current Market Value</u>	
Use/Intended User(s): _____	
Rights Appraised: <u>Fee Simple subject to easements and reservations of record</u>	
Value Definition: <u>Market Value</u> Attached <input checked="" type="checkbox"/>	
Assignment: <u>Market Value Appraisal</u> Report Type: <u>Appraisal Report Format</u>	

Extent of Process/Scope of Work: This is a Market Value Appraisal completed in Appraisal Report Form. Appraisal Report format contains summary discussions of the data, reasoning, and analyses that were used to develop the Opinion of Value. See the following pages for a description of the process of Data Collection, Scope of the Appraisal, Intended Use/Intended User and Report Options, also including the "Scope of Work Defined" and "Scope of Work Applied" as required by the Uniform Standards of Professional Appraisal Practice (USPAP).

### Summary of Facts and Conclusions

Date of Inspection: <u>11/21/16</u>	Effective Date of Appraisal: <u>11/21/16</u>
<b>Value Indication</b>	
- Cost Approach:	\$ <u>15,491,612</u>
- Income Approach:	\$ <u>15,410,000</u>
- Sales Comparison Approach:	\$ <u>15,090,000</u>
<b>Opinion of Value:</b> (Estimated Marketing Time <u>6-12 months</u> )	\$ <u>15,090,000</u>
Cost of Repairs: \$ <u>N/A</u> Cost of Additions: \$ <u>N/A</u>	
<b>Allocation:</b>	
Land: \$ <u>14,664,654</u>	\$ <u>656 / Acre ( 97 %)</u>
Land Improvements: \$ <u>0</u>	\$ <u>0 / ( 0 %)</u>
Structural Improvement Contribution: \$ <u>425,346</u>	\$ <u>19 / Acre ( 3 %)</u>
Non-Realty Items: \$ <u>0</u>	\$ <u>0 / ( 0 %)</u>
Leased Fee Value (Remaining term of encumbrance _____) \$ <u>N/A</u>	\$ <u>0 / ( 0 %)</u>
Leasehold Value: \$ <u>N/A</u>	\$ <u>0 / ( 0 %)</u>
	<b>Overall Value: \$ <u>675 / Acre ( 100 %)</u></b>

<b>Income and Other Data Summary:</b>	<input checked="" type="checkbox"/> Cash Rent <input type="checkbox"/> Share <input type="checkbox"/> Owner/Operator <input type="checkbox"/> FAMC Suppl. Attached
Income Multiplier <u>N/A</u> ( )	Income Estimate: \$ <u>24.47 / Acre (unit)</u>
Expense Ratio <u>32.42 %</u>	Expense Estimate: \$ <u>7.93 / Acre (unit)</u>
Overall Cap Rate: <u>2.40 %</u>	Net Property Income: \$ <u>16.54 / Acre (unit)</u>

**Area-Regional-Market Area Data and Trends:**

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

**Subject Property Rating:**

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