

An Appraisal Report
of Two Tracts of Irrigated Farmland
Being 109.6 acres and 77.8 acres, more or less, located along the
South side of East 19th Street, and the west side of North Red Bridge Road,
Approximately 1 miles East of Roswell,
Chaves County, New Mexico



Effective Date
November 24, 2025

Requested By
Mr. Todd Verciglio
Community Development Dept., Property Division
City of Roswell
400 W. Second St.
Roswell, New Mexico 88201
t.verciglio@roswell-nm/gov



Prepared By
WT Appraisal, Inc.
800-340-5039
www.wtappraisal.com
Job #25-981

December 1, 2025

Mr. Todd Verciglio
Community Development Dept., Property Division
City of Roswell
400 W. Second St.
Roswell, New Mexico 88201
t.verciglio@roswell-nm/gov

RE: *An Appraisal Report* of two tracts of irrigated farmland being 109.6 acres and 77.8 acres, more or less, located along the south side of East 19th Street, and the west side of North Red Bridge Road, approximately 1 miles East of Roswell, Chaves County, New Mexico.

Dear Mr. Verciglio:

In accordance with your request we have prepared an appraisal of the property referenced above. The purpose of the appraisal is to develop an opinion of the "As Is" market value of the fee simple interest in the property, as of the effective date of the appraisal, as defined in the accompanying report. We understand that the intended use of the report is to assist our client with determining market value of the subject property for internal decision making.

The effective date of this appraisal is November 24, 2025, and is based on data and market conditions prevailing on that date. The research and analysis contained herein was conducted during the month of November 2025.

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 referred to as Tract 1, being 109.6 acres, as of November 24, 2025, was in round numbers:

ONE MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND DOLLARS
\$1,425,000

Furthermore, 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 referred to as Tract 2, being 77.8 acres, as of November 24, 2025, was in round numbers:

ONE MILLION FIFTY THOUSAND DOLLARS
\$1,050,000

These value estimates are subject to the assumptions and limiting conditions as set out herein. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of The Appraisal Foundation and the specific appraisal standards set out in 12 CFR, Part 1608 and in conformance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), revised June 7, 1994, and subsequent federal regulations including the most recent Interagency Appraisal and Evaluation Guidelines effective 12/10/10, and amendments thereto, to the extent that the available market data will allow.

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. Furthermore, as a result of our analysis, we have concluded that the property has no scientific, cultural or historic value.

Special Assumption: For the purpose of this analysis, we have assumed that the current agreement between the subject tracts described herein and the adjoining municipal waste water facility will continue perpetually. No details or documentation regarding the agreement were provided to the appraisers beyond the fact that the waste water from the plant can be utilized for irrigated farming upon the subject tracts. If details of the agreement are provided to the appraiser at a date after the report date of this report, the appraisers reserve the right to revise any conclusions herein.

Mr. Verciglio
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December 1, 2025

We thank you for the privilege of serving you and should you have any questions, please contact us.

Sincerely yours,



Clint W. Bumguardner, MAI, ASA
General State Certified Appraiser
New Mexico Certification No. 001579-G



Sam Walker, Appraiser
General State Certified Appraiser
State Certification No. NM-03611-G



Cage Riley, Appraiser
General State Certified Appraiser
State Certification No. NM-REA-2025-0142

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ADDENDA

Assumptions and Limiting Conditions	
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Summary of Salient Facts, Data and Conclusions

Property Appraised:	187.4 total acres, more or less, contained in two contiguous tracts referred to within this report as Tract 1, being 109.6 acres, and Tract 2, being 77.8 acres, approximately 1 mile east of Roswell, Chaves County, New Mexico.
Property Type:	Irrigated farm land.
Location:	Tract 1 is located on the south side of East 19 th Street and the west side of North Red Bridge Road; while Tract 2 is located along the west side of North Red Bridge Road, approximately 1 mile east of Roswell, Chaves County, New Mexico.
GPS Coordinates:	
Tract 1:	Latitude - 33° 24' 51.79" North Longitude - 104° 28' 34.44" West
Tract 2:	Latitude - 33° 24' 38.03" North Longitude - 104° 28' 28.25" West
Interests Appraised:	Unencumbered fee simple, surface only.
Legal Description:	Being 187.4 acres; Lots 1 thru 7, Replat of Lot 8, Lots 18, 19, 20, 21, and 22, Hamilton Farms Subdivision, out of the southeast 1/4 of Section 26, Township 10 South, Range 24 East, Chaves County, New Mexico.
Purpose of Appraisal:	Estimate the "as is" market value of the subject property.
Property Rights Appraised:	Fee simple.
Effective Date of Valuation:	November 24, 2025

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

Client Identity and Intended Users of the Appraisal:

This report is intended for use only by the client, Mr. Todd Verciglio and the City of Roswell. Use of this report by others is not intended by the appraisers. This report is intended only for use in providing data upon which the client may analyze the property for decision making purposes.

Intended Use of Appraisal:

The intended use of this appraisal is to assist the client, Mr. Todd Verciglio and the City of Roswell in internal decision making regarding the subject property. This report is not intended for any other use.

Land Data (Tract 1): Size:

109.6 total acres, more or less.

Acreage size of the property is based on data from the client. A survey was not provided. The appraisers have relied on this data. If subsequent data indicates a different acreage amount, the appraisers reserve the right to modify the conclusions reached in this appraisal.

Shape:

Rectangular

Frontage/Access:

Subject has frontage along the south side of East 19th Street and the west side of North Red Bridge Road.

Flood Zone:

According to FEMA Map #35005C1390D, dated September 25, 2009, Tract 1 of the subject is partially located within Zone X. The appraisers were not supplied a survey of subject property. It is recommended that a survey, by a professional, certified surveyor be performed to determine exact elevations and flood plain status.

Land Use:

At the time of inspection, Tract 1 is entirely irrigated farmland.

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

Improvements:	All improvements associated with the current flood irrigation including above and below ground water lines, and specifically gated pipe supply system; partial net-wire perimeter fencing.
Land Data (Tract 2):	
Size:	77.8 total acres, more or less. <i>Acreage size of the property is based on data from the client. A survey was not provided. The appraisers have relied on this data. If subsequent data indicates a different acreage amount, the appraisers reserve the right to modify the conclusions reached in this appraisal.</i>
Shape:	Rectangular
Frontage/Access:	Subject has frontage along the west side of North Red Bridge Road.
Flood Zone:	According to FEMA Map #35005C1390D, dated September 25, 2009, Tract 2 of the subject is partially located within Zone X and AE. Additionally, the southeastern corner of Tract 2 contains the Rio Hondo Draw which, during heavy rainfall and flooding can run full and overfill the draw. The appraisers were <u>not</u> supplied a survey of subject property. It is recommended that a survey, by a professional, certified surveyor be performed to determine exact elevations and flood plain status.
Land Use:	At the time of inspection, Tract 2 is entirely irrigated farmland, with the exception of a small portion situated within Rio Hondo in the far southeast corner of the tract.
Improvements:	All improvements associated with the current flood irrigation including above and below ground water lines, and specifically gated pipe supply system; partial net-wire perimeter fencing.
Utilities:	Electricity and private water.

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

Current Use:	Agricultural - irrigated cropland.
Highest and Best Use:	Agricultural - irrigated cropland.
Easements, Restrictions, and Encroachments:	Typical utility easements were assumed around the perimeter of the property. A physical inspection of the property did not reveal any 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.
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.
Assessed Value (2025)	
Full Value:	\$46,987
Assessed Value:	\$15,663
Indicated Value "As Is" by Cost Approach:	N/A
Indicated Value "As Is" by Sales Comparison Approach:	\$1,425,000 (Tract 1 - 109.6 Acres)
	\$1,050,000 (Tract 2 - 77.8 Acres)

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

Indicated Value by
Income Approach: N/A

FINAL MARKET VALUE INDICATION TRACT 1:	\$1,425,000
FINAL MARKET VALUE INDICATION TRACT 2:	\$1,050,000

Estimated Marketing/Exposure Time: 12 months

Special Assumption: For the purpose of this analysis, we have assumed that the current agreement between the subject tracts described herein and the adjoining municipal waste water facility will continue perpetually. No details or documentation regarding the agreement were provided to the appraisers beyond the fact that the waste water from the plant can be utilized for irrigated farming upon the subject tracts. If details of the agreement are provided to the appraiser at a date after the report date of this report, the appraisers reserve the right to revise any conclusions herein.

Identification of Subject Property



Subject Property

The subject property consists of two contiguous tracts of irrigated farmland referred to as Tract 1 and Tract 2 herein. Tract 1 is located on the south side of East 19th Street and the west side of North Red Bridge Road; while Tract 2 is located along the west side of North Red Bridge Road, approximately 1 mile east of Roswell, Chaves County, New Mexico.

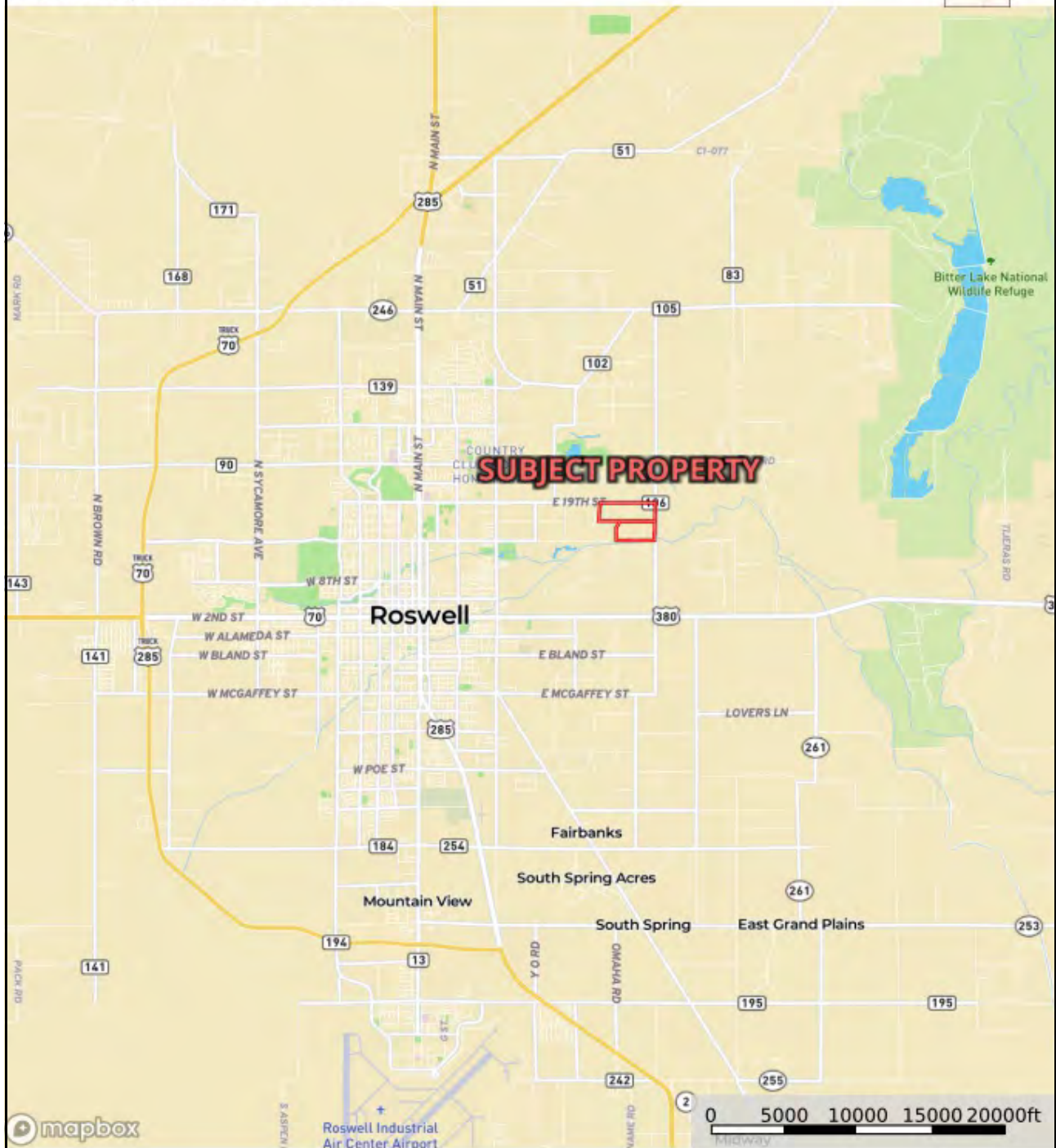
Legal Description

Being 187.4 acres; Lots 1 thru 7, Replat of Lot 8, Lots 18, 19, 20, 21, and 22, Hamilton Farms Subdivision, out of the southeast 1/4 of Section 26, Township 10 South, Range 24 East, Chaves County, New Mexico.

2025-981 | Location Map

Chaves County, New Mexico, 187.4 AC +/-

WT
Appraisal



mapbox

Boundary

Cage Riley

id.

The information contained herein was obtained from sources deemed to be reliable. Land id. Services makes no warranties or guarantees as to the completeness or accuracy thereof.

2025-981 | Aerial Map

Chaves County, New Mexico, 187.4 AC +/-

WT
Appraisal



Boundary

Cage Riley

id. The information contained herein was obtained from sources deemed to be reliable. Land id™ Services makes no warranties or guarantees as to the completeness or accuracy thereof.

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 the “As Is” market value of the subject, as of the effective date of appraisal, subject to the assumptions and limiting conditions set forth in the appraisal. The fee simple interest in the subject property is being appraised.

Intended Use and Intended Users of the Appraisal

The intended use of this appraisal is to assist the client, Mr. Todd Verciglio and the City of Roswell in internal decision making regarding the subject property. This report is not intended for any other use. This report is intended for use only by the client, Mr. Todd Verciglio and the City of Roswell. Use of this report by others is not intended by the appraisers. This report is intended only for use in providing data upon which the client may analyze the property for decision making purposes.

Effective Date of Appraisal and Date of Report

This appraisal has an effective date of November 24, 2025, and is based on data and market conditions prevailing on that date. This appraisal report was written during the month of November 2025, and was completed on December 1, 2025.

Property Rights Appraised

In this particular appraisal, the property rights appraised consist of the fee simple interest 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 111.

Type and Definition of Value Used in the Appraisal

Market value is defined as being the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeable, and assuming the price is not affected by undue stimulus.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 unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.³

Extent of Property Identification

Physical Characteristics

The total area of the subject site is approximately 187.4 acres, more or less, of agricultural land, and specifically irrigated farmland. The property consists of two contiguous tracts of land being Tract 1, 109.6 acres, and Tract 2, 77.8 acres. Both tracts are irregular in shape and level to gently sloping in topography. Overall, there is a general slope from northwest to southeast. According to FEMA Map #35005C1390D, dated September 25, 2009, portions of both Tract 1 and Tract 2 are located within Zone X and AE of the flood plain. Additionally, the southeastern corner of Tract 2 contains the Rio Hondo Draw which, during heavy rainfall and flooding can run full and overflow the draw. *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.* The subject is located in a portion of Chaves County that is mostly agriculture farm land. This area contains flood irrigation, drip irrigation and some center pivot irrigation. The improvements situated on both subject tracts include all improvements associated with the current flood irrigation including above and below ground water lines, and specifically gated pipe supply system; partial net-wire perimeter fencing, and some caliche paved roadways.

² Section 34 of Title 12, Code of Federal Regulations and subsequent Interagency publications.

³Section 34 of Title 12, Code of Federal Regulations and subsequent Interagency publications.

Legal Characteristics

We relied on information from the client, deeds and county records concerning easements, restrictions and other encumbrances. The subject legal description is as follows.

Being 187.4 acres; Lots 1 thru 7, Replat of Lot 8, Lots 18, 19, 20, 21, and 22, Hamilton Farms Subdivision, out of the southeast 1/4 of Section 26, Township 10 South, Range 24 East, Chaves County, New Mexico.

Economic Characteristics

The subject property is owner operated and not leased to our knowledge.

Extent of Property Inspection

The subject property was photographed and viewed on ground. Size and measurement information for the land site was based on information from the client as a survey was not provided. The appraisers have relied on this information in this appraisal. *If subsequent data becomes available, indicating a different acreage amount than used in this report, the appraisers reserve the right to modify the conclusions reached in this analysis.* 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 November 24, 2025.

Type and Extent of Data Researched

Comparable 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 the current year's property tax amount as provided by the County Assessor. 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. Clint Bumguardner, Sam Walker, and Cage Riley provided real property appraisal assistance within the type and extent of data researched.

Type and Extent of Analysis Applied

The value opinions presented in this report were based upon review and analysis of the market conditions affecting real property value of competitive properties and sales in the Chaves County, New Mexico area.

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 an opinion of value for the subject property. Clint Bumguardner, Sam Walker, and Cage Riley provided real property appraisal assistance within the type and extent of analysis applied, including each section of the appraisal report.

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.

The subject property is listed under the ownership of the L & K Waggoner, LLC and has been under the same ownership for several years. The L & K Waggoner, LLC is owned and operated by Mr. Timmy Taylor. The appraisers have not been provided and have no knowledge of any other deeds, contracts or options involving subject property for the prior three year period immediately preceding 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 \$1,000,000 to \$3,000,000, in the Chaves County area of New Mexico area to be approximately 12 months.

Competency Statement

The appraiser(s) who prepared this report have valued numerous farm and ranch properties throughout the states of Texas, and New Mexico during the last ten years.

Mr. Bumguardner is an MAI (Member of the Appraisal Institute), an Accredited Senior Appraiser of the American Society of Appraisers, and a State Certified General Real Estate Appraiser in the State of New Mexico, certificate number NM-001579-G. Mr. Walker is a State Certified General Real Estate Appraiser in the State of New Mexico, certificate number NM-03611-G. Mr. Riley is a State Certified General Appraiser in the State of New Mexico, Certificate Number NM-REA2025-0142.

Report Type

This Appraisal Report 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 a level of 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.

Chaves County and Roswell 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 and Population

The city of Roswell, county seat and main commercial hub of Chaves County, is situated in the southeastern portion of the state and is the fifth largest city in New Mexico. Roswell is situated east of the Sacramento Mountain Range. The region's climate is temperate and is characterized by moderate seasonal changes. Located along the Pecos River basin, it is surrounded by plains at an estimated elevation of 3,500 feet. The City of Roswell is the most heavily populated municipality in the County with a 2020 estimated population of 46,977. Since 2012, the population of Chaves County has grown less than 1% per year. Population data is from the U.S. Census and is shown below.

COMPARATIVE POPULATION STATISTICS				
Year	City Of Roswell	Percent Change	Chaves County	Percent Change
1980	39,676	N/A	51,103	N/A
1990	44,654	12.55%	57,849	13.20%
2000	45,293	1.43%	61,263	5.90%
2010	48,465	7.00%	65,727	7.29%
2012	48,452	-0.03%	65,800	0.11%
2013	48,630	0.37%	66,059	0.39%
2014	48,490	-0.29%	65,880	-0.27%
2015	48,482	-0.02%	65,878	0.00%
2016	48,322	-0.33%	65,697	-0.27%
2017	47,993	-0.68%	65,153	-0.83%
2018	47,635	-0.75%	64,689	-0.71%

⁴The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2013 p. 166.

2019	47,551	-0.18%	64,615	-0.11%
2020	48,541	2.08%	64,711	0.15%
2021	48,081	-0.95%	64,629	-0.13%
2022	47,390	-1.44%	63,894	-1.14%
2023	46,872	-3.44%	63,561	-1.78%
2024	47,176	-1.88%	63,697	-1.44%
2025	Est. 46,229	-2.45%	Est. 62,899	-1.56%

**Estimated population*

Demographics

Chaves County has an average age of 36.1 years. Census data states that the 2023 median household income is \$52,029 as compared to New Mexico's of \$62,125. Median home values are \$146,352, also lower than the state's at \$315,386. The cost of living index is low at 71.2 on a scale of 100.

Transportation

The county is served by U. S. Highway 285 which bisects the city of Roswell in a north/south fashion. It serves to connect the region with Artesia and Carlsbad to the south and Vaughn and Interstate 40 to the north. U. S. Highway 380 intersects with U. S. Highway 285 in Roswell and provides access to the Texas border approximately 100 miles to the east. To the west, U. S. Highway 380 provides access to Carrizozo, Socorro and Interstate 25. Other thoroughfares that serve the area include various two-lane, asphalt paved, state roadways. Roswell is approximately 200 miles from Albuquerque, NM, 210 from Amarillo, TX, and 202 miles from El Paso, Texas.

The majority of land use in the City of Roswell is mixed, consisting of commercial along the major traffic corridors and those streets radiating off from them with residential (single and multi-family) throughout the city. Vacant acreage is also well represented around the periphery of the city. The primary arterials have been developed with fast food franchises, retail centers (regional, community and neighborhood), free-standing service establishments and lodging accommodations along with various service oriented facilities. Also located along these corridors are churches, schools, multi-family and specialized housing.

Education

Education in the City of Roswell is provided by a single school district. There are twelve elementary schools, three middle schools and four high schools which educate approximately 9,800 students. There are eight private schools and one charter school. Also included in the community are the New Mexico Military Institute and the Roswell campus for Eastern New Mexico University. The main campus for Eastern New Mexico University is located approximately 100 miles to the northwest in Portales.

Roswell also has benefitted from its proximity to the Federal Law Enforcement Training Center (FLETC) located in Artesia, approximately 40 miles to the south. This governmental installation whose parent organization is the Department of Homeland Security, provides law enforcement training for 80 various agencies in their three locations nationwide, of which one is in Artesia. The Artesia facility conducts training for US Border Patrol, Transportation Security Administration, Bureau of Indian Affairs and other partnering organizations. Specialized training programs such as Driver Instructor Training, Firearms Instructor Training, Federal Air Marshall Training, and Defensive Tactics Instructor Training are conducted at the facility. Also in 2004, the US Border Patrol relocated to Artesia and established its consolidated training operations there. The consolidation of U.S. Border Patrol training and the importance of trained law enforcement personnel in the post 9-11 era insure that FLETC's presence in Artesia will continue and impact area towns and cities.

Healthcare

Roswell hosts a diverse mix of health care facilities, including hospitals, clinics, rehabilitation centers, and home health agencies. Two of the main hospitals are Eastern New Mexico Center. Being a - 162-bed facility offering emergency care, cardiology, cancer treatment, imaging, and surgical services. Smaller hospital, Lovelace Regional Hospital, is a 26-bed acute care hospital with ER, labor & delivery, outpatient surgery, and imaging services. Roswell's health care landscape is robust for a city of its size, with options ranging from full-service hospitals to specialized outpatient and senior care.

Recreation

A variety of outdoor sports are available year round due to the warm, sunny climate. Skiing, boating, fishing and the Lincoln National Forest are within a two-hour drive. Also located in the City of Roswell are several parks, golf courses, swimming pools, baseball and soccer fields.

Utilities

All utilities (gas, electric, water, waste water and phone service) are available throughout Roswell. Water, waste water and solid waste disposal are supplied by the City of Roswell with electricity and gas provided by Excel and PNM Gas Company, respectively.

Roswell is probably best known for something that may or may not have happened. In 1947, a UFO allegedly crashed in the nearby desert, an event that came to be known as "the Roswell Incident." The 50th anniversary of this event in 1997 brought the town enormous media attention. Attendance at the annual UFO parade continues to increase each year and more than 160,000 people visited the International UFO Museum and Research Center in 2008, up significantly from the 3,000 that visited when the museum opened in 1992. The Museum is currently in the process of raising 15 Million dollars to construct a new museum downtown.

Over the past few years, Roswell has seen the completion of several projects in the city including the \$3 million Roswell Convention and Civic Event Center and Plaza, a 36,000 square foot facility on Main Street, as well as a detention center, expansion at New Mexico Military Institute, construction of adult and teen centers at the former airport west of town and ongoing construction of a bypass to the Waste Isolation Pilot Plant near Carlsbad. Pioneer Bank completed the construction of a new, multi-million dollar corporate office facility along North Main Street and a new Roswell Community Federal Credit Union building at 2514 N. Main has been completed. The city also has seen an increase in the number of hotels/motels and restaurants over the past three to four years including a new Comfort Suites at 3610 N. Main, a new 71 room Marriott Townplace Suites on East 19th Street and a new Holiday Inn Express in the 3600 block of North Main. According to the City of Roswell's Planning Department, a new Nissan dealership has been built in the west portion of Roswell along US Hwy 70.

Governmental

County-related services are located within the county seat of Roswell. The government of the City of Roswell consists of a Mayor and 10 City Councilors, along with the various elected city offices; the county functions with the county commissioners court. Zoning regulations, which are supervised by the Planning and Zoning Department, serve to regulate and channel the area's development and regulate land usage. The Roswell area region provides a pro-business climate which facilitates new and expanding business. Various incentives, including an Industrial Development Bond Program, have been instrumental in assisting new and expanding companies in the city.

Economic

Roswell, which serves as the hub for this area of the state, has seen its share of boom and bust including the opening and closing of an air force base and the rise and fall of the oil and gas industry in the 1980's. The city, now approaching metropolitan size, finds itself experiencing new development and interest from national companies. The agriculture industry remains an economic mainstay and the former Walker Air Force Base is now a growing industrial complex. Wind and solar energy also contribute to keeping utility costs low.

Labor Force

As of December 2024, Chaves County's unemployment rate was 4.0% and New Mexico's rate was 4.2%, and the national rate of 4.1%. Due to Covid-19 unemployment rates continued to rise amidst the global hitting it's peak in April of 2020, but began to lower by May 2020.

Agriculture

Agriculture is one of the largest contributors to the local economy, generating about \$446 million in annual revenues. Many credit the industry's success to the area's plentiful water resources, fertile soil and mild climate. Dairy cattle top the list of income, followed by beef cattle, sheep and angora goats. Alfalfa is the major crop grown in this area and is considered some of the best alfalfa in the world. Cotton, chile, corn and pecans are also abundant. The presence and quality of animal feed in the Pecos Valley are two of several characteristics dairymen like about Roswell. The climate and property prices are two more reasons many California dairymen relocated to the area over the past several years.

Roswell is home to 40 percent of the state's producing dairy herds and is the twelfth largest dairy-producing county in the U.S. This burgeoning dairy growth spurred the expansion of Leprino Food's mozzarella cheese plant, which employs over six hundred people and processes over 4,000,000 pounds of milk per day. It is the largest mozzarella plant in the world.

New Mexico's dairy industry has grown dramatically in the last decade. Since 1990, the dairy industry in New Mexico has increased in production by over 172 percent. This dairy growth was faster than any state. The next closest states were Idaho and Arizona.

The average New Mexico dairy produces over 58 million pounds of milk per year. In Chaves County, milk per cow averages 273,000 pounds. This output translates into approximately \$266.5 million of income from milk sales. Feed and labor represent the two largest expenses on area dairies, accounting for 50% to 10% of the total cost of production, respectively.

The sheep and goat industry within Chaves County has also been a major asset to the area. Climate conditions make Chaves County an ideal place for growing wool sheep. More wool is sold from Roswell than from any single community in the United States.

Aviation

The Roswell Industrial Air Center, located four miles south of the city, is the core of Southeastern New Mexico's industrial activity. Formerly Walker Air Force Base and originally developed for military aviation by the Army Corps of Engineers, it was one of the largest installations operated by the USAF Strategic Air Command. After the military pull-out in 1967, the City of Roswell converted the extensive airfield complex to civil aviation use and an industrial park. Other air center components are effectively utilized for educational, training, health, and distribution purposes.

All classes of general and commercial aviation activity can presently be accommodated at the RIAC and its environs; to include training and research operations as well as equipment maintenance and testing programs. The RIAC and adjacent industrial area has a diverse tenant mix. Home to a fireworks factory, an ornament plant, the New Mexico Army National Guard, a plastics manufacturer, the Roswell Municipal Airport, and many others.

Conveniently located vacant tracts are available throughout the complex, with direct access and full service assured for every tenant. Land and buildings at the RIAC are available on long term leases. Cost of leasing buildings and sites at the RIAC are among the most favorable anywhere in the United States.

With 2,185 acres of aeronautical area, the Roswell Industrial Air Center offers a unique capability for accommodating heavy, high performance aircraft in non-congested, non-obstructed airspace. Boeing, JAL, McDonnell Douglas, Beechcraft, Gulfstream, Cessna, LearJet, Lufthansa, and British Aerospace all have tested equipment at the facility.

In addition, it has an FAA operated control tower with radar and many published instrument approaches. Three runways, the longest of which is 13,000 feet, and 3.8 million square feet of combined aircraft ramp area with 130 tie-down positions provide accommodations for any aircraft-related enterprises. In addition, aviation operations are supported by three massive fuel tanks with a capacity of 2,678,870 gallons.

While the air center's exceptional facilities are vital, what goes on beyond its boundaries has also attracted attention. Roswell is a pro-business community with a progressive, expansion-oriented attitude.

One of the first enterprises to take advantage of the air center was Eastern New Mexico University, Roswell's fifth-largest employer. When the base closed in 1967, ENMU-R acquired 234.5 acres including 27 major brick structures. Students began using the facilities shortly thereafter. In February 1982, Chaves County voters approved a \$5 million bond issue. The next year, the college combined that money with state appropriations and began a five-year, \$14 million building program.

The 2,700 new students enrolled at the college make use of an instructional center with science and nursing labs, a 46,000 square foot Oilfield Training Center, complete with a 140-acre outdoor lab with state-of-the-art equipment, and an aviation maintenance technology program with six fixed-wing aircraft and three helicopters to provide hand-on training.

An additional benefit is access to commercial airways. As any small city can attest, offering commercial flights locally increases the potential for growth. The RAIC offers 10 daily flights to Albuquerque via Mesa Airlines, and three daily flights to Dallas/Ft. Worth International Airport through Lone Star Airlines. In addition, American Eagle offers non-stop flights to and from Dallas/Fort Worth which began in September 2007.

Also operating at the RAIC are a lollipop manufacturer, fiberglass manufacturers and Frontier/Longhorn Manufacturing Co. Inc., a fireworks company employing about 135 people.

Major Employers

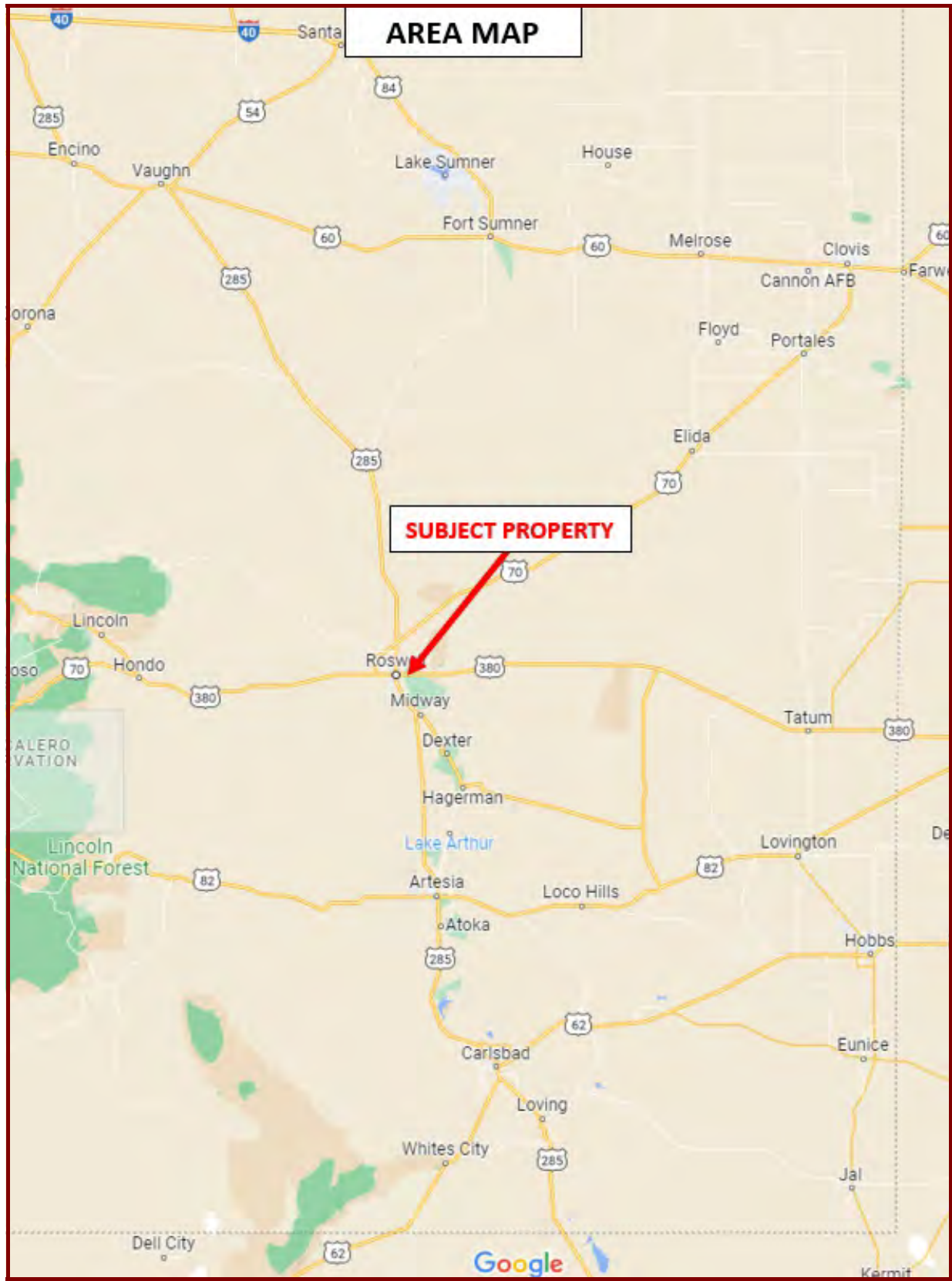
Other top employers numerically, in Roswell include the Roswell Independent School District, Leprino Foods, Eastern New Mexico Medical Center, City of Roswell, Krumland Auto Group, New Mexico Military Institute, Wal-Mart, Community Homecare and Chaves County.

Oil and Gas

The oil and gas industry continues to also be an important part of Roswell's economic base. Chaves County lies at the western end of the Permian Basin, one of the largest oil and gas producing areas in the United States. There are over 1,500 wells in the County that produce more than 1.3 million barrels of oil and 36 billion cubic feet of gas annually. Oil and gas royalties and severance taxes provide over \$500 million in funding for schools throughout New Mexico.

Conclusions

Generally speaking, the overall economic outlook for the Roswell and Chaves County area is average given the current global effects of Covid-19. While Covid-19 will have an effect on marketability, other factors affecting marketability such as utilities, property compatibility, protection from detrimental conditions, police and fire protection, general appearance and appeal are considered adequate to support future development. Roswell appears to have a diverse economic base. As a regional center for trade, and with a city population near 50,000, several major, nationwide retailers have located stores in Roswell with additional retailers showing interest in the area. Based on the preceding, the subject area is considered to provide a suitable environment for the subject property.



Site Description

A site is land that has been improved so that it is ready to be used for a specific purpose. Land, on the other hand, can be raw or improved. Raw land, is land on which no improvements have been made; land in its natural state before grading, construction, subdivision, or the installation of utilities. A site description is a comprehensive listing of factual data, including a legal description, other title and record data, and information on physical characteristics of the site.⁵

TRACT 1 - 109.6 ACRES

Location

The subject property is located on south side of East 19th Street, and the west side of North Red Bridge Road, approximately 1 mile east of Roswell, Chaves County, New Mexico.

GPS Coordinates:

Tract 1: Latitude - 33° 24' 51.79" North
 Longitude - 104° 28' 34.44" West

Size

Total acreage is approximately 109.6 acres, more or less, contained in one, contiguous tract of land. *Acreage size of the property is based on data from the client. A survey was not provided. The appraisers have relied on this data. If subsequent data indicates a different acreage amount, the appraisers reserve the right to modify the conclusions reached in this appraisal.*

Topography

The subject property is basically level to gently sloping. The irrigated portion of the subject property is basically level and gently sloping. Overall, there is a general slope from northwest to southeast. Elevation ranges from approximately 3,519 feet above sea level in the southeast corner to 3,558 feet above sea level in the northwest corner. The subject topography is considered to be typical for the immediate area.

Access

Access to the subject property is provided by East 19th Street, an asphalt paved roadway that runs along the south side of the subject, as well as North Red Bridge Road, an asphalt

⁵The Appraisal of Real Estate, Appraisal Institute, Fourteenth Edition, 2013, page 205-206

paved roadway that runs along the east side of the subject tract. Overall access for the subject is considered average.

Current Use

At the time of inspection the entire subject tract is currently used as irrigated farmland. The appraisers were not provided crop history, production history or FSA data concerning the subject property.

Zoning

The subject is not located within the boundaries of an incorporated city and therefore is not subject to municipal zoning regulations. However, the subject is within two miles of the city limits and falls within the zoning regulations of the Roswell-Chaves County Extraterritorial Zoning Ordinance. The purpose of this Ordinance is to promote public health, safety, morals, and the general welfare within the Roswell-Chaves County Extraterritorial Zone (ETZ). In accordance with recommendations of the Chaves County Comprehensive Land Use Planning and Zoning Report, the Chaves County Land Use Policies Plan, an update thereto, and the City of Roswell Comprehensive Master Plan, this Ordinance is designed to lessen congestion in the streets or public ways; provide safety from fire, flood waters, and other dangers; provide adequate light and air; prevent the overcrowding of land; facilitate adequate provision for schools, transportation, water, sewerage, parks, and other public requirements; and control and abate the unsightly use of buildings or land. In order to accomplish this purpose, this Ordinance provides for the administration, interpretation, enforcement, and amendment of this Ordinance and divides the territory within the ETZ into zoning districts. This Ordinance regulates the height, number of stories, and size of buildings and other structures; the percentage of a lot that may be occupied; the size of yards, courts, and other open spaces; the density of population; the location and use of buildings, structures, and land; and the erection, construction, reconstruction, alteration, or use of buildings, structures, and land in each zoning district.

Shape

The subject is rectangular in shape. The subject tract measures approximately 3,800 feet from east to west and approximately 1,258 feet from north to south.

Soils

The soil types present on the subject property were acquired from the USDA's, Natural Resource Conservation Service website. The primary soil types identified by the NRCS and their capability classes are listed in the following table.

Subject Soil Information		
Code	Description	Percent Coverage
RkB	Reeves loam, 1 to 3% slopes	17.1%
ReB	Reakor loam, 1 to 3% slopes	2.9%
RkA	Reeves loam, 0 to 1% slopes	0.6%
Tg	Tencee-Upton complex	1.3%
BgB	Bigetty loam, 1 to 3% slopes	0.7%
AtB	Atoka loam, 1 to 3% slopes	0.5%
ReA	Reakor loam, 0 to 1% slopes	77.1%

Subject contains several other soils to a lesser extent. Overall, the subject property appears to possess typical, average soil types for the area.

The Reeves series consists of very deep soils that are moderately deep to gypsum material. They are well drained, moderately permeable soils that formed in calcareous and gypsiferous fine textured alluvium derived from gypsum beds. These soils are on hillslopes, plateaus, and basin floors with slopes ranging from 0 to 9 percent. Grazing and irrigated cropland. Crops are mostly cotton, alfalfa, sorghum, and small grains. Vegetation is mainly burrograss, tobosa, alkali sacaton, blue grama, threeawn, fourwing saltbush, and snakeweed.

The Reakor series is very deep, well drained soils that formed in loamy alluvium derived from mixed sources. Reakor soils are on broad plains and alluvial fans and have slopes of 1 to 5 percent. Used mainly for rangeland. Large areas are irrigated and used for growing cotton, alfalfa, sorghum and small grains. Native vegetation is mainly burrograss, tobosa, blue grama, bush muhly, mat muhly, alkali sacaton, threeawns, vine mesquite and mesquite.

The Tencee series consists of shallow to petrocalcic, well drained, moderately permeable soils that formed in gravelly alluvium derived from mixed sources on terrace remnants and sides of ridges. These areas are generally idle, but may have some limited livestock grazing. Present vegetation is sparse consisting usually of a few creosotebush in places with scattered mariola, snakeweed, or tarbush. Some areas are barren of vegetation.

The Bigetty series consists of very deep, well drained soils that formed in alluvium on the flood plain of intermittent streams. Permeability is moderately slow. Grazing and irrigated cropland. Crops are mainly alfalfa, cotton and sorghum. Native vegetation is mainly giant sacaton, alkali sacaton, vine-mesquite, tobosa, blue grama, buffalograss, burrograss and widely spaced mesquite and cholla cactus.

The Atoka series consists of moderately deep, well drained soils formed in medium and moderately fine textured calcareous sediments derived mostly from limestone. Atoka soils are on nearly level to gently sloping piedmont plains and have slopes of 0 to 5 percent. These soils are used for irrigated cropland and native rangeland. The native vegetation is mainly black grama, blue grama, sideoats grama, tobosa, vine-mesquite, burrograss, fluffgrass, three-awn, broom snakeweed, tarbush, creosotebush and mesquite.

Water/Water Rights

The subject property is located in the Roswell Artesian Basin region. Deeded water rights are typically required for irrigated use to be physically possible. The appraisers were unaware of any water rights associated with the subject tract, nor any water wells utilized in the current irrigation. Thus, no water rights have been considered within our analysis. Nevertheless, the subject property is situated adjacent to the city of Roswell Wastewater Treatment facilities. There is a stabilization pond situated in the northwestern portion of the subject property utilized in conjunction with the wastewater facility. The subject farmland is under an agreement with the neighboring plant which allows the farm to utilize the non-potable water to be used for irrigated farming purposes. The appraisers were not provided any details regarding the terms of the agreement. It was apparent during the physical inspection by the current alfalfa crop planted and the flood irrigation infrastructure situated upon the subject property that the water amenities of the property under the current agreement are sufficient for irrigated farming. Additionally, the owner and operator disclosed to the appraisers during the inspection that the subject farm has received a range of 4.0 to 6.0 water acre feet over the last several years. For the purpose of this analysis, we have assumed that the current agreement will continue perpetually.

The appraisers are not experts in determining water rights. It is recommended that an attorney or expert in determining water right acreage and/or legality of use be consulted to verify subject's water rights.

Fencing

The subject's perimeter is partially fenced with net wire fencing on metal posts. Fencing observed appeared to be in average condition.

Utilities

Electric service is provided to the subject area.

Improvements

No improvements with contributory value were noted on subject property other than the flood irrigation infrastructure which is considered a component of the land.

Surrounding Uses

The area immediately surrounding subject property is irrigated land, municipal uses, and scattered rural residences.

Flood Plain

According to FEMA Map #35005C1390D, dated September 25, 2009, portions of this tract are situated within Zone X of the flood plain. *However, it is recommended that a survey, by a registered surveyor be performed to determine exact elevations, flood status, and the amount of acreage that might be affected.*

Definitions of FEMA Flood Zone Designations

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

Zone	Description
B and X (shaded)	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

High Risk Areas

Zone	Description
A	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30 year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
AE	The base floodplain where base flood elevations are provided. Areas subject to inundation by the 1% annual chance flood event determined by detailed methods. Zones are now used on new format FIRMs instead of A1-A30 zones.

Summary

In conclusion, the size, access, location, terrain and soil types of the subject property, allow for utilization primarily as agricultural, irrigated cropland use.



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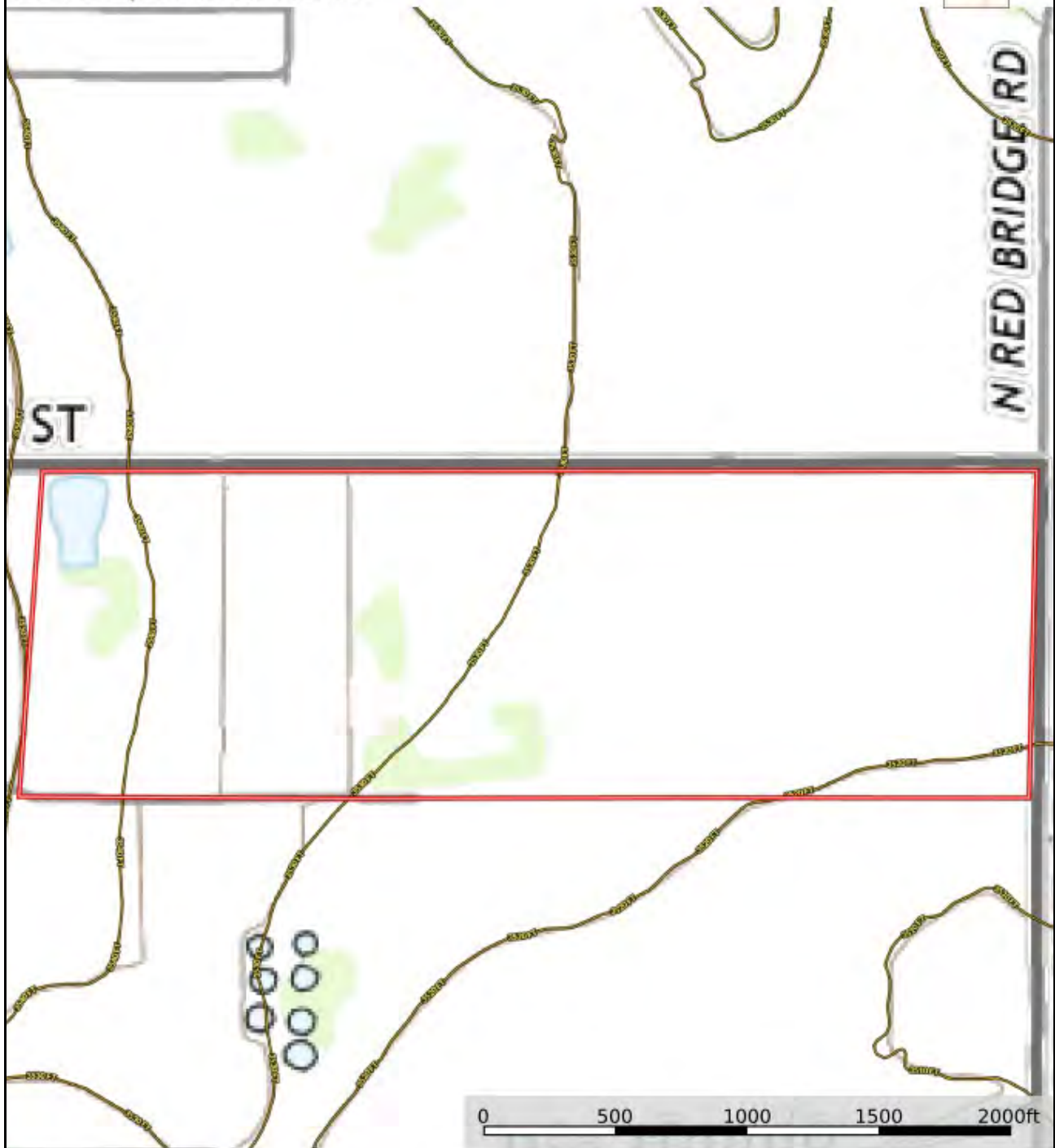
Cage Riley

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Code	Description	Acres	%	CPI	NCCPI	CAP	
ReA	Reakor loam, 0 to 1 percent slopes	84.63	76.98%	-	20	.7c	
RkB	Reeves loam, 1 to 3 percent slopes	18.70	17.01%	-	12	7e	
ReB	Reakor loam, 1 to 3 percent slopes	3.25	2.96%	-	20	7e	
Tg	Tencee-Upton complex	1.38	1.26%	-	8	7e	
RkA	Reeves loam, 0 to 1 percent slopes	0.76	0.69%	-	12	7s	
BgB	Bigetty loam, 1 to 3 percent slopes	0.71	0.65%	-	22	7e	
AlB	Atoka loam, 1 to 3 percent slopes	0.50	0.45%	-	15	7e	
Totals		109.94 ac	0 CPI Average	18.42 NCCPI Average	7 Cap. Average		

2025-981 | Tract 1 Topographical Map
Chaves County, New Mexico, 109.6 AC +/-

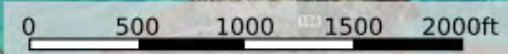
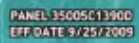
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Land id[®] Services makes no warranties or guarantees as to the completeness or accuracy thereof.

TRACT 2 - 77.8 ACRES

Location

The subject property is located on west side of North Red Bridge Road, approximately 1 mile east of Roswell, Chaves County, New Mexico.

GPS Coordinates:

Tract 2: Latitude - 33° 24' 38.03" North
 Longitude - 104° 28' 28.25" West

Size

Total acreage is approximately 77.8 acres, more or less, contained in one, contiguous tract of land. *Acreage size of the property is based on data from the client. A survey was not provided. The appraisers have relied on this data. If subsequent data indicates a different acreage amount, the appraisers reserve the right to modify the conclusions reached in this appraisal.*

Topography

The subject property is basically level to gently sloping. The irrigated portion of the subject property is basically level and gently sloping. Overall, there is a general slope from northwest to southeast. Elevation ranges from approximately 3,509 feet above sea level in the southeast corner to 3,532 feet above sea level in the northwest corner. The subject topography is considered to be typical for the immediate area.

Access

Access to the subject property is provided by North Red Bridge Road, an asphalt paved roadway that runs along the east side of the subject tract. Overall access for the subject is considered average.

Current Use

At the time of inspection the entire subject tract is currently used as irrigated farmland. The appraisers were not provided crop history, production history or FSA data concerning the subject property.

Zoning

The subject is not located within the boundaries of an incorporated city and therefore is not subject to municipal zoning regulations. However, the subject is within two miles of the city

limits and falls within the zoning regulations of the Roswell-Chaves County Extraterritorial Zoning Ordinance. The purpose of this Ordinance is to promote public health, safety, morals, and the general welfare within the Roswell-Chaves County Extraterritorial Zone (ETZ). In accordance with recommendations of the Chaves County Comprehensive Land Use Planning and Zoning Report, the Chaves County Land Use Policies Plan, an update thereto, and the City of Roswell Comprehensive Master Plan, this Ordinance is designed to lessen congestion in the streets or public ways; provide safety from fire, flood waters, and other dangers; provide adequate light and air; prevent the overcrowding of land; facilitate adequate provision for schools, transportation, water, sewerage, parks, and other public requirements; and control and abate the unsightly use of buildings or land. In order to accomplish this purpose, this Ordinance provides for the administration, interpretation, enforcement, and amendment of this Ordinance and divides the territory within the ETZ into zoning districts. This Ordinance regulates the height, number of stories, and size of buildings and other structures; the percentage of a lot that may be occupied; the size of yards, courts, and other open spaces; the density of population; the location and use of buildings, structures, and land; and the erection, construction, reconstruction, alteration, or use of buildings, structures, and land in each zoning district.

Shape

The subject is rectangular in shape. The subject tract measures approximately 2,638 feet from east to west and approximately 1,370 feet from north to south.

Soils

The soil types present on the subject property were acquired from the USDA's, Natural Resource Conservation Service website. The primary soil types identified by the NRCS and their capability classes are listed in the following table.

Subject Soil Information		
Code	Description	Percent Coverage
PfA	Pecos silty clay loam, nonsaline, 0 to 1% slopes	26.58%
ReB	Reakor loam, 1 to 3% slopes	13.22%
Bd	Balmorhea loam, drained	34.88%
Tg	Tencee-Upton complex	0.58%
RkB	Reeves loam, 1 to 3% slopes	5.01%
BgB	Bigetty loam, 1 to 3% slopes	19.73%

Subject contains several other soils to a lesser extent. Overall, the subject property appears to possess typical, average soil types for the area.

The Reeves series consists of very deep soils that are moderately deep to gypsum material. They are well drained, moderately permeable soils that formed in calcareous and gypsiferous fine textured alluvium derived from gypsum beds. These soils are on hillslopes, plateaus, and basin floors with slopes ranging from 0 to 9 percent. Grazing and irrigated cropland. Crops are mostly cotton, alfalfa, sorghum, and small grains. Vegetation is mainly burrograss, tobosa, alkali sacaton, blue grama, threeawn, fourwing saltbush, and snakeweed.

The Balmorhea series consists of deep, somewhat poorly drained, moderately permeable soils. These soils are on nearly level to depressional areas that are, or were formerly, spring fed marshes. Slopes range from 0 to 2 percent. The soil formed in recent calcareous silty and loamy alluvium. Mean annual precipitation is about 12 inches Mean annual temperature is about 62 degrees F. Uses include irrigated cropland and pasture, and rangeland. Crops are cotton, barley, alfalfa, and grain sorghum. Present native vegetation consists of alkali sacaton, fourwing saltbush, mesquite trees, broom snakeweed, and salt cedar.

The Reakor series is very deep, well drained soils that formed in loamy alluvium derived from mixed sources. Reakor soils are on broad plains and alluvial fans and have slopes of 1 to 5 percent. Used mainly for rangeland. Large areas are irrigated and used for growing cotton, alfalfa, sorghum and small grains. Native vegetation is mainly burrograss, tobosa, blue grama, bush muhly, mat muhly, alkali sacaton, threeawns, vine mesquite and mesquite.

The Tencee series consists of shallow to petrocalcic, well drained, moderately permeable soils that formed in gravelly alluvium derived from mixed sources on terrace remnants and sides of ridges. These areas are generally idle, but may have some limited livestock grazing. Present vegetation is sparse consisting usually of a few creosotebush in places with scattered mariola, snakeweed, or tarbush. Some areas are barren of vegetation.

The Bigetty series consists of very deep, well drained soils that formed in alluvium on the flood plain of intermittent streams. Permeability is moderately slow. Grazing and irrigated cropland. Crops are mainly alfalfa, cotton and sorghum. Native vegetation is mainly giant sacaton, alkali sacaton, vine-mesquite, tobosa, blue grama, buffalograss, burrograss and widely spaced mesquite and cholla cactus.

The Pecos series consists of very deep, moderately well drained, slowly permeable soils that formed in clayey alluvium. These soils are on nearly level flood plains. Rangeland of low carrying capacity. Some areas were formerly used for cropland but are now largely abandoned. The principal vegetation includes alkali sacaton, fourwing saltbush, pickleweed, salt cedar, and some mesquite.

Water/Water Rights

The subject property is located in the Roswell Artesian Basin region. Deeded water rights are typically required for irrigated use to be physically possible. The appraisers were unaware of any water rights associated with the subject tract, nor any water wells utilized in the current irrigation. Thus, no water rights have been considered within our analysis. Nevertheless, the subject property is situated adjacent to the city of Roswell Wastewater Treatment facilities and associated stabilization ponds utilized in conjunction with the wastewater facility. The subject farmland is under an agreement with the neighboring plant which allows the farm to utilize the non-potable water to be used for irrigated farming purposes. The appraisers were not provided any details regarding the terms of the agreement. It was apparent during the physical inspection by the current alfalfa crop planted and the flood irrigation infrastructure situated upon the subject property that the water amenities of the property under the current agreement are sufficient for irrigated farming. For the purpose of this analysis, we have assumed that the current agreement will continue perpetually.

The appraisers are not experts in determining water rights. It is recommended that an attorney or expert in determining water right acreage and/or legality of use be consulted to verify subject's water rights.

Fencing

The subject's perimeter is partially fenced with net wire fencing on metal posts. Fencing observed appeared to be in average condition.

Utilities

Electric service is provided to the subject area.

Improvements

No improvements with contributory value were noted on subject property other than the flood irrigation infrastructure which is considered a component of the land.

Surrounding Uses

The area immediately surrounding subject property is irrigated land, municipal uses, and scattered rural residences.

Flood Plain

According to FEMA Map #35005C1390D, dated September 25, 2009, portions of this tract are situated within Zone X and Zone AE of the flood plain. Additionally, the southeastern

corner of Tract 2 contains the Rio Hondo Draw which, during heavy rainfall and flooding can run full and overflow the draw. *However, it is recommended that a survey, by a registered surveyor be performed to determine exact elevations, flood status, and the amount of acreage that might be affected.*

Definitions of FEMA Flood Zone Designations

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

Zone	Description
B and X (shaded)	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

High Risk Areas

Zone	Description
A	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30 year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
AE	The base floodplain where base flood elevations are provided. Areas subject to inundation by the 1% annual chance flood event determined by detailed methods. Zones are now used on new format FIRMs instead of A1-A30 zones.

Summary

In conclusion, the size, access, location, terrain and soil types of the subject property, allow for utilization primarily as agricultural, irrigated cropland use.

2025-981 | Tract 2 Map
Chaves County, New Mexico, 77.8 AC +/-

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Boundary 2

Cage Riley

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2025-981 | Tract 2 Soil Map
Chaves County, New Mexico, 77.8 AC +/-

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Appraisal



Boundary 2

Cage Riley

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Code	Description	Acres	%	CPI	NCCPI	CAP	?
Bd	Balmorhea loam, drained	27.09	34.88%	-	15	6s	?
PfA	Pecos silty clay loam, nonsaline, 0 to 1 percent slopes	20.64	26.58%	-	17	6s	?
BgB	Bigetty loam, 1 to 3 percent slopes	15.32	19.73%	-	22	7e	?
ReB	Reakor loam, 1 to 3 percent slopes	10.27	13.22%	-	20	7e	?
RkB	Reeves loam, 1 to 3 percent slopes	3.89	5.01%	-	12	7e	?
Tg	Tericee-Upton complex	0.45	0.58%	-	8	7e	?
Totals		77.66 ac	0 CPI Average	17.38 NCCPI Average	6.39 Cap. Average		

2025-981 | Tract 2 Topographical Map
Chaves County, New Mexico, 77.8 AC +/-

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Appraisal



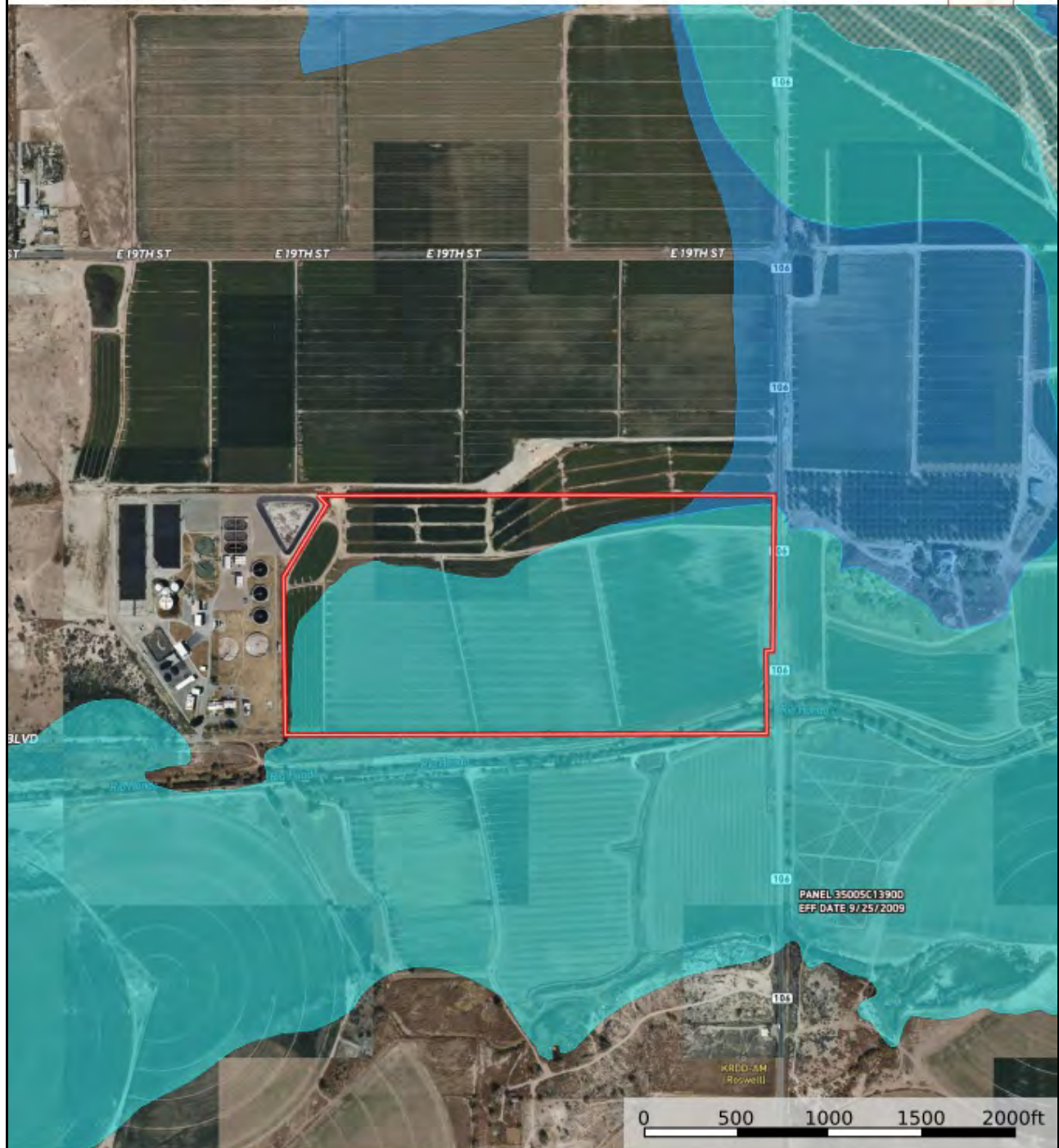
Boundary 2

Cage Riley

id. The information contained herein was obtained from sources deemed to be reliable. Land ID™ Services makes no warranties or guarantees as to the completeness or accuracy thereof.

2025-981 | Tract 2 Flood Map
Chaves County, New Mexico, 77.8 AC +/-

WT
Appraisal



Boundary 2 100 Year Floodplain 500 Year Floodplain Floodway Special Unmapped/ Not Included

Cage Riley

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Tax And Assessment Analysis

The property is located within the jurisdiction of Chaves County of New Mexico. The Chaves County Assessor estimates the assessed values for all properties in the county, and these values are utilized by all taxing authorities in the county as a basis for assessing taxes.

The 2019 full value and assessed value is listed in the chart below.

APPRAISAL DISTRICT ASSESSED VALUE - 2019						
Parcel No.	Market Land Value	Market Improvement Value	Total Market Value	Assessed Land Value	Assessed Improvement Value	Total Assessed Value
R013032	\$46,987	\$0	\$46,987	\$15,663	\$0	\$15,663
Total	\$46,987	\$0	\$46,987	\$15,663	\$0	\$15,663

We have utilized the assessed value of \$15,663 to estimate the annual tax burden for the subject properties by multiplying this value by the overall 2018 tax rate (mill rate) of 0.023157 OUT-Roswell (Non-Residential). Thus, the estimated tax liability was \$362.71. After analysis of the data within this report, it is our opinion that the assessed value of the subject is reasonable and similar to other property in the area. The Chaves County Assessors Office can be reached at 575-624-6603.

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.⁶

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.⁷

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.

⁶ The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, pg. 277-278.

⁷ Ibid.

As 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.⁸

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 subject property. The size, shape, frontage, topography and subsoil conditions affect the uses to which it can be utilized. The total size of the subject acreage is 187.4 acres, more or less. The size and shape of the subject tract is considered to be adequate to support most of the legally permissible forms of use and development.

The subject property generally conforms with the size, shape and topography of other sites and tracts in the area. We could find no market evidence that would suggest that 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 tract.

Legally Permissible Use

The subject property does not lie within a municipality, therefore, it is not subject to any city zoning regulations. In addition, Chaves County does not have comprehensive zoning regulations. Thus, a wide variety of uses are legally permissible on subject property.

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

⁸The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, Chicago, Illinois, 2001, p. 309.

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.

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.

As mentioned, the subject property is located in a farming area, northeast of Roswell. Subject property is level to slightly sloping, has soil types capable of crop production, and is located in an area with good underground irrigation water. Due to the above mentioned reasons, it is our opinion that the subject property is most likely to remain in agricultural use throughout the foreseeable future. Therefore, the most feasible use of the subject is determined to be agricultural use, specifically irrigated cropland use and for livestock production; this 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 ongoing agricultural use. Because the property has access to irrigation water, the most productive use would be agricultural use as irrigated cropland. Thus, the most productive use determined for the subject, as of the date of this appraisal, is for irrigated cropland use.

The Valuation Process

An appraisal is defined as "the act or process of developing an opinion of value."⁹ The valuation process is a systematic procedure an appraiser follows to provide answers to a client's questions about real property value. The valuation process is applied to develop a well supported opinion of a defined value based on an analysis of pertinent general and specific data. The estimation of a real property's market value involves a systematic process. This process involves the interpretation of the economic, sociological, physical and political forces that have an effect upon a specific property.

The first step in the process is to define the appraisal problem, i.e., identify the real estate, the property rights being appraised and the type of value sought. Once this has been accomplished, the factors that affect the market value of the subject are collected and analyzed. These factors are addressed in the city and area section, the neighborhood section, the site and improvement sections and the highest and best use section. In this process, the basic approaches to value, when applicable, are utilized: the cost approach, the income approach, and the sales comparison approach.

- 1) In the cost approach, value is estimated as the current cost of reproducing or replacing the improvements (including an appropriate entrepreneurial incentive or profit) minus the loss in value from depreciation plus land or site value.
- 2) In the sales comparison approach, value is indicated by recent sales of comparable properties in the market and other supporting transactional information.
- 3) In the income capitalization approach, value is indicated by a property's earning power, based on the capitalization of income.

Traditionally, specific appraisal techniques are applied within the three approaches to derive indications of real property value. One or more approaches to value may be used depending on which approaches are necessary to produce credible assignment results, given the intended use.¹⁰

The final step in the valuation process is the reconciliation of the values indicated. In the final reconciliation, consideration is given to the relative significance, defensibility and applicability of each approach as it pertains to the type of property being appraised. The most weight is given to the approach that appears to produce the most reliable solution to the appraisal problem.

⁹Appraisal Institute, The Appraisal of Real Estate, Thirteenth Edition, 2008.

¹⁰The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, pg. 129-130.

Cost Approach

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.¹¹

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.

Site improvements include typical livestock perimeter fencing, Artesian water well for irrigation and concrete irrigation canals. These improvements are considered components of the land. Thus, the Cost Approach was not utilized in this analysis.

¹¹The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, pg. 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.¹²

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.

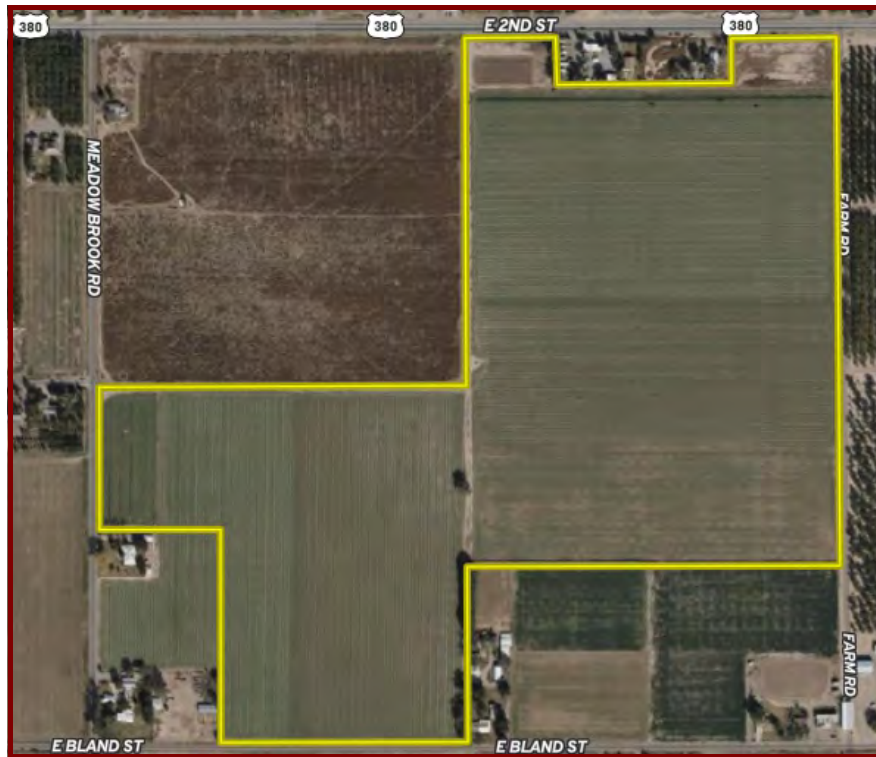
In the Sales Comparison Approach, value is estimated by comparing recent sales of similar properties to the property appraised. Preferably, all properties are located in the same area, and are of similar size, quality, and age. One premise of the Sales Comparison Approach is that the market will determine 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.

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.

¹²The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, Chicago, 2008, pg. 298-299.

COMPARABLE SALE NO. 1



PROPERTY DATA:

Location:	Just east of Roswell, along the south side of US Hwy 380 also known as E. 2 nd Street, Chaves County, New Mexico.
Legal Description:	Being 92.32 acres, out of Section 2, Township 11 South, Range 24 East, Chaves County, New Mexico.
Land Area:	92.32 Acres

TRANSACTION DATA:

Grantor:	Mays Estate
Grantee:	Allegiance Farms, LLC
Date of Sale:	August 29, 2025
Consideration:	\$1,338,640
Unit Price:	\$14,500/Ac \$14,500 per Water Right Acre
Terms:	Cash to seller
Recording:	202506110 Chaves County Deed Records

OTHER DATA:

Rangeland / Cultivated: Entirely irrigated cropland.

Improvements: None

Zoning: None

Topography: Level to sloping.

Road Access: Accessible along the south side of US Hwy 380 (also known as East 2nd Street), the east side of Meadow Brook Road, and the north side of East Bland Street.

COMMENTS:

Side roll irrigated. This property conveyed 92.32 Artesian water right acres from RA-00326 file, with a priority date of December 31, 1904.

COMPARABLE SALE NO. 2



PROPERTY DATA:

Location:	Just east of Roswell, along the north side of US Hwy 380 also known as E. 2 nd Street, Chaves County, New Mexico.
Legal Description:	Being approximately 31.60 acres, known as Tract 2 out of the Amended Bostick Boundary Survey, in Section 35, Township 10 South, Range 24 East, Chaves County, New Mexico.
Land Area:	31.60 acres

TRANSACTION DATA:

Grantor:	Bostick Trust
Grantee:	Royaume Properties, Inc.
Date of Sale:	September 16, 2025
Consideration:	\$478,500
Unit Price:	\$15,142 per Acre \$16,500 per Water Right Acre
Terms of Sale:	Cash to Seller
Recording:	202506503 Chaves County Deed Records

OTHER DATA:

Rangeland/Cultivated:	Entirely irrigated by side rolls.
Topography:	Level
Improvements:	None
Minerals:	None
Frontage:	US Hwy 380 (E. 2 nd Street)
Flood Hazard:	Yes
Utilities:	Electricity, water, and telephone

COMMENTS:

29.0 acres of Artesian water rights from RA-00126 with December 1907 and March 1908 priority dates.

COMPARABLE SALE NO. 3



PROPERTY DATA:

Location:	Southeast of Roswell, along the north side of E. McGaffey Street and the west side of S. Red Bridge Road, Chaves County, New Mexico.
Legal Description:	Being approximately 42.3 acres, known as Tract 1, out of the Maude Pirtle Revocable Trust Boundary Retracement Survey, in Section 2, Township 11 South, Range 24 East, Chaves County, New Mexico.
Land Area:	42.30 acres

TRANSACTION DATA:

Grantor:	Patrick Fox
Grantee:	Confidential
Date of Sale:	Under Contract
Consideration:	\$665,000; \$719,000 - less improvements
Unit Price:	\$15,721/Ac; \$16,998/Ac - less improvements \$15,721 per Water Right Acre - less improvements
Terms of Sale:	Cash to Seller
Recording:	Not Yet Recorded

OTHER DATA:

Rangeland/Cultivated:	Irrigated farmland
Topography:	Level
Improvements:	5,000 square foot hay barn. Estimated contributory value of \$55,000.
Minerals:	None
Frontage:	S. Red Bridge Rd. & E. McGaffey St.
Flood Hazard:	Yes
Utilities:	Electricity, irrigation well, and telephone

COMMENTS:

42.30 acres of Artesian water rights being part of the following permits: RA-00842 with priority dates of May 1921.

COMPARABLE SALE NO. 4



PROPERTY DATA:

Location:	Located on the corner of Horse Center Road and S. Wyoming Avenue, approximately 2.0 miles southwest of Roswell, Chaves County, New Mexico.
Legal Description:	Being 41.5 acres, more or less, out of Section 7, Township 11S, Range 24E, in Chaves County, New Mexico.
Land Area:	41.5 Acres

TRANSACTION DATA:

Grantor:	Gents Cattle Co.
Grantee:	Cross H Farm, LLC
Date of Sale:	June 18, 2024
Consideration:	\$679,000; \$775,000 - less improvements
Unit Price:	\$16,361/Ac; \$18,675/Ac - less improvements \$16,975 per Water Right Acre - less improvements
Terms:	Cash to seller
Recording:	#202403977 Chaves County Records

OTHER DATA:

Land Mix:	Irrigated cropland (96%)
Improvements:	40.0 Acres of Drip Irrigation with RCN of \$120,000 and 20% depreciation for a contributory value of \$96,000 at the time of transaction
Zoning:	None
Topography:	Level to sloping
Road Access:	Horse Center Road and S. Wyoming Avenue

COMMENTS:

There is 40.0 acres of senior artesian rights. There are 40.0 acres under NMOSE file RA-480D with a December 1900 priority date on Senior Artesian rights. Irrigation water is provided by one off-site well located west of the property on a neighbors parcel and is a reported 1,000 GPM well.

COMPARABLE SALE NO. 5



PROPERTY DATA:

Location: 809 Meadow Brook Road; located on the south side of East Bland Street, the east side of Meadow Brook Road, and the north side of East McGaffey Street, approximately 2 miles southeast of the city of Roswell, Chaves County, New Mexico.

Legal Description: Being 83.8 acres, out of Section 2, Township 11 South, Range 24 East, Chaves County, New Mexico.

Land Area: 83.8 Acres

TRANSACTION DATA:

Grantor: Karl Hendricks
Grantee: Pirtle Farms

Date of Sale: August 31, 2024

Consideration: \$993,600; \$1,242,000 - less improvements
Unit Price: \$11,857/Ac; \$14,821/Ac - less improvements
\$12,000 per Water Right Acre - less improvements

Terms: Cash to seller

Recording: 202405860; Chaves County Records

OTHER DATA:

Rangeland / Cultivated: Irrigated cropland.

Improvements: An 1,830 square foot residence, 900 square foot garage, shop building, and 2 four-tower Zimmatic pivots. Estimated contributory value of \$248,400.

Zoning: None.

Topography: Level to sloping.

Road Access: Accessible along the south side of East Bland Street, the east side of Meadow Brook Road, and the north side of East McGaffey Street.

COMMENTS:

This sale sold together with priority Artesian water rights of 82.8 Water Right Acres from two wells combined for 900 GPM from water right subfile on shared sourcing.

COMPARABLE SALE NO. 6



PROPERTY DATA:

Location: Located the east side of Red Bridge Road and the north side of Highway 380, approximately 2 miles east of the city of Roswell, Chaves County, New Mexico.

Legal Description: Being part of the West ½ of Section 36, Township 10 South, Range 24 East, Chaves County, New Mexico.

Land Area: 323.621 Acres

TRANSACTION DATA:

Grantor: DeGroot Dairy
Grantee: Chase Farms LLC

Date of Sale: May 18, 2022

Consideration: \$2,610,500
Unit Price: \$8,067 per acre
\$11,500 per Water Right Acre

Terms: Cash to seller

Recording: 202203624; Chaves County Records

OTHER DATA:

Rangeland/Cultivated:	Irrigated farmland.
Improvements:	None of contributory value.
Zoning:	None
Topography:	Level to sloping.
Road Access:	Red Bridge Road & Highway 380

COMMENTS:

This property conveyed 227 water right acres, with a 681 acre-foot per annum; priority dates 1914 and 1917 under RA-248 and RA-4663. The sale price was based upon a quoted \$11,500 per water right acre quoted by a reputable third party.

WT Appraisal



The information contained herein was obtained from sources deemed to be reliable.

Land Id™ Services makes no warranties or guarantees as to the completeness or accuracy thereof.

SUMMARY CHART OF COMPARABLE LAND SALES						
Sale #	1	2	3	4	5	6
Location	E of Roswell, Chaves Co. NM	E of Roswell, Chaves Co. NM	SE of Roswell, Chaves Co. NM	SW of Roswell, Chaves Co., NM	SE of Roswell, Chaves Co. NM	E of Roswell, Chaves Co., NM
Date	8/29/25	9/16/25	UC	6/18/24	8/31/24	5/18/22
Price*	\$1,338,640	\$478,500	\$665,000	\$679,000	\$993,600	\$2,610,500
Size (Ac)	92.3200	31.6000	42.3000	41.5000	83.8000	323.6210
\$/Acre*	\$14,500	\$15,142	\$15,721	\$16,361	\$11,857	\$8,067
Rights	F-Simple	F-Simple	F-Simple	F-Simple	F-Simple	F-Simple
Fin.	Similar	Similar	Similar	Similar	Similar	Similar
Cond.	Similar	Similar	Similar	Similar	Similar	Similar
Topo.	Level - Sloping	Level	Level	Level - Sloping	Level	Level - Sloping
Land Use	Irr Cropland	Irr Cropland	Irr Cropland & Hay Barn	Irr. Cropland	Irr Cropland & Residence	Irr Cropland
Improvements	None	None	\$1,300/Ac	\$2,313/Ac	\$2,964/Ac	None
Frontage	US Hwy 380, and Bland St	US Hwy 380	S. Red Bridge & E McGaffey	Horse Ctr Rd & Wyoming Ave	E. Bland St, Meadow Brook & E. McGaffey St.	US 380 & Red Bridge
%WR to Area	100%	100%	100%	96%	99%	70%
Water Right Acres	92.32	29.00	42.30	40.00	82.80	227.00
Price Per WR Acre*	\$14,500	\$16,500	\$15,721	\$16,975	\$12,000	\$11,500

*Sales price with improvement contribution removed.

Units of Comparison

After an investigation of the market, there are a several units of comparison that can be extracted from available sales data. However, the most common unit of comparison in the marketplace for industrial/agricultural land is the overall sales price per acre.

Elements of Comparison

Elements of comparison generally used to estimate the value of industrial/agricultural land are numerous. The elements considered are 1) property rights conveyed, 2) financing conditions, 3) conditions of sale, 4) market conditions (date of sale), 5) topography, 6) size, 7) utilities, 8) frontage and access, and 9) water rights.

Real Property Rights Conveyed

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

Financing Terms

Financing terms are significant, since cash or financing often influences the consideration paid for a particular property. The transaction price of one property may differ from that of an identical property due to different financing arrangements. All of the comparable sales were cash transactions or terms equivalent to cash.

Conditions of Sale

Adjustments for conditions of sale typically reflect the motivations of the buyer and the seller. For example, a buyer may pay more than market value for a property located adjacent to one already owned for assemblage purposes. Conversely, a sale may be transacted at below market value because the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of the property. When non-market conditions of sale are detected in a transaction, the sale must be adjusted accordingly. Sale No. 1 occurred with the seller under duress to settle the estate as reported by the broker and required a positive adjustment as a result. Sale No. 4 occurred with a motivated buyer as an act of assemblage and required a negative adjustment. None of the remaining sales were impacted by non-typical conditions to our knowledge.

Market Conditions

Each of the previous sales have been given consideration for the market conditions between the date of sale and the effective date of this appraisal. The comparable sales occurred between May 2022 and September 2025. Sale No. 6 occurred in an inferior market and required a positive adjustment at 5% annually. Due to the respective dates represented by the data, no further adjustment for market conditions could be justified for the remaining sales, therefore none were made.

Physical Units of Comparison

The following adjustments refer to the physical features of a property. Exact adjustments could not be determined due to the variances in the properties; therefore, the appraiser has made adjustments based on the market data available and the appraiser's knowledge of these type properties.

Location

The location of a property is typically a primary factor in determining possible uses. The subject tracts are within a 5 mile radius and located surrounding Roswell, in Chaves County, New Mexico. All of the comparable sales were located just outside of the city limits of Roswell and were considered similar to the subject for location.

Frontage and Access

Subject Tract 1 is located on the south side of East 19th Street and the west side of North Red Bridge Road; while Tract 2 is located along the west side of North Red Bridge Road. These roadways are both paved and in average condition. All sales have frontage along county roads and were considered similar to the subject, thus requiring no adjustments.

Size

The size of the property is also considered to have a major impact on the value of rural land properties. Larger properties typically, but not always, receive lower per acre prices than do smaller properties with all other influences being similar. As noted previously, the sales range in size from 31.60 acres to 323.62 acres. The sales have been adjusted for physical differences and arrayed in the following table.

ARRAY OF SIZE (Acres)		
Sale No.	Size (Ac)	Price Per Acre
2	31.60	\$13,628
4	41.50	\$13,252
3	42.30	\$14,149
Tract 2	77.80	N/A
5	83.80	\$10,671
1	92.32	\$15,008
Tract 1	109.60	N/A
6	323.62	\$10,205

In analyzing the available market data, it appears that the relationship between size and price per acre is somewhat typical. In relation to Tract 1, Sale Nos. 1 and 5 were considered similar to the subject, while the Sale Nos. 2, 3, and 4 were considered superior requiring negative adjustments, and Sale No. 6 was considered inferior requiring a positive adjustment. a. Regarding Tract 2, Sale No. 5 was considered similar to the subject, while Sale Nos. 2, 3, and 4 were considered superior to the subject requiring negative adjustments, and Sale No. 1 and 6 were considered inferior requiring positive adjustments.

Topography, Soils and Terrain

The topography, soils and terrain of a property is a significant feature which may impact productivity. The subject tract is located in central Chaves County. All of the comparable sales utilized in this analysis are located very close in proximity to the subject tract with similar soils and terrain, thus, no adjustments were necessary for this feature.

Utilities

This adjustment reflects the relative differences in available utilities for each comparable sale property in comparison to the utilities available to the subject. The subject has access private water and electricity. All of the comparable sales were considered similar to the subject and required no adjustments for this feature.

Water Availability, Type and Water Rights

This adjustment reflects the relative differences in available water. As stated earlier, two main types of water rights are of concern in the area. Senior Artesian water rights and shallow water rights. Senior Artesian water rights are typically superior in production as well as priority date and sell for more per water right acre. The appraisers were unaware of any water rights associated with the subject tracts, nor any water wells utilized in the current irrigation. Thus, no water rights have been considered within our analysis. Nevertheless, the subject tracts are situated adjacent to the city of Roswell Wastewater Treatment facilities and associated stabilization ponds utilized in conjunction with the wastewater facility. The subject farmlands are under an agreement with the neighboring plant which allows the farm to utilize the non-potable water to be used for irrigated farming purposes. The appraisers were not provided any details regarding the terms of the agreement. It was apparent during the physical inspection by the current alfalfa crop planted and the flood irrigation infrastructure situated upon the subject property that the water amenities of the property under the current agreement are sufficient for irrigated farming. For the purpose of this analysis, we have assumed that the current agreement will continue perpetually. Though the subject tracts have access to sufficient water for irrigation, it was our opinion that all of the comparable sales were superior to the subjects since each included the conveyance of and utilized deeded water rights. Thus, these sales were considered superior to the subject tracts for this element requiring negative adjustments, respectively.

Improvements & Site Characteristics

The overall site characteristics of each sale have been compared to the subject site. These include traits such as railroad frontage/access, drainage, location in a flood hazard area, zoning, shape, site preparation, topography, and configuration. The subject property tracts were configured to allow for 99% irrigation. Sale No. 6 was configured with water rights and coverage for 70% of the acreage and was considered inferior, requiring a positive

adjustment. The remaining comparable sales were considered similar for these site characteristics and were not adjusted for this element. Regarding improvements, all of the comparable properties contain similar irrigation improvement in comparison to the subject tracts. Any of the comparable sales which contained any other structural improvements were previously adjusted within the write-up of each to reflect land only. Adjustments for the items of comparison are based on analysis of the comparable data, and therefore, are considered reasonable.

A sales comparison and adjustment chart for the subject site follows.

LAND SALES ADJUSTMENT GRID - TRACT 1 - 109.6 ACRES						
Sale No.	1	2	3	4	5	6
Price/AC	\$14,500	\$15,142	\$15,721	\$16,361	\$11,857	\$8,067
Property Rights	-0-	-0-	-0-	-0-	-0-	-0-
Financing	-0-	-0-	-0-	-0-	-0-	-0-
Condition of Sale	15%	-0-	-0-	-10%	-0-	-0-
Market Conditions	-0-	-0-	-0-	-0-	-0-	15%
Adjusted Price/AC	\$16,675	\$15,142	\$15,721	\$14,725	\$11,857	\$9,277
Location	-0-	-0-	-0-	-0-	-0-	-0-
Frontage/ Access	-0-	-0-	-0-	-0-	-0-	-0-
Size	-0-	(10)%	(10)%	(10)%	-0-	30%
Topography	-0-	-0-	-0-	-0-	-0-	-0-
Utilities	-0-	-0-	-0-	-0-	-0-	-0-
Water	(10)%	(10)%	(10)%	(10)%	(10)%	(10)%
Improvements	-0-	-0-	-0-	-0-	-0-	-0-
Site Characteristics	-0-	-0-	-0-	-0-	-0-	20%
Total Adjustments	(10)%	(20)%	(20)%	(20)%	(10)%	40%
Adjusted Price/AC	\$15,008	\$12,114	\$12,577	\$11,780	\$10,671	\$12,988
Mean Price/AC	\$12,523					

Site Valuation Summary (Tract 1)

The price per acre method was utilized to provide a value indication. Six of the most recent sales that were the most similar were utilized. These sales were compared, analyzed and adjusted to the subject site, reflecting any dissimilarities between each sale and the subject site.

The adjusted range was \$10,671 to \$15,008 per acre with a mean of \$12,523 per acre and a median of \$12,346 per acre. Based on our analysis, and given the locational attributes of the subject, a value in the middle to upper portion of the range is considered to be reasonable and appropriate. Therefore, it is our opinion that the indicated value of the subject Tract 1, consisting of 109.6 acres, more or less, as of November 24, 2025, was as follows:

$$\begin{array}{rclclcl} 109.6 \text{ AC} & & \times & \$13,000 & = & \$1,424,800 \\ & \text{Rounded To:} & & & = & \mathbf{\$1,425,000} \end{array}$$

LAND SALES ADJUSTMENT GRID - TRACT 2 - 77.8 ACRES						
Sale No.	1	2	3	4	5	6
Price/AC	\$14,500	\$15,142	\$15,721	\$16,361	\$11,857	\$8,067
Property Rights	-0-	-0-	-0-	-0-	-0-	-0-
Financing	-0-	-0-	-0-	-0-	-0-	-0-
Condition of Sale	15%	-0-	-0-	-10%	-0-	-0-
Market Conditions	-0-	-0-	-0-	-0-	-0-	15%
Adjusted Price/AC	\$16,675	\$15,142	\$15,721	\$14,725	\$11,857	\$9,277
Location	-0-	-0-	-0-	-0-	-0-	-0-
Frontage/ Access	-0-	-0-	-0-	-0-	-0-	-0-
Size	5%	(5)%	(5)%	(5)%	-0-	35%
Topography	-0-	-0-	-0-	-0-	-0-	-0-
Utilities	-0-	-0-	-0-	-0-	-0-	-0-
Water	(10)%	(10)%	(10)%	(10)%	(10)%	(10)%
Improvements	-0-	-0-	-0-	-0-	-0-	-0-
Site Characteristics	-0-	-0-	-0-	-0-	-0-	20%
Total Adjustments	(5)%	(15)%	(15)%	(15)%	(10)%	45%
Adjusted Price/AC	\$15,841	\$12,871	\$13,363	\$12,516	\$10,671	\$13,452
Mean Price/AC	\$13,119					

Site Valuation Summary (Tract 2)

The price per acre method was utilized to provide a value indication. Six of the most recent sales that were the most similar were utilized. These sales were compared, analyzed and adjusted to the subject site, reflecting any dissimilarities between each sale and the subject site.

The adjusted range was \$10,761 to \$15,841 per acre with a mean of \$13,119 per acre and a median of \$13,117 per acre. Based on our analysis, and given the locational attributes of the subject, a value in the middle portion of the range is considered to be reasonable and appropriate. Therefore, it is our opinion that the indicated value of the subject Tract 2, consisting of 77.8 acres, more or less, as of November 24, 2025, was as follows:

$$\begin{array}{rclclcl}
 77.8 \text{ AC} & & \times & \$13,500 & = & \$1,050,300 \\
 & \text{Rounded To:} & & & = & \mathbf{\$1,050,000}
 \end{array}$$

The Income Approach To Value

In the income capitalization approach, the present value of the future benefits of property ownership is measured. To develop an opinion of market value with the income capitalization approach, the appraiser must be certain that all the data and forecasts used are market-oriented and reflect the motivations of a typical investor who would be willing to purchase the property as of the effective date of the appraisal.

In the income approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The steps involved in an income approach are as follows:

- ◆ Research the income and expense data for the subject property and comparables,
- ◆ Estimate the potential gross income of the property by adding the rental income and any other potential income,
- ◆ Estimate the vacancy and collection loss,
- ◆ Subtract vacancy and collection loss from total potential gross income to arrive at the effective gross income of the subject property,
- ◆ Estimate the total operating expenses for the subject by adding fixed expenses, variable expenses, and a replacement allowance (where applicable),
- ◆ Subtract the estimate of total operating expenses from the estimate of effective gross income to arrive at net operating income. (Deductions for capital items may also be necessary at various points in time through the projection period to calculate the cash flow used in discounted cash flow analysis),
- ◆ Apply one of the direct ore yield capitalization techniques to this data to generate an estimate of value via the income capitalization 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. Because typically, the Income Approach does not represent all of the motivations for purchasing agricultural land in the immediate area as the majority of the land in the area is typically owner utilized, and comparable leases of irrigated land and idle farmland could not be located, the Income Approach was not considered applicable.

Exposure / Marketing Time Analysis

In accordance with the market value definition contained herein, as requested by the client, consideration has been given to a reasonable estimated 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 \$1,000,000 to \$3,000,000 in the Chaves County area of New Mexico, to be approximately 12 months.

Reconciliation and Final Estimate of Value

The purpose of the reconciliation of value is to evaluate the strengths and weaknesses of the individual approaches, and to develop a single value estimate for the subject. Typically, in the estimation of value for a given property, it is necessary for an appraiser to review and consider all available valuation techniques, applicable to a given property type. In the valuation of most real estate, it is necessary for the appraiser to consider all three of the traditional appraisal approaches which include the cost, comparable sales, and income approaches to value.

These three 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, an indication of value based upon an abbreviated Cost Approach, the Sales Comparison Approach and the Income Approach were utilized to provide an indication of value of the subject's fee simple estate. The Income Approach was not considered applicable to subject property, due to a lack of comparable lease data but was included per the client's request. As a result, the following estimates of value were derived for subject property "as is":

SUBJECT PROPERTY VALUE	
Cost Approach	N/A
Sales Comparison Approach	
Tract 1	\$1,425,000
Tract 2	\$1,050,000
Income Approach	N/A

Cost Approach

The Cost Approach is important when 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. The Cost Approach was not utilized in this analysis.

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, as vacant.

Limited data was available concerning sales of similar rural land properties in the area. Seven of the most similar sales were included for review and analysis, and the data obtained from these observations was considered to be accurate and reliable. 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. Because typically, the Income Approach does not represent all of the motivations for purchasing agricultural land in the immediate area as the majority of the land in the area is typically owner utilized, and comparable leases of irrigated land and idle farmland could not be located, the Income Approach was not considered applicable.

Conclusion

Because the rural agricultural land market is dominated by owner-occupants, and because we considered the information obtained within the Sales Comparison Approach to be sufficient, reasonable and reliable, the greatest weight was given to this approach. 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 referred to as Tract 1, being 109.6 acres, as of November 24, 2025, was in round numbers:

ONE MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND DOLLARS
\$1,425,000

Furthermore, 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 referred to as Tract 2, being 77.8 acres, as of November 24, 2025, was in round numbers:

ONE MILLION FIFTY THOUSAND DOLLARS
\$1,050,000

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 any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. The appraisers performed an appraisal valuation in September 2019 on the subject property of this report.
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. Cage Riley and Sam Walker 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 referred to as Tract 1, being 109.6 acres, as of November 24, 2025, was in round numbers:

ONE MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND DOLLARS
\$1,425,000

Furthermore, 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 referred to as Tract 2, being 77.8 acres, as of November 24, 2025, was in round numbers:

ONE MILLION FIFTY THOUSAND DOLLARS
\$1,050,000



Clint W. Bumguardner, MAI, ASA
State Certification No. NM-001579



Sam Walker, Appraiser
State Certification No. NM-03611-G



Cage Riley, Appraiser
State Certification No. NM-REA-2025-0142

ADDENDA

Assumptions and Limiting Conditions

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

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

10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. All information, comments and conclusions pertaining to subject and other properties described represent the opinion of the appraiser formed after a personal examination of each.
13. The appraiser has no interest, present or prospective, in the subject property.
14. Sketches in this report are included to assist the reader in visualizing the property.
15. The appraiser assumes that there are no hidden or unapparent conditions of the appraised property, which would render it more or less valuable. Further, the appraiser assumes 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 appraiser for these conditions. In addition, no responsibility is assumed by the appraiser for the cost of engineering and/or laboratory studies which might be required to discover such materials or contaminants. And no such engineering or laboratory studies have been ordered for the appraised property.

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

Appraisal

An appraisal is an unbiased estimate of the nature, quality, value, or utility of an interest in, or aspect of, identified real estate and related personalty. Appraisal involves selective research into appropriate market areas; the assemblage of pertinent data; the application of appropriate analytical techniques; and the use of knowledge, experience, and professional judgment to develop an appropriate solution of the appraisal problem.¹³

Valuation

Valuation is the process of estimating the market value, fair value, insurable value, investment value, or other properly defined value of an identified interest or interests in a specific parcel or parcels of real estate as of a given date.¹⁴

Real Estate

Real estate is the physical land and appurtenances affixed to the land, e.g., structures. Real estate includes land and all things that are a natural part of the land, such as trees and minerals, as well as all things that are attached to it by people, such as buildings and site improvements. All permanent building attachments like plumbing, electrical wiring, HVAC equipment, cabinets, elevators, appliances and so on, are also usually considered part of real estate. Real estate differs from personal property which is not considered real estate.¹⁵

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.¹⁶

¹³*The Appraisal of Real Estate*, Ninth Edition, American Institute of Real Estate Appraisers, page 8.

¹⁴*Ibid*, page 8.

¹⁵*Ibid*, page 5.

¹⁶*Ibid*, page 5.

Market Value

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

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their 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 or concessions granted by anyone associated with the sale.¹⁷

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 of eminent domain, escheat, police power, and taxation.¹⁸

¹⁷Code of Federal Regulations; Title 12-Banks And Banking; Chapter 1-Comptroller Of The Currency, Department Of The Treasury; Part 34-Real Estate Lending And Appraisals-Subpart C-Appraisals Sec. 34.42 Definitions; Revised as of January 1, 2000.

¹⁸The Dictionary of Real Estate Appraisal, The Appraisal Institute (Chicago, Illinois, 1984).

Leased Fee Estate

The leased fee estate is the lessor's, or landlord's, estate. A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.¹⁹

Leasehold Interest

The leasehold interest is the lessee's, or tenant's estate. A leasehold estate is the right to use and occupy real estate for a stated term and under certain conditions as conveyed by the lease.²⁰

¹⁹*The Appraisal of Real Estate*, Ninth Edition, American Institute of Real Estate Appraisers, p. 111.

²⁰*Ibid*, Pages 111 and 115.

QUALIFICATION OF 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, Colorado, License No. 100032989

Certified General Appraiser, Nebraska, License No. CG211103R

Certified General Appraiser, Indiana, License No. CG40801054

Certified General Appraiser, Arizona, License No. 31904

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

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

Real Estate Committee Member, Texas A&M Foundation

QUALIFICATIONS OF CLINT BUMGUARDNER, MAI, ASA (CONTINUED)

Experience

Principal, W.T. Appraisal, Inc., Abilene, 1992-present
Appraisal Associate, Dominion Property Advisors, 1999-
Appraiser, Wayne Austin, Associates, Abilene, 1992
Staff Appraiser, J.R. Kimball, Inc., Fort Worth, 1989-92.
Testified as expert witness in State 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

Scope of 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

Personal

Ranching background - Eldorado, Schleicher County, Texas.
Active in local Church
Married with three children

THIS IS TO CERTIFY THAT

Clint W. Bumguardner
Real Estate Appraiser Board

is licensed / registered by the New Mexico Regulation and Licensing Department
in accordance with provisions of laws in the State of New Mexico

License / Registration No.	License / Registration Type
1579-G	General Certified Appraiser
Issue Date	Expiration Date
06/22/1999	04/30/2027

The bearer is prohibited by law from using this identification card to give the
impression that they are in any way connected with a governmental agency

Signature of holder:

Clint W. Bumguardner
1302 Petroleum Drive, Building B,
Abilene, TX 79602



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Clint W. Bumguardner

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 1579-G

Issued 06/22/1999

Expires 04/30/2027

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW



QUALIFICATIONS OF SAM WALKER

Educational

BBA - Marketing; Hardin Simmons University, Abilene, Texas, 2011.

Completed Course Work and Continuing Education:

Basic Procedures Course - *American School of Real Estate Express*

Basic Principles Course- *American School of Real Estate Express*

Uniform Standards of Professional Appraisal Practice - *American School of Real Estate Express*

Site Valuation and Cost Approach- *Appraisal Institute*

Market Analysis and Highest and Best Use- *Appraisal Institute*

Sales Comparison Approach- *Appraisal Institute*

Income Approach (Part 1)- *Appraisal Institute*

Income Approach (Part 2)- *Appraisal Institute*

Report Writing and Case Studies- *Appraisal Institute*

Business Practice and Ethics- *Appraisal Institute*

Real Estate Finance - *Hardin Simmons University*

Real Estate Principles I- *Champions School of Real Estate*

Real Estate Principles II- *Champions School of Real Estate*

Law of Contracts- *Champions School of Real Estate*

Law of Agency- *Champions School of Real Estate*

Commercial Real Estate #0531- *Champions School of Real Estate*

Farm and Ranch Real Estate- *Champions School of Real Estate*

Real Estate Finance Statistics and Valuation Modeling- *Appraisal Institute*

Commercial Appraisal Review (2015)- *McKissock*

Expert Witness for Commercial Appraisers- *McKissock*

Promulgated Contract- *Champions School of Real Estate*

Real Estate Brokerage- *Champions School of Real Estate*

Appraisal of Assisted Living Facilities- *McKissock*

Appraisal of Owner-Occupied Commercial Properties- *McKissock*

Appraising Small Apartments- *McKissock*

Basic Hotel Appraising- *McKissock*

Advanced Hotel Appraising- *McKissock*

The Basics of Expert Witness for Commercial Appraisers(2019)- *McKissock*

Professional

Authorized Texas Certified General Real Estate Appraiser

No. 1380450 G

Authorized New Mexico Certified General Real Estate Appraiser

No. 03611 G

Authorized Texas Real Estate Broker License (Active)

No. 613659

Experience

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

Scope of Appraisal Assignments

- Office properties (commercial, retail, and medical)
- Retail Shop Centers
- Apartment Complexes and townhomes
- Hotels & Motels
- Nursing Homes & Long Term Care Facilities
- Industrial properties (warehouse, office/warehouse facilities, etc.)
- Vacant Land
- Farms (Irrigated and Non-Irrigated)
- Ranches (100 acres to 50,000+ acres)
- Game Ranches (700 acres to 5,000 acres)
- Agricultural properties (dairies, feed lots, feed mills, processing facilities, poultry farms, etc.)
- Special purpose properties including mini-warehouses, storage units, car dealerships, restaurants, RV-parks, mobile home parks, grocery stores, convenience stores, etc.
- Commercial Evaluations
- Texas Department of Transportation Right of Way Projects (TX-DOT-ROW)
- Feasibility and Market Studies
- Electric Line and Underground Pipeline Right of Way Projects
- Testimony as Expert Witness (U.S. Bankruptcy Court, Special Commissioners Hearing)

Personal

Farming background- Taylor County and Jones County, Texas.
Member- Southside Baptist Church
Member - Board of Directors (Love & Care Ministries)
Member- Board of Young Associates (HSU)
Former Hardin Simmons Baseball Player 2008-2011
Married; three children

THIS IS TO CERTIFY THAT

Samuel Paul Walker
Real Estate Appraiser Board

is licensed / registered by the New Mexico Regulation and Licensing Department
in accordance with provisions of laws in the State of New Mexico

License / Registration No.	License / Registration Type
03611-G	General Certified Appraiser
Issue Date	Expiration Date
05/18/2018	04/30/2026

The bearer is prohibited by law from using this identification card to give the
impression that they are in any way connected with a governmental agency

Signature of holder:

Samuel Paul Walker
1302 Petroleum Drive, Building B,
Abilene, TX 79602



NMRLD
NEW MEXICO
REGULATION &
LICENSING DEPARTMENT

State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Samuel Paul Walker

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 03611-G

Issued 05/18/2018

Expires 04/30/2026

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW



QUALIFICATIONS OF CAGE RILEY

Educational

B.S.- Agricultural Economics; Eastern New Mexico University, Portales, NM, 2009.

Completed Course Work and Continuing Education:

Basic Procedures Course - *McKissock*

Basic Principles Course - *McKissock*

Uniform Standards of Professional Appraisal Practice - *McKissock*

General Appraiser Site Valuation and Cost Approach - *McKissock*

General Appraiser Market Analysis and Highest and Best Use - *McKissock*

General Appraiser Sales Comparison Approach - *McKissock*

Real Estate Statistics, Modeling, and Finance - *McKissock*

General Appraiser Income Approach - *McKissock*

General Report Writing & Case Studies - *McKissock*

Commercial Appraisal Review - *McKissock*

Professional

New Mexico Certified General Appraiser

No. REA-2025-0142

American Society of Agricultural Appraisers

Appraiser No. 06260/08239/08506

Experience

Appraiser, West Texas Appraisal Associates, Abilene, TX

District Manager, ChampionX, Artesia, NM

Scope of Appraisal Assignments

- | | |
|---------------------------------------|-------------------------------|
| - Farms (Irrigated & Non-Irrigated) | - Industrial Properties |
| - Ranches (100 acres to 90,000 acres) | - Light Industrial Warehouses |
| - Vacant Land | - Service Stations |
| - Hotels & Motels | - Convenience Stores |
| - Car Washes | - Restaurants |
| - Apartment Complexes | - Office Properties |

Personal

Farming/Ranching Background - Curry/Roosevelt/De Baca County, New Mexico.

Oilfield Business Management - Permian Basin Area

Member- West Main Baptist Church, Artesia, NM

Member- American Society of Agricultural Appraisers

Married; Two Children

Cage W. Riley
Real Estate Appraiser Board

Cage W. Riley
3200 Yeso Rd.,
Roswell, NM 88201

REA-2025-0142

General Certified Appraiser

08/12/2025

04/30/2027



Real Estate Appraiser Board

HEREBY CERTIFIES THAT

Cage W. Riley

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. REA-2025-0142

Issued 08/12/2025

Expires 04/30/2027

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

LETTER OF ENGAGEMENT

AGREEMENT FOR PROFESSIONAL APPRAISAL SERVICES

Appraisal Assignment

DATE OF AGREEMENT: October 27, 2025

PARTIES TO AGREEMENT:

Client:

Mr. Todd Verciglio
Office: 575-637-6224
Cell: 575-626-1766

Appraiser:

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

Client hereby engages Appraiser to complete an Appraisal assignment as follows:

PROPERTY IDENTIFICATION

108.6 acres and 77.8 acres located in Chaves County, New Mexico

PROPERTY TYPE

Irrigated Farmland

INTEREST VALUED

Fee Simple – Surface Only

INTENDED USERS

Mr. Todd Verciglio 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 from the date agreement is signed

NUMBER OF COPIES

PDF w/ Hard copies upon request

PAYMENT TO APPRAISER

\$3,500 + NM TAX = (\$ 3,786.56)

Please provide our firm with the following information if available.

- Name of person to contact for inspection
- Property Tax ID
- Survey / Plat – Building Plans
- Deed
- Mailing address for completed Appraisals
- 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.

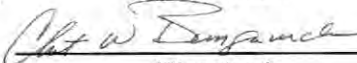
APPRAISER INDEPENDENCE

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 ensure that the opinion of value developed because 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)

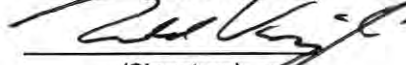
Clint W. Bumgardner

(Printed name)

10/27/2025

(Date)

By Client:


(Signature)

Todd Veroy
(Printed name)

10/27/25
(Date)

Subject Photographs

109.6 acres and 77.8 acres located in Chaves County, New Mexico



Subject Property Overview



Wastewater Pump

Subject Photographs

109.6 acres and 77.8 acres located in Chaves County, New Mexico



Subject Irrigation System



Subject Southwest of E.19th and N. Red Bridge Intersection

Subject Photographs

109.6 acres and 77.8 acres located in Chaves County, New Mexico



Rio Hondo Draw