

APPRAISAL REPORT

Plough Holdings - Dairy Processing Facility

9552 Fredericksburg Road
Fredericksburg, OH 44627
Wayne County

Prepared for
Plough Holdings LLC
PO Box 265
Fredericksburg, OH 44627

Prepared by
Jodi M. Pries, MAI
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Effective Date | July 28, 2022

Report Date | October 24, 2022





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October 24, 2022

Plough Holdings LLC
PO Box 265
Fredericksburg, OH 44627

Re: Appraisal Report
9552 Fredericksburg Road
Fredericksburg, OH 44627
Wayne County
AgVisory File # 202207-152

Plough Holdings LLC:

At your request, I have prepared an appraisal for the above referenced property. The purpose of this assignment is to estimate the current market value of subject. I have also estimated the fair market value – installed of certain personal property located at the subject. The intended users of this report are for the client, Plough Holdings LLC, and assigns.

The accompanying appraisal report has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable Federal regulations. The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal. Some of the supporting data and analysis utilized in the estimate of value has been retained in the appraiser's files. It presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Limiting Conditions and Assumptions. Acceptance of this report constitutes an agreement with these terms.

As a result of the valuation procedure and analysis, it is my opinion that the *current "as is" market value of the fee simple interest of the real estate* located at **9552 Fredericksburg Road** as of July 28, 2022 is:

"As Is" Market Value of Real Estate

One Million Four Hundred Thousand Dollars

(\$1,400,000)

October 24, 2022

Page Two

In addition, it is my opinion that the *current “as is” fair market value – installed* of the processing equipment located at **9552 Fredericksburg Road** as of July 28, 2022 is:

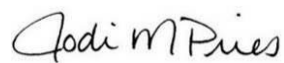
“As Is” FMV – Installed of Processing Equipment

Nine Hundred Twenty Thousand Dollars

(\$920,000)

The supporting data, analysis, and conclusions upon which this valuation is based are contained in the accompanying appraisal report and in the work file. This letter must remain attached to the report in order for the value opinion set forth to be considered valid.

Thank you for using AgVisory LLC for your appraisal needs.



Jodi M. Pries, MAI

DE CGA #X1-0000395

MD CGA #04-27864

PA CGA #GA004614

VA CGA# 4001018051

jodi.pries@agvisory.com

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Summary of Important Facts and Conclusions

Subject Property: Plough Holdings - Dairy Processing Facility
9552 Fredericksburg Road
Fredericksburg, OH 44627
Wayne County Tax Parcel IDs:
46-00011.000, 46-00061.000, 46-00427.000

(GPS) 40.68275999 Latitude,
-81.87463936 Longitude

Report Date: October 24, 2022

AgVisory File #: 202207-152

Current Owner: Plough Holdings LLC

Property Overview: Total: 2.9555 ± acres
GBA: 11,804 ± SF
5,000 gallons milk per day capacity

Property Type: Industrial – Food Processing

Interest Appraised: Fee Simple

Highest and Best Use: Dairy Processing Facility

Zoning: No formal zoning

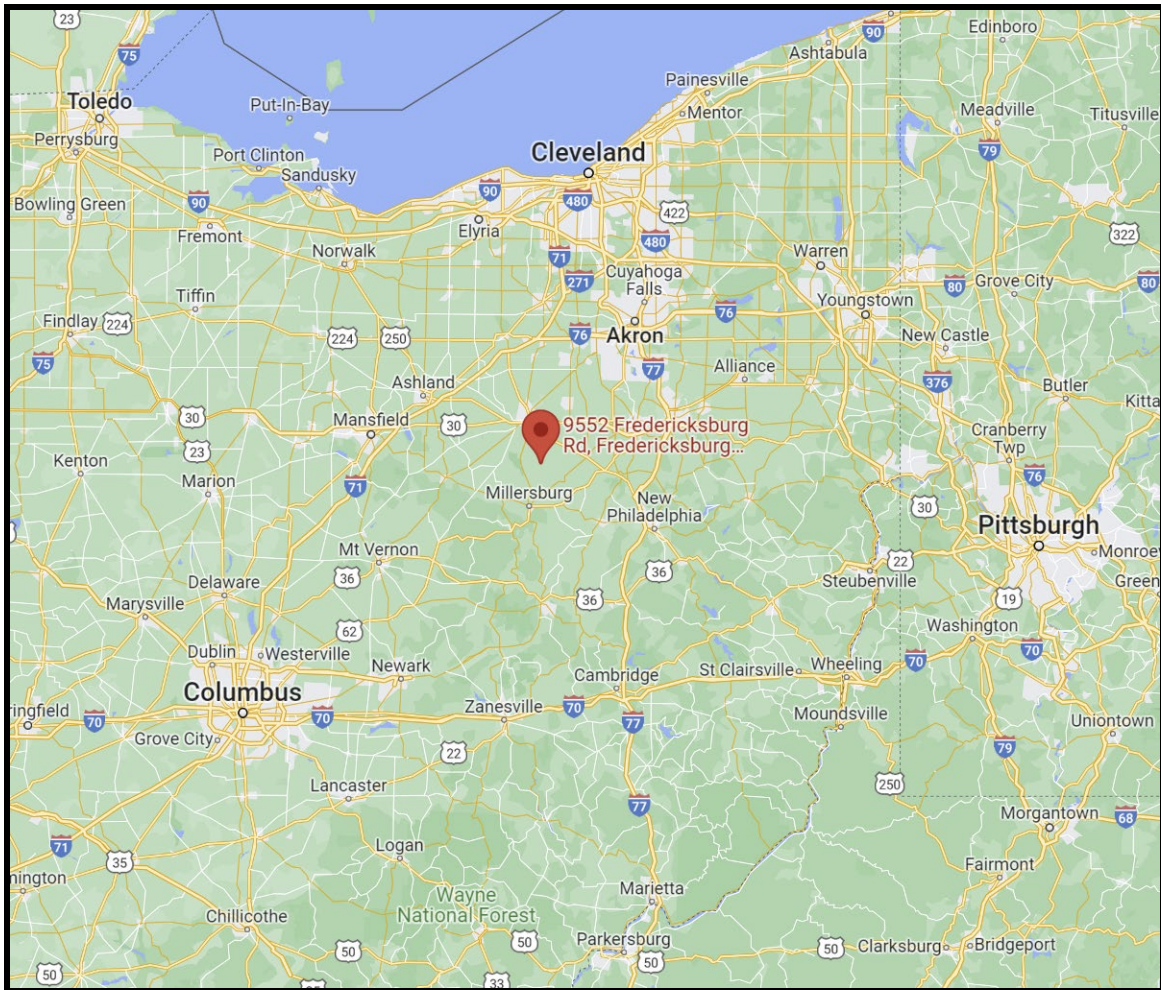
“As Is” Market Value of Real Estate: **\$1,400,000**

“As Is” FMV – Installed M&E: **\$920,000**

Effective Date: July 28, 2022

Appraiser: Jodi M. Pries, MAI

Regional Map



Subject Photographs



Signage – Fredericksburg Road



Entrance



Front of Facility



Front & South Sides of the Facility



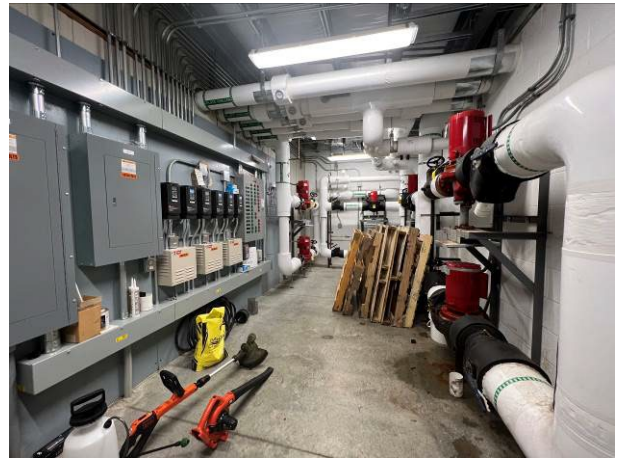
Rear of the Facility



Rear of Facility – Loading Docks



Cooling Tower



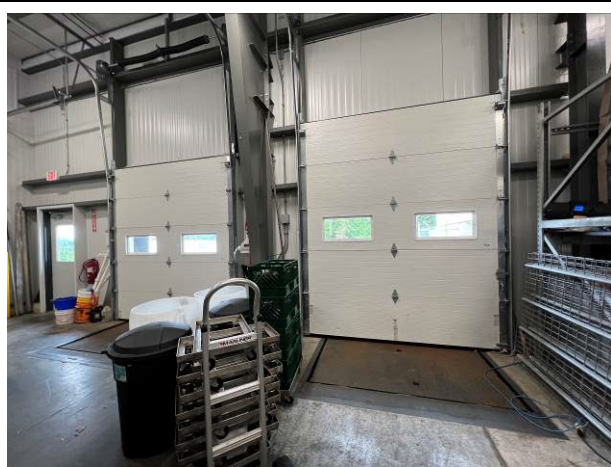
Control Room



Water Softener



Boiler



Interior of Docks



Bottle Washer



Case Washer



Cooler



Dock Doors



Freezer (Not included)



Bottle Filler & Capper



Bottle Filler



Tanks



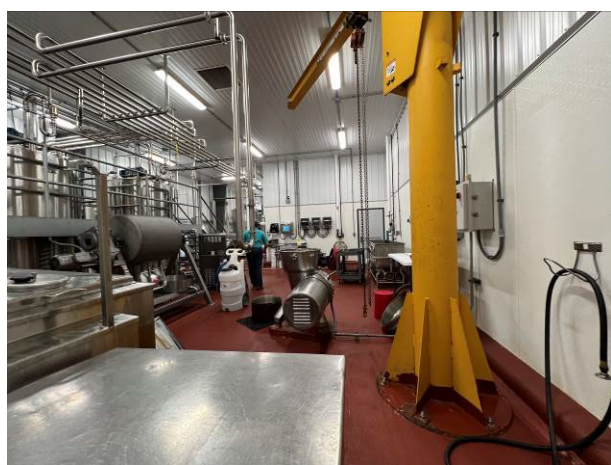
Homogenizer



Cream Tank



Tanks



Crane, Separator, Processing Area



Lab



Drive through Receiving Bay



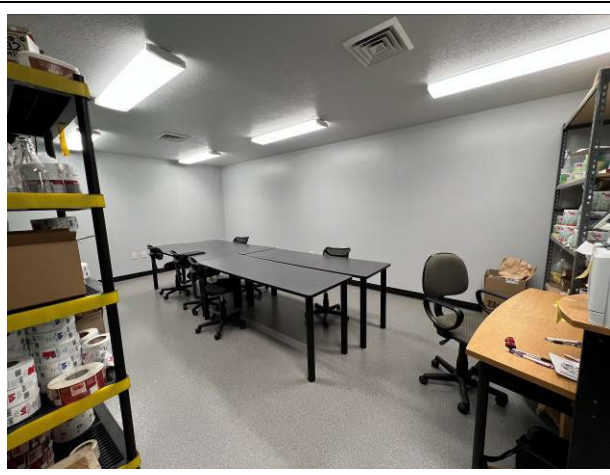
Receiving Bay – CIP



CIP



Hall



Conference Room



Break Area



Office Area



Office Area

Appraisal Specifics

The purpose of this assignment is to estimate the current market value of subject. In addition, the client has requested the fair market value – installed of certain personal property.

Intended Use

The intended use of this assignment is asset management of the subject.

Intended User(s)

The intended users of this report are for the client, Plough Holdings LLC, and assigns.

Market Value Definition

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)

Date of Inspection and Effective Date of Appraisal

The subject was inspected and photographed on July 28, 2022 which is also considered to be the effective date of the appraisal “as is.”

Property Rights Appraised

The property rights being appraised are the fee simple interest. Possession of a title in fee establishes the interest in a property known as the fee simple estate. This 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.”, Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

Property Identification

The subject is identified as Plough Holdings Dairy Processing Facility. The owner of record is Plough Holdings, LLC. The property has a primary physical address of 9552 Fredericksburg Road, in the Village of Fredericksburg, Salt Creek Township, Wayne County, Ohio. The property is located on the west side of Fredericksburg Road/Mill Street between Spencer Lane and Highview Drive. The property is composed of three parcels further identified by Wayne County as tax parcel numbers: 46-00011.000, 46-00061.000, and 46-00427.000. The property is served by the Fredericksburg Post Office, Zip Code 44627. The global positioning coordinates are (GPS) 40.68275999 Latitude, - 81.87463936 Longitude.

The subject is composed of three real estate parcels being appraised as one, or as whole. This is due to the contiguity, unity of use, and unity of ownership.

Title Data and Sales History

The subject property is currently titled to Plough Holdings LLC. There have not been any transfers of the subject property in the past three years. The deeds are recorded in the Wayne County Land Records. Copies of the deeds have been attached to the addenda section of this report. Per the tax records, there have been no other transfers in the last five years.

The property was being leased by Greenfield Dairy; they ceased operations at the facility in early 2022. The owners, Plough Holdings, found another party, Buckeye, to lease the subject. The lease is a verbal agreement on a month-to-month basis. Either party can terminate with a six-month notice. No other details of the agreement were disclosed.

To the best of the appraiser’s knowledge there currently are no known active listings or pending sales agreements for the subject.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser’s responsibility to develop and report a scope of work that results in credible

results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and any other intended users;
- the intended use of the appraiser’s opinions and conclusions;
- the type and definition of value;
- the effective date of the appraiser’s opinions and conclusions;
- subject of the assignment and its relevant characteristics; and
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Plough Holdings LLC. The purpose of this assignment is to estimate the current market value of subject. In addition, the client has requested the fair market value – installed of certain personal property. The intended use of this assignment is asset management of the subject. The intended users of this report are for the client, Plough Holdings LLC, and assigns.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice. The format utilized provides a summary of the appraisal process, subject and market data, and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel numbers.
Inspection:	A complete interior and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
<u>Valuation Analyses</u> Cost Approach:	The Cost Approach was developed because there is adequate data to develop a land value and the

depreciation accrued to the improvements can be reasonably measured.

Sales Comparison Approach: The Sales Comparison Approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach: The Income Approach was not developed. While the subject could generate an income stream, the most probable buyer is an owner-occupant.

Hypothetical Conditions: There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions: There are no extraordinary assumptions for this appraisal.

Comments

The focus of this assignment is on:

- the current “as is” market value of the real estate and
- the current “as is” fair market value – installed of the machinery and equipment.

This assignment includes both the real estate and the machinery and equipment. No value was considered nor allocated to the business enterprise value and/or intangible assets, etc. No rolling stock was included either.

The subject’s site area was determined by the county tax map, assessment record, deed, and site plans. However, if a future survey proves the acreage utilized within to be different, the appraiser notes that it may affect the value. The acreage matches the title report. The following is a list of items/information the appraiser requested from Plough Holdings LLC in order to complete this assignment:

- Assessment and real estate tax information
- Permits and/or zoning information
- Legal description/Deeds
- Depreciation schedule (Property & Asset List)
- Financial Statements or Tax Returns (3-year history)
- Financial Projections (if proposed)
- Surveys or site plans
- Building Plans
- Construction estimates (if applicable)
- Maps
- Process Flow Diagrams
- Contract of sale if property is being purchased

In order to develop a market value, the appraiser engaged in conversations with other appraisers, brokers, and professionals connected to agribusiness and food processing, utilized their existing database to obtain comparable sales information and current cost data of dairy processing facilities. Local and nationwide sales searches were completed to include similar food processing plants. The county and city offices, the Client, other appraisers, and realtors provided information.

The area, community, and neighborhood were analyzed for both macro and micro economic influences on subject property. The market investigation included a search for comparable sales properties, both improved and unimproved, and comparable rental data throughout the community, neighborhood and, if applicable, the area. Each comparable cited in this report was verified. This investigation included interviews with agribusiness, professionals, brokers, agents, and other knowledgeable sources, along with a search of the county records. From this search, the most comparable sales to the subject property were selected and the data is provided in this report.

Sources for food industry-specific information include trade publications, telephone interviews with industry specialists, information from competitors and reference to AgVisory LLC files that contain proprietary information on many food processing companies.

In estimating the highest and best use of the subject property, an analysis was made of all the data pertaining to the property, neighborhood, and region.

The three approaches to value were analyzed for applicability and used as appropriate in this appraisal. The data and analysis pertaining to these approaches is described within the narrative appraisal report.

Because this appraisal focuses on the real estate, the trade fixtures, and machinery and equipment that comprise the subject facility the appraiser must break out the value of the trade fixtures, machinery and equipment and separately report their value.

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of AgVisory LLC. Information, estimates, and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil, or structure, which would make the property more or less valuable, were discovered by the appraiser or made known to the appraiser. No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state, or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements, or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser is not required to give testimony in Court in connection with this appraisal. If the appraiser is subpoenaed pursuant to a court order, the client agrees to pay the appraiser's AgVisory LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after

the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. AgVisory LLC has not made a determination regarding the subject's ADA compliance or non-compliance. Non-compliance could have a negative impact on value; however, this has not been considered or analyzed in this appraisal.

Extraordinary Assumptions

An *extraordinary assumption* is defined as an assumption directly related to a specific assignment which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the Extraordinary Assumption;
- Use of the Extraordinary Assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for Extraordinary Assumption.

In connection with developing this "Summary Appraisal" of the subject, the following Extraordinary Assumptions, approved by the Client, were made:

- It is assumed that this property has no known easement and/or mineral right issues that would affect the final conclusion of value rendered in this assignment.
- It is assumed that all the buildings and structures are in the boundaries of the subject property.
- It is assumed that all permits and licenses are in place and that all regulations and laws are in-compliance for the proper operation of the subject property.
- It is assumed that all facilities are structurally sound and in good working order for the proper operation of the subject property.
- It is assumed that the boundaries and estimated land size and tract size from information provided by the owners is correct. The appraiser was not furnished with a current survey of the subject site. County assessment information was used to estimate the size of the site area. Should a future survey prove this information inaccurate, it may affect value.
- It is assumed that there are no environmental hazards that will adversely impact the value of the subject.

It is noted that the property is utilized for dairy processing with ingredient storage and finished product storage, etc. During the normal course of operation, it is assumed a number of potentially hazardous substances, such as cleaning chemicals, pesticides, herbicides, fertilizers, fuel, lubricants, etc. could be used on the property. No warranty as to the environmental condition of the property is made in this report. It is suggested that an environmental engineering firm be retained to conduct a detailed Environmental Audit Study, should further information be desired. This report is under the extraordinary assumption the property is free and clear of any adverse environmental conditions.

The value conclusion is predicated upon the Extraordinary Assumption that the property is free and clear of any adverse environmental conditions. The use of the Extraordinary Assumption may affect value.

Dairy Industry Overview

The United States dairy industry is changing rapidly, from consolidation among dairy farmers, cooperatives and processors, to shifts in consumer preferences to a broader reach in global markets. The COVID-19 pandemic heightened these challenges.

The Dairy Product Production industry is home to operators that primarily produce fluid milk and cheese, as well as creamery butter and dry and condensed milk products for majority sale to downstream wholesale, retail and food service industries. As with many commoditized industries, industry revenue performance most greatly depends on trends within per capita dairy consumption and national dairy prices. However, since per capita dairy consumption has stagnated over the five years to 2022, industry revenue trends have primarily been derivative to price movements. Over the past five years, an annualized 4.3% increase in the price of milk is expected to uplift industry revenue an annualized 3.3% over the five years to 2022 to reach \$145.4 billion. However, by the same token, industry costs have also risen and pressured industry profitability during the period. In 2022 alone, industry revenue is expected to rise 6.6%, which is likely due to a small decline in milk prices bumping up sales volumes marginally in this year alone, as post-COVID-19 (coronavirus) market conditions remain turbulent due to supply chain issues and as food prices broadly continue to rise more quickly, making industry products comparatively more affordable and likely bumping sales.

Typically, the industry exhibits a low-to-moderate level of revenue volatility, which is characteristic of commoditized industries, as global supply and demand conditions churn. However, the global outbreak of coronavirus served to grind industry revenue movements to a halt, demonstrating how decline in food service markets were balanced by increases in retail sales, though an overall depression of nearly every market segment occurred in 2020 as a result of overall reduced consumer demand stemming through wholesale and food service outlets, while implied scarcity caused demand from retail outlets to surge, contributing to price rebounds observed in late 2020.

Industry revenue is expected to continue increasing over the five years to 2027, albeit at a decelerated rate, largely as a consequence of expected declines in per capita dairy consumption driving deceleration in the annualized price growth of fluid milk, causing

industry revenue growth to slow. These decelerations are expected to cause the average industry profit to stabilize while supply and demand conditions align further. Over the five years to 2027, industry revenue is anticipated to rise an annualized 0.7% to reach \$150.9 billion.

Industry Performance

As the essential input in Dairy Product Production industry operations raw, or unprocessed, milk represents the largest expense for dairy producers. When the price of raw milk increases, dairy product producers are typically able to transfer the additional cost down the supply chain in the form of higher prices, which increases industry revenue. The price of milk is expected to increase in 2022.

Demand from supermarkets and grocery stores

The largest market segment for the industry demand from retailers, such as supermarkets and grocery stores, are essential to industry revenue performance. Retailers purchase dairy products from industry operators to sell to their consumers. As overall demand from retailers decreases, supermarkets and grocery stores purchase fewer dairy products from producers, which leads to declining revenue. Demand from supermarkets and grocery stores is growing in 2022, representing a potential opportunity for industry operators.

Demand from dairy wholesaling

Dairy product wholesalers comprise the large market for the industry. Demand from wholesalers reflects consumer demand and ultimately affects producers' revenue. When consumers demand more dairy products, wholesalers purchase additional items from producers. Demand from dairy wholesaling is rising in 2022.

Demand from food services and drinking places

Food service establishments represent an integral market for dairy producers because they purchase dairy products to serve to customers and as inputs in food preparation. As disposable income rises, consumers eat at restaurants more frequently, prompting restaurants to purchase more dairy products. Demand from food services and drinking places is increasing in 2022.

Per capita dairy consumption

Per capita dairy consumption has remained relatively stable over the past decade. Dairy products, including milk, butter, cheese and ice cream, are staples in many homes, which has kept volatility low. Fluctuations in consumption can occur when there are swings in prices and availability of alternative goods. Per capita dairy consumption is decreasing in 2022, posing a potential threat to the industry.

Price of feed

On average, feed purchases account for half the cost of raw milk production. Decreases in the price of feed will likely push raw milk prices down, hindering industry revenue by limiting the prices operators can charge to downstream markets. Price of feed was expected to fall in 2022.

Current Performance

The Dairy Product Production industry manufactures dairy goods primarily for wholesalers, retailers, and food service establishments. Over the five years to 2022, the industry has experienced a modest increase in revenue as per capita dairy consumption and fluid milk prices have increased marginally during the period, boosting demand and industry revenue per sale. As a result, industry revenue has exhibited an annualized increase of 3.3% over the five years to 2022 to reach an estimated \$145.4 billion. In 2022 alone, revenue is expected to grow 6.6%.

Industry operators typically benefit from higher input prices because they can pass along the costs to consumers in the form of higher prices. Consumers typically purchase these goods regardless of price hikes since dairy products are a staple of the average U.S. diet. However, barring brand loyalty, dairy products are nearly perfectly substitutable, consumers will only tolerate price increases for so long until they choose to substitute one operator's product for another. As a result, despite industry operator's ability to pass on cost increases, this is only sustainable to a point at which consumers will then curb demand. Furthermore, consumers typically expect manufacturers to lower prices as raw milk prices decline, which helps to how and why this industry is so price competitive.

For example, amid the COVID-19 (coronavirus) pandemic, supply and demand conditions were pulled in opposite directions. While consumer demand initially declined, causing raw milk prices to also fall, bottoming out in May 2020, which have since surged to new highs in November 2020 amid supply chain limitations, causing implied scarcity and due to a rapid revival of consumer, retail and food service demand. However, while industry operators were able to take some slight advantage of overall sales volume growth in 2020, the net, inflation-adjusted, gain for the year was 2.9%, which is uncharacteristic of a commoditized industry during a period of inflation.

Furthermore, since raw milk prices have accelerated at a faster rate than industry revenue, it can be inferred that raw input costs to industry operators have increased, while also implying that volatile demand conditions have not enabled for greater price hikes. Moreover, wholesaling and processing costs have also undoubtedly increased amid supply chain bottlenecks, causing industry profit, measured as earnings before interest and taxes, to weaken to account for 2.8% of industry revenue in 2022. Overall, nearly every industry player featured in this report has exhibited some profit contraction as a result of pandemic-related conditions.

Industry sales are primarily made to wholesale and retail customers for resale, accounting for a combined 75.7% of industry revenue in 2022. Furthermore, the industry generates nearly 10.0% of sales to food service and other establishments as inputs for internal operations. Since this industry is so reliant on sales to wholesalers and retailers, it exhibits a high degree of market risk should demand conditions sour in either of these downstream industries. As it so happens, this is precisely what happened amid the early pandemic with supply and demand conditions demonstrating a whiplash-type effect; wholesale operating capacity became pinched amid a dearth of employees and due to coronavirus-related operating restrictions, while prices paid by industry operators to

simply move products increased, negatively pressuring industry profit activity and slowing sales growth.

Additionally, amid the early stages of the pandemic in 2020, consumer demand fell off a cliff amid lockdowns and reduced operating activity from downstream outlets such as food service and retail causing sharp declines in fluid milk prices in the first half of the year. However, most of the supply chain is still reeling from capacity restrictions and was caught entirely off guard as consumer demand roared back to life between May and November 2020 which has caused industry costs and prices to surge as initial cutbacks in supply amid low demand now equate to limited supply conditions combined with supply chain woes. Overall, further price increases are expected over the next five years, albeit at diminished rates, which demonstrate demand leveling off and adjusting to the new price environment derivative to the coronavirus. As a result, consumers are expected to limit purchases as prices rise and industry revenue growth is anticipated to slow.

Industry exports account for an important share of industry revenue at an estimated 6.0%. As a result, this represents a critical source of revenue. Overall, since dairy is such a protected industry in Canada, duty-free imports from the United States, another dairy-producing powerhouse, were at the center of fierce negotiations with Canadian operators pushing for market protections while U.S. operators wanted increased export market access. In conclusion, the United States can export up to 3.0% of Canadian fluid milk production duty free but exports after this quota will be subject to import duties to protect the Canadian industry. Overall, as a result of the successful negotiation and a return to slightly more normal operations in 2022, exports have surged in 2022, rising an estimated 6.3% in 2022 and an annualized 6.5% to reach \$8.3 billion. Industry imports have also surged in 2022 amid a resurgence in demand, rising 7.0% in 2022 and an annualized 5.5% to reach \$4.1 billion in 2022.

The relationship between dairy farmers and milk production cooperatives greatly influences milk prices. Farmers that choose to produce raw milk usually join a cooperative because it helps them gain leverage when selling their milk to downstream markets. Consolidation has occurred in market segments such as retail, creating large wholesaler and supermarket networks that required dairy producers to supply them directly on a national scale. Additionally, some companies have left the industry altogether. For example, Dean Foods Company filed for bankruptcy in 2019. However, in 2020, The Dairy Farmers of America reached an agreement to acquire most the assets of Dean Foods, 44 properties handling fluid and frozen dairy products for the sum of \$433.0 million, according to the press release. As a result, enterprise formation over the five years to 2022 has been stagnant, while the number of industry establishments has increased at an annualized rate of 0.7% to reach 1,303 locations. Furthermore, amid growing milk production from cooperatives and increased operating activity, the number of industry employees has also risen an annualized 3.4% to reach 143,109 workers.

Industry Outlook

Over the five years to 2027, the Dairy Product Production industry is expected to benefit from stabilized prices of feed and raw milk. The continued appreciation, yet deceleration

of raw milk prices taken into account with the slowdown in industry revenue growth indicates that industry demand is still balancing with current supply conditions that have been caused by COVID-19 (coronavirus). Overall, it is expected that the real quantity of industry goods produced will be lower, while settling at a permanently higher price level, a demonstration of our inability to contend with all market forces caused by the coronavirus.

Essentially, the major decline and then rebound in consumer demand caused by the coronavirus has caused supply chains to stall out and then become significantly stressed under the strain of increased demand amid lowered production. This indicates that while wholesale capacity remains pinched and production ramps back up to long-run levels, industry costs are expected to continue rising, though not in the form of increased milk prices but rather in increased cost of sales. While demand is expected to return to more significant growth, this will be balanced by rising costs and as a result industry profitability is expected to stagnate, perhaps the best case in such a challenging operating environment. Overall, industry revenue is expected to rise at a decelerated rate of 0.7% to reach an estimated \$150.9 billion in 2027.

In light of expected continuation in supply chain difficulties combined with demand growth expected to be limited in the post-coronavirus price environment, it is expected that competitive conditions among industry operators will heat up.

As consumer demand growth rebounds from lows exhibited by the coronavirus, but is challenged by rising prices, these countervailing trends are expected to work against the industry since industry products are highly substitutable. However, there is a market opportunity for industry operators to leverage organic demand as well as growing specialty food demand, which trade at a significantly higher margin than traditionally produced industry products. Furthermore, the artisanal food craze has yet to abate, and the continued product innovation of higher-profit products is anticipated to aid industry operators as consumers return to a more normal level of consumption over the next five years. As a result of expected increases in demand for premium products, industry participation is anticipated to rise an annualized 0.7% to reach 850 enterprises. In line with an increase in industry participation and demand growth for the real quantity of industry products produced, industry employment is also anticipated to rise; the number of industry employees is expected to increase an annualized rate of 1.1% to reach an estimated 151,324 workers.

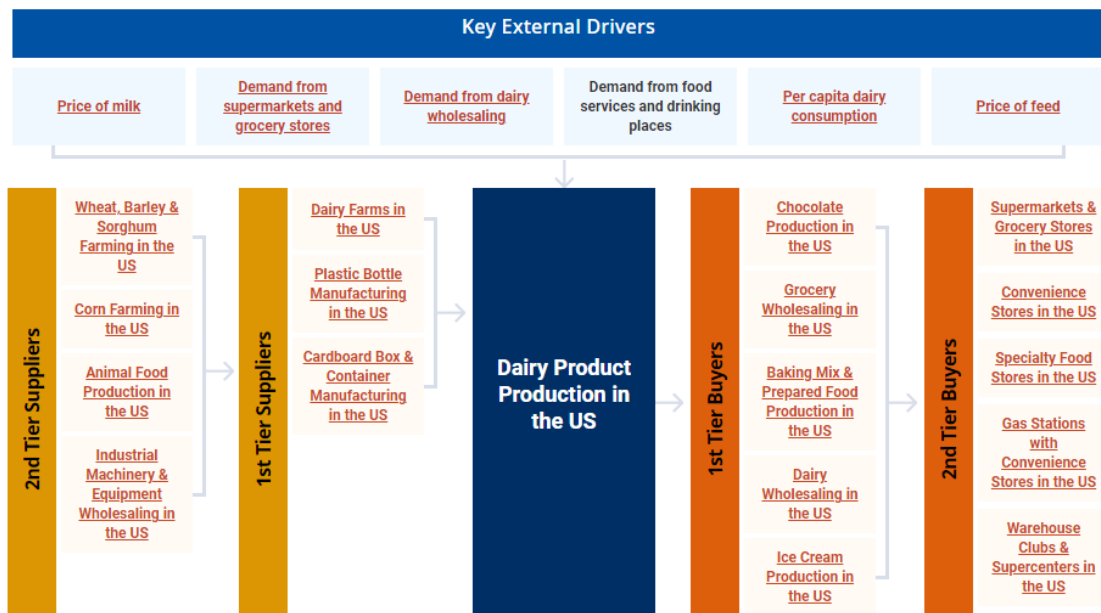
International trade

Due to significant competition from other dairy-producing countries, industry exports are expected to decelerate over the five years to 2027, with industry exports expected to rise an annualized 1.4% to \$8.9 billion.

Foreign dairy-producing powerhouses, such as Australia, New Zealand and Canada are expected to ramp up production in the post-coronavirus expansion as well, heating up international competition among domestic industry operators. This expansion threatens to reduce demand for U.S. dairy products as countries revert to previous suppliers.

However, an anticipated depreciation of the U.S. dollar is expected to increase dairy product exports slightly over the five years to 2027. Conversely, as domestic supply conditions loosen due to a declaration in total export activity, taken into account with a depreciating dollar, industry imports are expected to become comparatively more expensive on the domestic market, helping to shield domestic operators from international competition to a degree. Along these lines, industry imports are expected to decline an annualized 0.1% to reach \$4.1 billion. Overall, a decline in imports is expected to be favorable to domestic operators.

The table below depicts the supply chain for dairy product production in the United States.



Major Dairy Products

Cheese

Cheese makes up the largest product segment for Dairy Product Production industry operators. Goods in this segment include common varieties such as cheddar, Swiss, mozzarella, Monterey Jack, blue and cream cheeses. According to the United States Department of Agriculture (USDA), U.S. cheese consumption has been on the rise, with the most popular, Italian cheeses, rising the most quickly. In addition, cheddar cheese is the other most manufactured single-cheese variety. This segment also includes cheese analogs, cheese spreads, imitation cheeses, curds, dips and raw liquid whey. Overall, cheese represents an expected 49.0% of the industry revenue in 2022, an increase from prior years.

Fluid milk and milk-based products

Fluid milk and milk-based products make up the industry's second-largest product segment. Aside from milk, this segment also includes milk-based beverages, yogurt, buttermilk, cottage cheese, heavy cream, dips, nonalcoholic eggnog, flavored milk drinks

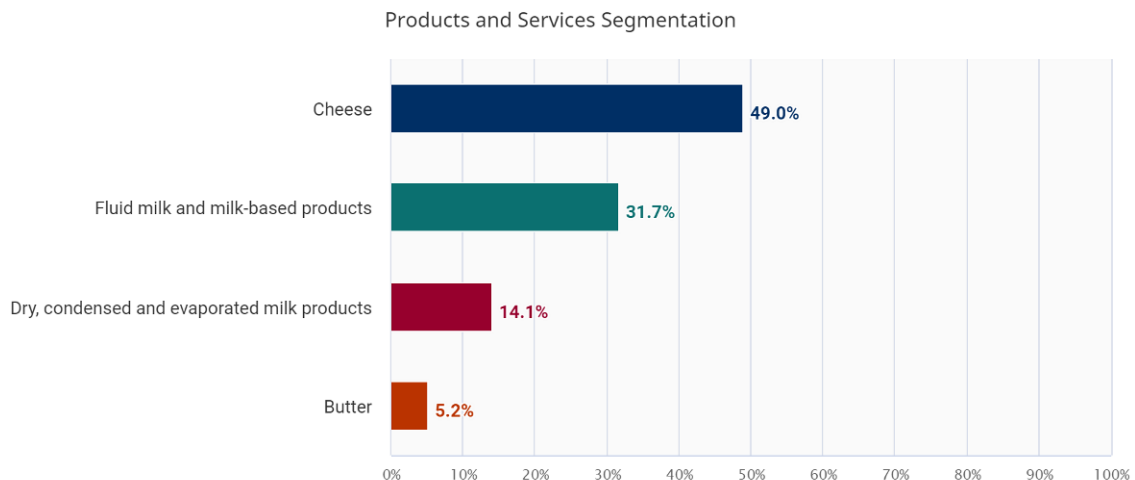
and a variety of toppings. A Growing demand for low fat milk-based products did not do much to offset the trends of dairy substitutes, as reduced fat milk and yogurt sales also dipped during this time span. Overall, fluid milk and milk-based products are expected to account for 31.7% of industry revenue in 2022, which is largely stable considering growing external competition from daily substitutes but also the cementation of milk as a consumer staple for centuries.

Dry, condensed, and evaporated milk products

This segment consists of products such as dry milk, condensed milk, evaporated milk, dairy substitute products and infant formulas. Dairy substitutes' share of revenue continues to rise as consumers change their taste preferences or accommodate health needs. Overall, this segment's share of revenue has marginally declined to 14.1% in 2022.

Butter

Butter makes up the smallest industry product segment and has increased as a share of revenue from 2016. This trend has taken place despite an increased sense of health consciousness by consumers. Butter is expected to account for 5.2% of industry revenue in 2022.



2022 INDUSTRY REVENUE

\$145.4bn

Dairy Product Production
Source: IBISWorld

Demand Determinants

Most dairy products such as fluid milk, cheeses and butter are staples of the average American diet. Therefore, demand for these products tends to remain relatively stable regardless of changes of major macroeconomic factors such as disposable income. Changes in prices primarily affect producers as opposed to consumer demand. The exception may be luxury dairy products such as organic and low-fat substitutes or premium cheeses. Conversely, demand for products such as milk powders tend to fall as household income increases. Demand declined due to the COVID-19 (coronavirus)

pandemic creating unfavorable economic conditions in 2020, however, not enough to induce a loss. Demand from wholesalers and food service establishments fell as they were operating at below capacity and in some cases, were closed for a significant period of time in 2020. Furthermore, rebounds in demand due to growing vaccination and a reopening of the economy also affected Dairy Product Production industry sales.

Health trends

Dietary and health consciousness are strong determinants of industry demand. Consumers continued attempt to avoid unhealthy food products has contributed to a negative demand for industry products such as whole milk and cream. In recent years, dairy producers have done what they can to promote the health values of dairy products, such as a high source of calcium. Furthermore, industry players now commonly produce a range of reduced-fat or low-fat products to appeal to health-conscious consumers. Thus, people may be less inclined to purchase healthy products in this industry as they are more expensive, and some consumers are attempting to be frugal.

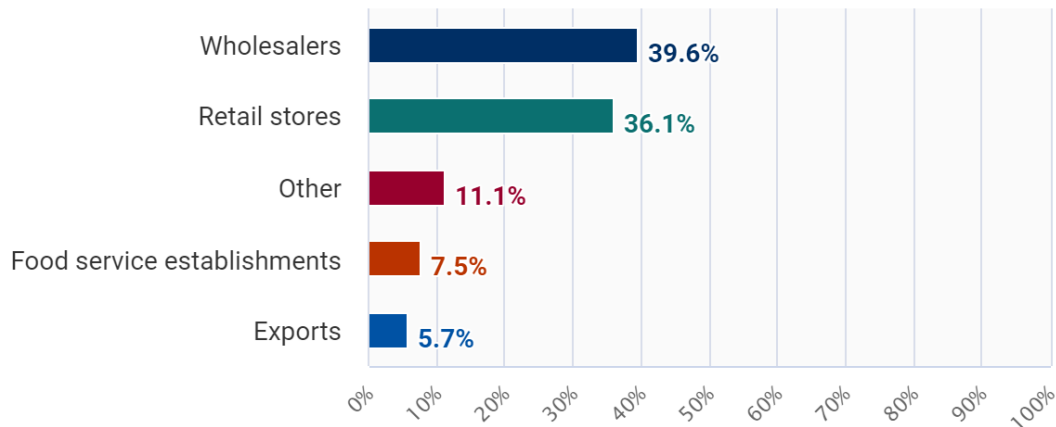
Consumers

As a dietary staple an overall rise in the population should lead to a rise in demand for dairy products. In addition, the demographics of the population affect demand for certain dairy products. For example, demand for overall dairy goods would benefit from a rise in the youth population as this age group tends to be the largest industry customer, especially in milk and cream products. Changes in population, particularly in age-group will shift demand for dairy products.

Competition and Innovation

Demand can be boosted by improvements in technology, enabling operators to put out new and improved products. Innovations such as the membrane filtration have enabled the manufacturing of long-life milk and has helped increase demand for industry products such as skim and condensed milk. This innovation has been encouraged by competitors capitalizing on changing trends of consumer preference. For example, dairy products, particularly fluid milk, competes with a range of beverages including soft drink, cordial and fruit juices. In recent years, there has also been an increase in the consumption of soy milk in the United States as consumers have become increasingly health conscious. This has led to an increased development of alternative products, both externally as well as by industry players.

Major Market Segmentation



2022 INDUSTRY REVENUE

\$145.4bn

Dairy Product Production
Source: IBISWorld

Wholesalers

Grocery and dairy wholesalers make up the largest market in the Dairy Product Production industry accounting for an estimated 39.6% of total revenue during 2022. Wholesalers supply industry products to the retailers, such as supermarkets, which sell dairy goods. This segment's share of the market has remained high during the current period. Demand from this market segment decreased in 2022 as wholesale driver capacity was pinched and cost of sales increased, bumping up total sales volumes to wholesalers, but significantly weakening profitability due to rising costs of goods sold. Furthermore, with a larger share of tonnage being moved by Walmart Inc., Amazon.com Inc. and other big box stores, sales to wholesalers have increased, since it enables the guaranteed movement of product, albeit perhaps at not the most favorable prices considering the buying power of downstream wholesalers over retailers.

Retail stores

Supermarkets, grocery stores and convenience stores make up the next largest market for industry operators. Over the five years to 2022, supermarket consolidation has led to higher retail growth and a larger number of consumers shopping at larger stores. This market is estimated to make up 36.1% of industry revenue in 2022. As household disposable income increased and consumer preferences shifted, higher volumes of dairy products have been sold to grocery retailers. Demand from this market segment increased in 2020 due to the essential nature of food retailers throughout the COVID-19 (coronavirus) pandemic. As more consumers are consuming meals at home, demand is expected to increase from retail stores throughout 2022 through a resurgence in eating out of the home more frequently and is expected to stymie this segment and increase performance of the food service segment from lows exhibited in 2020.

Food service establishments

Restaurants, cafes, caterers and other hospitality venues use milk, cheese, butter and cream in food preparation. Over the past five years, this segment's share of the market is to marginally decrease to 7.5% of total industry revenue in 2022 as a direct consequence of coronavirus-related conditions. Due to the coronavirus pandemic, food service establishments have been closed or operating at limited capacity, perhaps unable to seat customers due to social distancing protocols for a significant period of time which reduced demand for food service markets in the early pandemic. However, as consumer demand has roared back to life and vaccinations continue to roll out, demand from food service is expected to pick up again.

Other

This market largely consists of operators that purchase and use dairy products as an intermediate good. These can be external manufacturers that purchase dairy products as input in their own industries production, as well as businesses that use dairy goods for end use in their own operation. This market segment is relatively small comprising an estimated 11.1% of industry revenue in 2022.

Exports

Exports account for a small share of revenue due to the perishable nature of many of the industry's products. Players in the industry tend to localize production operations to minimize supply and transportation costs. Mexico and Canada have historically been the largest recipients of U.S. exports primarily due to their participation with the United States in the United States, Mexico, Canada Agreement, which reduces trade barriers between the participating countries. In addition, their close geographic proximity to the United States reduces transportation costs. Rapidly growing economies in Asia, including China and the Philippines, are also major export destinations. Overall, exports are expected to account for 5.7% of total revenue in 2022. Amid the coronavirus, export growth was challenged; however, a return to growth in global consumer demand has enabled a sharp increase in exports in 2022 over 2021, to date.

Geographic Breakdown

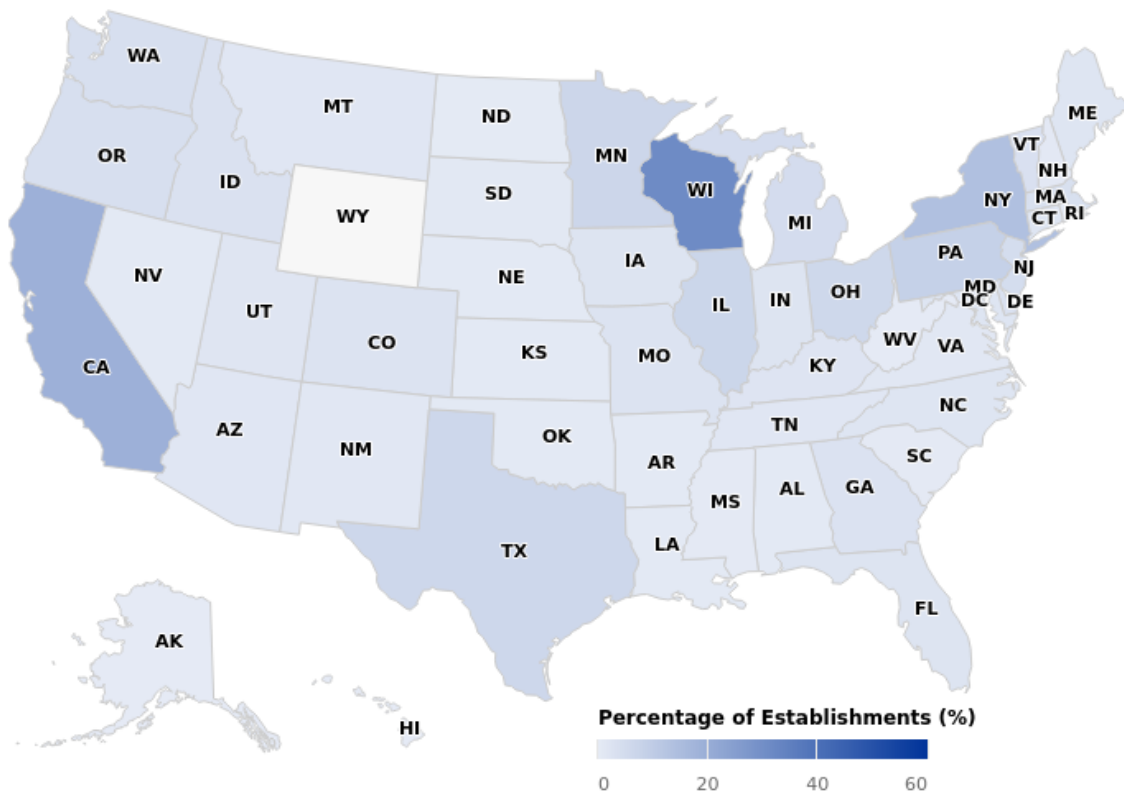
Dairy product producers tend to be located close to dairy and cattle farms given the Dairy Product Production industry products' perishable nature and high transportation costs. Traditionally, milk production is localized, but improvements in raw milk quality and declining transportation costs have increased competition between producers in different regions and are enabling national dairy cooperatives to emerge. The Great Lakes, Mid-Atlantic and West regions are estimated to account for the largest concentrations of industry locations. The Great Lakes region is estimated to account for 30.1% of establishments despite only making up 14.3% of the U.S. population. Wisconsin accounts for 17.9% of industry establishments.

The Mid-Atlantic encompasses 17.1% of establishments. The region is home to some of the country's largest population centers: New York (7.9%) and Pennsylvania (5.3%) alone account for 6.1% and 3.9% of the nation's population respectively and a combined

13.2% of industry establishments. Minnesota is another notable area that accounts for 4.2% of industry establishments.

The West region is estimated to account for 16.5% of establishments primarily thanks to the contribution of California. Although California is the second-largest dairy-producing state in the United States, with 11.5% of establishments, it is the largest milk producer. According to the California Milk Advisory Board, cows in California produce an estimated one-fifth of the nation's milk supply. Furthermore, California's expansive land can accommodate large farms. Since the 1970s, the western states have developed dairy farms on a much larger scale than in other parts of the United States, leading to economies of scale. California farmers can therefore offer lower milk prices relative to other dairy farmers.

Establishment Concentration in the United States



Dairy Product Production in the US
Source: IBISWorld

Market Share Concentration

The Dairy Product Production industry has a low level of market share concentration, with the top five largest operators expected to account for less than 25.0% of industry revenue. Operators within this industry can range from private and public companies, dairy cooperatives and multinational food corporations that undertake dairy production. The industry produces a wide array of products, such as milk, cheese, butter and yogurt, thus making overall industry revenue relatively large compared with other food industries. Dairy producers often focus their operations on one commodity, such as cheese or butter, while others diversify their activities to make a range of dairy products. For example, Kraft Heinz Company focuses its dairy production on cheese, while Nestle SA supplies consumers with a larger plethora of milk-based products.

Key Success Factors

Guaranteed supply of key inputs: Operators with constant and reliable access to adequate milk inputs can ensure consistent output of dairy products.

Marketing of differentiated products: Since dairy products are largely homogeneous, producers must differentiate their products (e.g., type of cheese and packaging) to add value so they can eclipse the competition.

Ability to pass on cost increases: Successful operators are able to pass on input cost increases in the form of higher prices to downstream buyers. Passing on costs helps reduce volatility caused by shifts in upstream industries and enables processors to maintain profit.

Use of specialist equipment or facilities: Technology improves production and quality, both of which are important for success.

Economies of scale: Larger operators tend to have lower per-unit costs because they can save on bulk purchases and labor costs, thus increasing profit.

Cost Structure

Cost structures vary widely among Dairy Product Production industry players, depending on their size, scale of production, ease of access to inputs, level of technology used, and capital investments deployed. Typically, the larger the manufacturer, the lower the per-unit cost of production because they can spread their costs over a large volume of products. During 2020, COVID-19 (coronavirus) resulted in volatility in the global economic environment. Consequently, this negatively affected downstream demand, hurting profitability.

Profit

Profit, measured as earnings before interest and taxes, is expected to account for 2.8% of revenue in 2022, down from 3.2% in 2017. Profit has declined despite falling purchase costs, on an annualized basis, largely due to the fact that industry fluid milk prices have come down from previous highs exhibited, while supply chain difficulties have caused cost of goods sold to rise, despite the ability to pass on cost increases to customers in the

form of higher prices. The whiplash in demand as a result of the coronavirus pandemic did not do industry operators any favors, with almost every operator featured in this report exhibiting profit weakness as a result of the pandemic.

Wages

Labor costs such as wages and salaries are estimated to make up 6.4% of revenue in 2022. This represents an increase over the five years to 2022 from 6.3% in 2017. Industry wages increased as a share of revenue in 2020 as manufacturing operating capacity restrictions caused industry operators to run plants round the clock to keep up with a surge in consumer demand amid a heyday of panic buying which occurred early in the pandemic. Now with a labor shortage it is likely wages will rise by a degree over the five years to 2027 before leveling out.

Purchases

Purchases account for the largest component of industry expenses at 66.9%. Raw milk represents the biggest expense, with its price heavily tied to the price of feed, national supply of milk and overall market demand. Milk prices have increased over the past five years to 2022 at an annualized rate of 4.3%. Since dairy products form a staple for millions of Americans' diets, industry demand remains relatively stable. This typically enables operators to pass increasing input costs onto consumers in the form of higher product prices, as a way of increasing revenue. In 2017 purchases accounted for 68.7% of industry revenue. While fluid milk prices on an annualized basis increased, they did exhibit a decline in 2020, which bolstered margin performance while rising wages placed downward pressure on industry profitability.

Marketing

Expenses relating to marketing and promotions account for 0.2% of revenue in 2022. Marketing costs are higher for larger companies since they invest more in branding strategies to differentiate their products from generic ones and drive sales. Marketing expenses have remained relatively flat from 2017.

Depreciation

Depreciation has remained relatively stagnant at 2.1% of revenue. Overall, industry technologies rely on manufacturing and plant equipment, though current levels of innovation and increases in the use of specialized technology has leveled off, especially in regard to coronavirus as wage prices are increasing.

Rent

Since most industry operators own their own equipment and facilities, rent expenses only accounts for an estimated 0.4% of industry revenue in 2022.

Utilities

Utilities including electricity and power for equipment accounts for 1.0% of revenue in 2022.

Other Costs

Other costs make up the second-largest segment of industry expenses at 20.2% of revenue in 2022. For Dairy Product Production, most of these expenses consists of overhead costs such as logistics, distribution and research and development.

Basis of Competition

Operators in the industry experience competition with other industry players (internal competition) and operators from other industries (external competition). The level of competition in this industry is currently Medium and Steady.

Internal competition

The considerable number of homogeneous Dairy Product Production industry products gives consumers the luxury of choice, forcing producers to compete on price. This is particularly the case for milk, where only minor differences exist between branded and private-label products. In the case of cheese and butter products, consumers tend to be more brand-loyal because perceived quality is of greater significance within this segment.

Investing in brand development, advertising and promotion helps companies gain a competitive advantage. Most of the industry's major players invest substantial amounts in developing recognizable brand names and fostering customer loyalty. Consumers also perceive branded products as higher quality products. The quality of dairy products is important, given their perishable nature and short shelf life. Competition within the fluid milk segment tends to be less pronounced, and more aggressive in the cheese and butter segments. Consumers tend to be more discerning and demanding of quality and, therefore, are prepared to pay a premium for perceived higher-quality products.

Given the saturated nature of the dairy market and changing dietary patterns, product development forms an important basis of industry competition. The emergence and success of low-fat, skim, and organic milk products are testaments to the efforts of producers to be innovative in a market with limited growth opportunities. Cheese products lend themselves particularly well to new flavors, infusions, packaging, additions and other product mix variations.

External competition

However, companies that produce fluid-milk compete with beverages such as bottled water, soft drinks, fruit juices and healthier substitutes such as soy and almond based milk products. The increasing popularity of such beverages hampers fluid-milk demand. This external competition is particularly important in convenience stores where some of these purchases are impulsive. In these retail outlets, competition between products is based on price, product placement, merchandising and visual promotions. However, since milk is a staple food, it is expected to remain a major industry product. Imports also form a source of external competition. The United States' major sources of imports are New Zealand, Italy, Canada and Ireland.

Barriers to Entry

Operators looking to enter the Dairy Product Production industry must be able to afford initial capital investments, including acquiring a production facility. Entrants also need to invest in dairy manufacturing equipment and machinery to perform the processing activities. If operators are unable to afford a facility or equipment, they will be unable to operate within the industry. This has the potential to negatively affect industry operators and is consequently a barrier to entry for the industry.

New entrants must also comply with regulations. Regulation is high at both the state and federal level for the industry. Agencies such as the Food and Drug Administration and Milk and Dairy Foods Control Branch provide regulatory barriers through various sanitary, compositional state and federal microbiological prerequisites. Companies unable to comply with regulations will not be permitted to operate and will experience negative consequences, such as lawsuits or hefty fines.

Established companies are generally larger and experience lower per-unit costs due to achieving economies of scale. Conversely, new companies are typically smaller with a smaller production capacity, which typically entails higher per-unit costs. Therefore, new companies may not be able to operate as profitably and have a higher risk of business failure.

Another threat to new industry operators is the competition from large producers that have established relationships with distributors and retailers across the country. Larger operators are more likely to ensure a stable supply chain of inputs needed in production. These national buyers want to purchase dairy products from producers that can supply their locations with ease. A small producer starting out will likely run into difficulties with quickly establishing a national distribution network.

Globalization

The level of globalization varies among operators within the Dairy Product Production industry. For example, Kraft Heinz Company is headquartered in Illinois, but its operations span 75 countries across the world. Meanwhile, international companies such as Nestle SA base themselves abroad while keeping a sizable production presence within the United States. However, most dairy cooperatives (co-ops) are owned by U.S. farmers and therefore operate solely in the United States. The major dairy cooperatives operating in this industry include Dairy Farmers of America Inc., California Dairies Inc., Land O'Lakes Inc., Foremost Farms USA, Associated Milk Producers and Northwest Dairy Association. U.S. Dairy co-ops have an especially high market share in the total production of dry milk products, cheddar cheese and butter. Conversely, they have only a minor share of total production of packaged fluid milk and cottage cheese. Overall, this industry exhibits a medium exposure to globalization through foreign participation and international trade.

Capital Intensity

The Dairy Product Production industry is moderately capital-intensive. In 2022, operators are expected to spend \$0.33 for every \$1.00 of revenue on capital. Dairy producers use machinery and storage facilities to assemble and manufacture products. Major producers

invest in substantial amounts of capital related to technology and production compared with smaller companies because of a larger revenue pool. For example, Dairy Farmers of America Inc. built a state-of-the-art manufacturing plant in Clovis, NM, in conjunction with Ireland-based Glanbia and the Greater Southwest Agency. Overall, the industry remains relatively labor-intensive, with wages accounting for an estimated 6.4% of revenue.

Low levels of innovation limit the threat to incumbent operators from new technologies disrupting their operations. However, a low rate of growth in technology can also create exposure for incumbents as the trajectory of innovation in other markets could lead to unforeseen competitive disadvantages.

Both the ease of entry and the rate of entry in the industry are moderate. While these factors do not significantly add to the threat of disruptive potential, they do not detract from it either.

Technological Disruption

Dairy producers are contending with some technological disruption within the Dairy Product Production industry. In recent years, health concerns surrounding dairy consumption has incentivized many companies to seek to produce alternatives. Moving forward, cellular agriculture may pose a disruptive force on the Dairy Product Production industry. Recently, many operators outside the industry began to create and market plant based dairy products from soy, rice and almond sources. The increasing popularity of such goods hampers traditional dairy demand. Unfortunately, industry operators are unable to leverage such technological innovations as these fall outside industry activities. These external companies utilize gene sequencing and 3D printing to produce dairy proteins without the need for cows. This is often done using yeast and fermentation techniques. Due to the health benefits associated with these alternative goods and the more humane methodologies than traditional cattle raising, these technological advancements have the potential to greatly disrupt the industry moving forward.

Membrane technology

Automation and computerization in all segments of the Dairy Product Production industry have reduced labor requirements and improved quality control over the five years to 2022. Recently, operators have taken advantage of membrane filtration technology as a means of improving production efficiencies across the industry. Four basic types of membrane filtration include: reverse osmosis, nanofiltration, ultrafiltration and microfiltration, each serving a multitude of purposes. According to the Dairy Industry Technology Review, membrane separation may be particularly beneficial to fluid-milk processors because it uses less energy and does not destroy any product during treatment. Furthermore, it is suggested that skim milk can be microfiltered to remove bacteria and spores, which will extend the products' shelf life. Skim milk can be microfiltered to retain ingredients such as casein (a type of protein), but at the same time filter out other molecules, which makes it ideal for making cheese. In the future, industry sources expect that these processes will improve the quality of existing dairy foods, speed the development of new products and enhance efficiency and profitability. This

technology may replace condensers or evaporators that are currently being used by many industry participants.

New cheeses

Mozzarella cheese is the fastest-growing cheese market in the United States, primarily due to it being an essential pizza topping. Recently, the Center for Dairy Research (CDR) developed a technology to produce other cheeses that behave like mozzarella. The newly developed technology uses a stirred, washed, direct-salt cheese process that produces a relatively high-moisture, reduced-fat cheese. The CDR claims that pizza-cheese technology offers several advantages for cheese makers because no mixer molder or brine system is needed, and producers of stirred-curd cheeses can produce a cheese for pizza. The new technology produces cheese that is more homogenous and requires less equipment to produce.

Better butter

Most butter in the United States is produced in a continuous churn, but some butter is still produced by the conventional batch method that was popular prior to the continuous churns' conception. The continuous production of butter is based on either accelerated churning and working or re-separation with phase inversion. Most producers use the first method. The introduction of blended products, such as butter and vegetable oil, has required some modification of production and packaging technology. A newly developed procedure known as supercritical extraction removes cholesterol from milk fat, which permits the development of low-cholesterol soft-spread butter. Extraction is also beneficial to produce cocoa butter from cocoa beans.

Revenue Volatility

In the United States, dairy is a household staple, meaning that Dairy Product Production industry demand is essential and relatively unfazed by changes in industry prices. For many households, dairy is an integral part of the weekly shopping basket, with fluxes in product prices mainly affecting demand for brands and varieties. Industry revenue is primarily dictated by the market price for raw milk. Since milk is a primary input in the production process for industry products such as cheese, yogurt and butter, any change in its price can greatly alter industry supply. Over the five years to 2021, the price of milk has been subject to high fluctuations, ultimately increasing during the period. However, the general volatility of raw milk prices is what makes industry revenue moderately volatile. Over the past five years, industry revenue has exhibited a moderate level of volatility, due to volatile prices of milk and feed, exacerbated by the global outbreak of COVID-19 (coronavirus). However, small revenue growth in 2020 and in 2021 as a result of coronavirus do not imply increased volatility. However, intra-year trends have been extremely volatile, netting out to small, if little, revenue growth.

Regulation & Policy

The Dairy Product Production industry is heavily regulated at both the state and federal level through regulations targeting milk pricing, food safety, the environment, product standards, labeling and employee safety.

The COVID-19 (coronavirus) pandemic prompted governments and businesses to take unprecedented measures, such as restrictions on travel, temporary closures of businesses, quarantines and shelter-in-place orders. These regulations can hinder operations and the downstream demand for industry operators. On a more industry specific level, there are four major national programs that regulate the milk market to support milk prices and provide a market for milk production. These programs are the Dairy Product Price Support Program, the Dairy Export Incentive Program, the Milk Income Loss Contract and the Federal Milk Marketing Order System. The first three are covered in the Industry Assistance section of this report. There are also several federal food regulations from the Food and Drug Administration (FDA) such as the Federal Food, Drug and Cosmetic Act and the Public Health Service Act. There are also state regulations for food safety. Important regulations relate to standards of identity, labeling and product standards.

Marketing orders

Federal and state milk marketing regulations aim to promote orderly milk marketing to ensure adequate supplies of milk and dairy products to meet consumers' demands at reasonable prices.

Federal marketing orders regulate an estimated 70.0% of all milk production. The marketing orders set minimum prices for different milk classes according to their end use, with the highest price for fluid milk. The minimum prices are set monthly by federal regulators based on the regional prices for dairy food products manufactured (which may change due to the Dairy Price Support Program). Varying price differentials provide incentives for milk production to move between different end uses.

Identity or composition

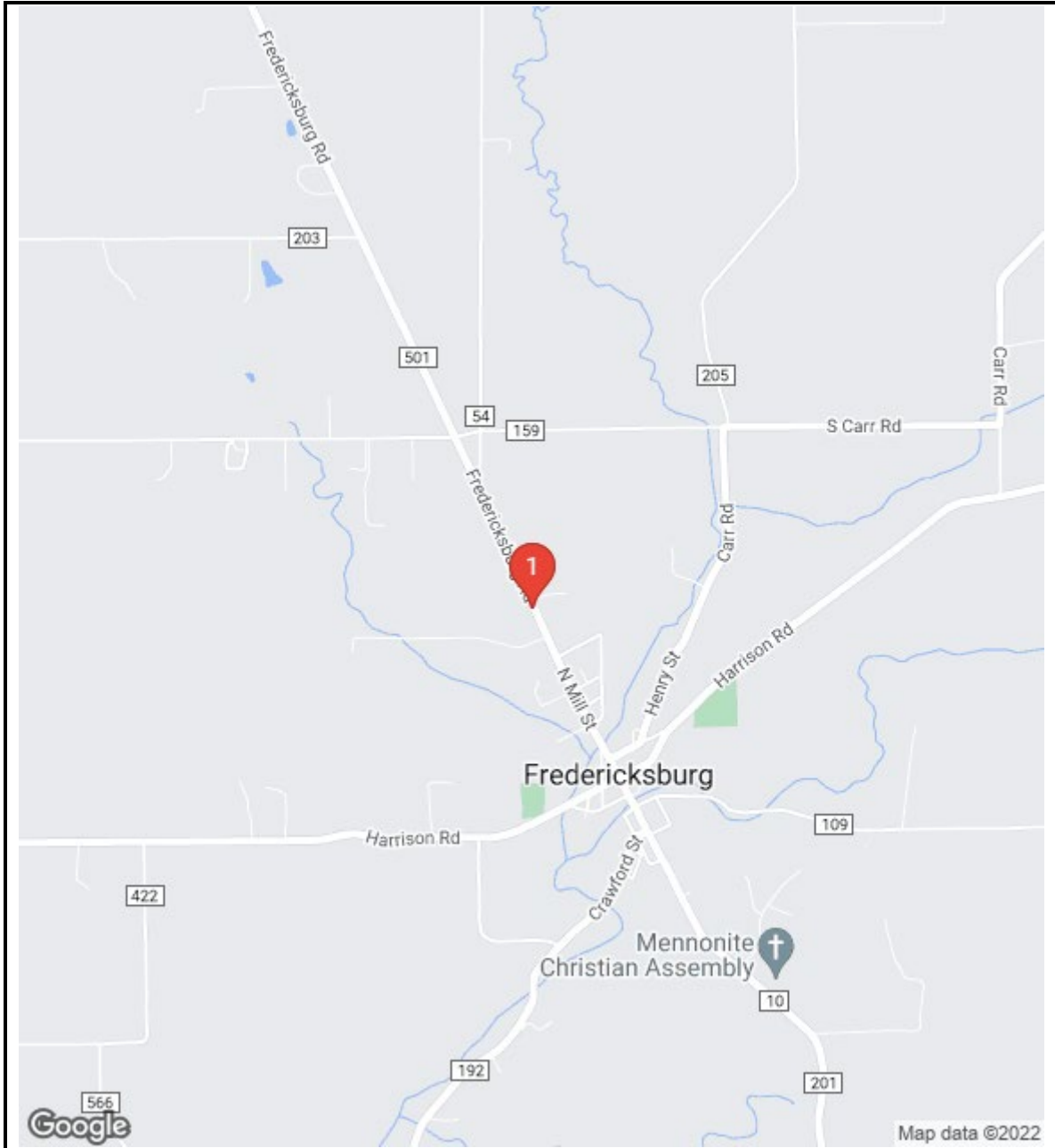
The standards of identity or composition are generally set by state and local governments. The federal standards set the composition for the product, the type and quantity of optional ingredients and the labeling requirements. Low-fat and nonfat milks do not have a standard of identity but are subject to the general standards that enable foods to be named using a defined nutrient content claim such as “reduced fat” and standardized term “milk.” Other labeling and product standards include organic standards. For a dairy product to be certified as organic, dairy farmers must refrain from using synthetic hormones, use only organic feed, fertilizers and pesticides and dairy cows must have access to pasture.

Pasteurized Milk Ordinance

Another key regulation is the requirement for pasteurization of milk and milk products. There are federal regulations found in the Pasteurized Milk Ordinance (PMO) from the Department of Health and Human Services and Public Health Service. The FDA and state governments' regulations generally meet or exceed these. These regulations define practices relating to milk-processing plant design, milking practices, milk handling, sanitation and standards for the pasteurization of Grade A milk products. Milk that is shipped between states must follow the PMO regulations. Pasteurization is mandatory for all milk and milk products intended for direct human consumption. Exemptions are

provided for acceptable alternative methods, such as the aging of certain cheeses and, in some states, raw milk is available for sale.

Location Map

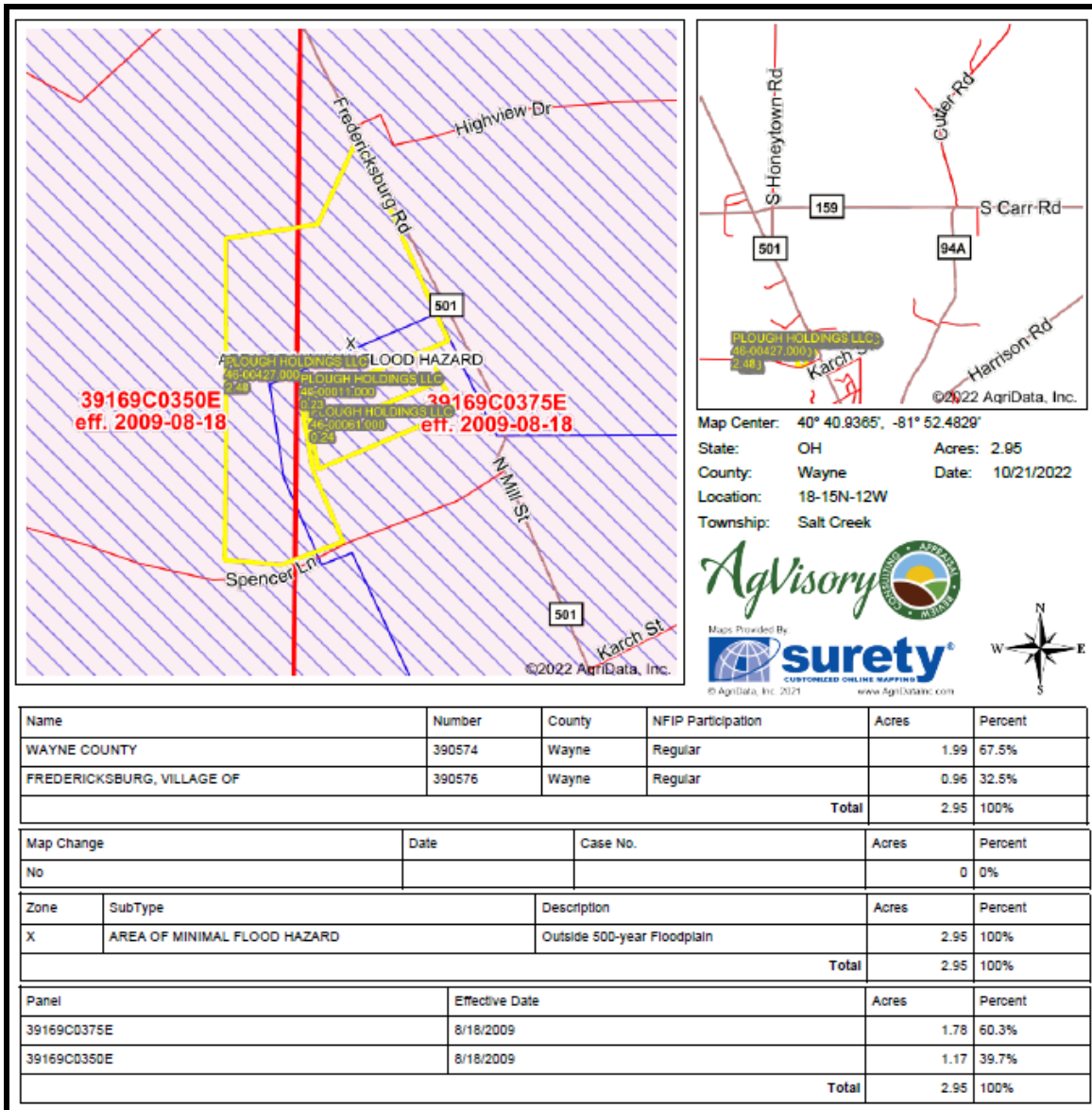


Property Description

SITE

Location:	The subject is located at the northwest corner of Spencer Lane and Fredericksburg Road in the Village of Fredericksburg, Salt Township, and in Wayne County, Ohio
Current Use:	Dairy Processing Plant
Site Size:	2.9555 ± Acres (Combined)
Shape:	Irregular
Frontage/Access:	The subject property has average access and frontage on Fredericksburg Road. It is not a corner lot.
Visibility:	Average
Topography:	Level to sloping down towards the south and west
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Sewer: Village of Fredericksburg Water: Village of Fredericksburg
Site Improvements:	<ul style="list-style-type: none">• Gravel driveway (ingress/egress)• Nine car public parking area with one ADA compliant space• Concrete paved loading dock area• Minor concrete walkways• Minimal landscaping• Guard rail• Underground and aboveground site drainage/erosion control system• Detention basin
Flood Zone:	<p>The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone Zone X, which is not classified as a flood hazard area. A copy of the flood map is on the following page.</p> <p>FEMA Map Number: 39169C0375E FEMA Map Date: August 18, 2009</p>

Flood Map



Name	Number	County	NFIP Participation	Acres	Percent
WAYNE COUNTY	390574	Wayne	Regular	1.99	67.5%
FREDERICKSBURG, VILLAGE OF	390576	Wayne	Regular	0.96	32.5%
Total				2.95	100%

Map Change	Date	Case No.	Acres	Percent
No			0	0%

Zone	SubType	Description	Acres	Percent
X	AREA OF MINIMAL FLOOD HAZARD	Outside 500-year Floodplain	2.95	100%
Total			2.95	100%

Panel	Effective Date	Acres	Percent
39169C0375E	8/18/2009	1.78	60.3%
39169C0350E	8/18/2009	1.17	39.7%
Total		2.95	100%

Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Encumbrance / Easements: There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Improvement Summary

The subject is improved with a dairy processing plant built in 2017-18 that was 11,804 ± SF of gross building area. It produces bottled milk (glass and plastic) and other flavored milk products.

The building is pre-engineered steel building, with 20-foot eaves, on concrete slab foundation with eight-inch injected foam wall and fiber glass roof insulation. Interior walls are steel framed and insulated. The finished space walls are finished with sound proofing and drywall. There is a second story with a 1,504 square foot area that is used for storage; it is accessed via temporary stairs. The processing, warehouse, and cooler area walls are finished with fiberglass reinforced plastic panels. Flooring is concrete throughout with sealer and floor drains in the processing/storage areas and epoxy floor coating in the finished areas. Finished spaces include laminate cabinets and countertops. The finished areas and cooler are air conditioned, and the cooler area is temperature controlled. The balance of the building is ventilated and heated, as needed, during the winter. Overhead exterior and interior doors are insulated and are either manually or mechanically operated. The actual and effective age of the facility and site improvements is five (5) years.

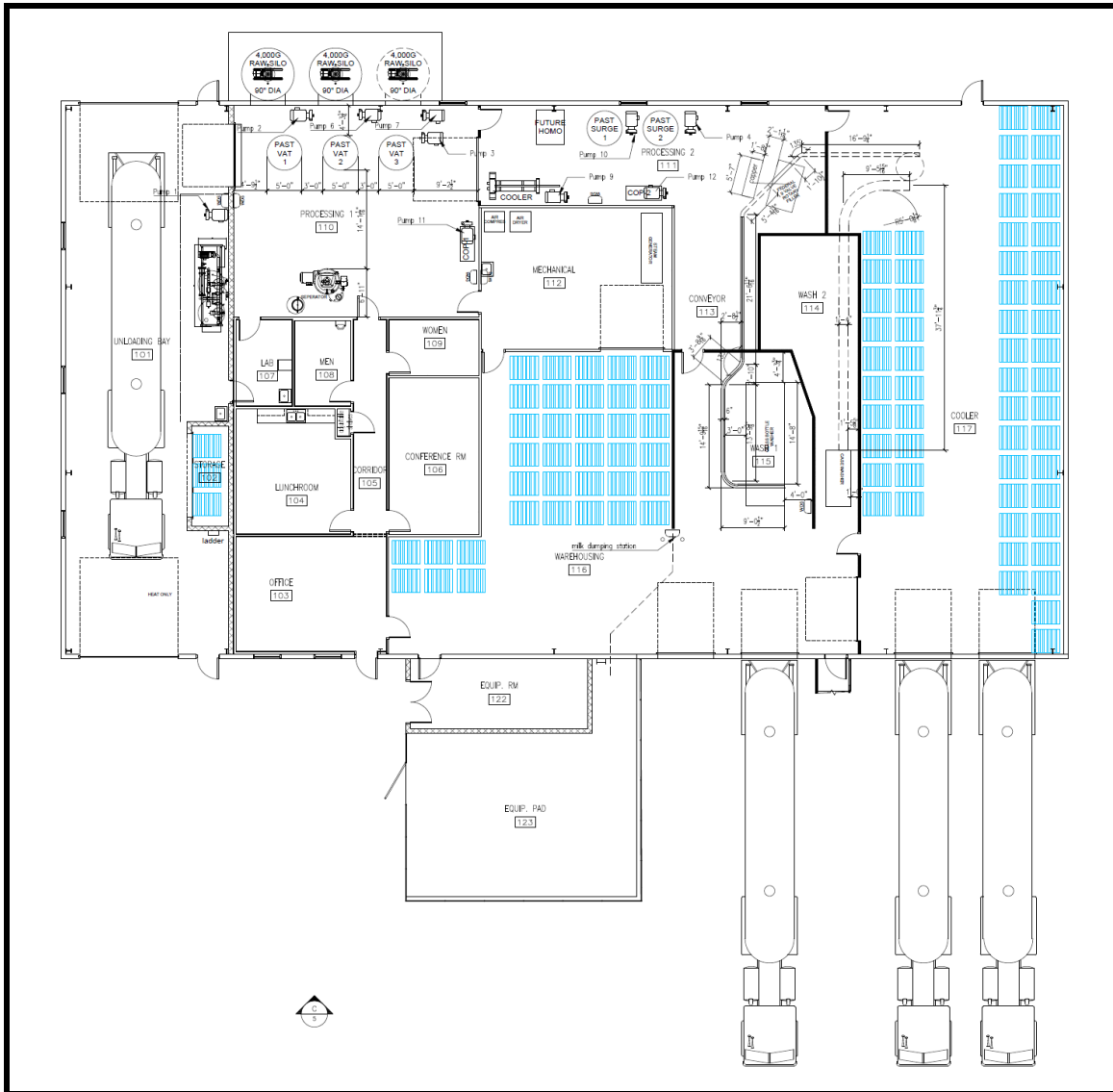
The facility receives raw milk and other ingredients. Its receiving capacity is currently 5,000 gallons of milk per day. It is currently receiving approximately 4,000 gallons per day and does not operate every day of the week.

The machinery and equipment include, but is not limited to, the following: receiving equipment, cooling plates, silos, CIP, separator, pasteurizer, homogenizer, blending equipment, fillers, casers, case washer, bottle washer, freezer, boiler, air compressors, conveyors, etc.

Site improvements include gravel parking areas and drives, some concrete sidewalks, minimal landscaping, signage, retention pond, and guard railing. Utilities include electric, telephone, and city water and sewer. It has been well-maintained and does not exhibit any deferred maintenance. Overall, the property is in good condition. That said the subject exhibits external/economic obsolescence which will be further discussed in the Cost Approach section of this report.

The subject's total site size is 2.9555 acres. The subject has a 10.9 land-to-building ratio which is within range of sales analyzed for this appraisal. Therefore, the subject was determined to not have any excess or surplus land.

Floor Plan



Assessment and Taxes

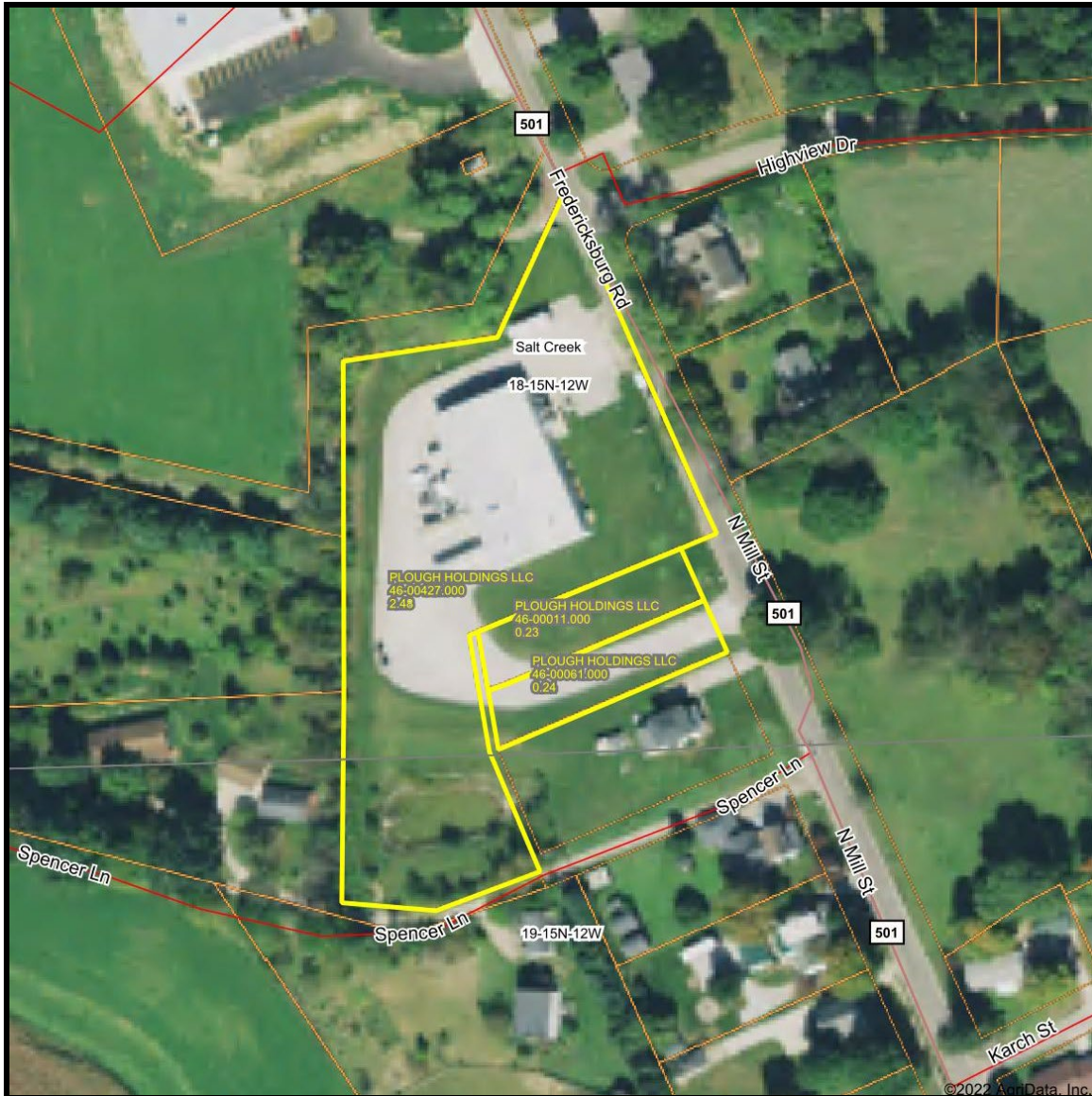
Taxing Authority Wayne County & Fredericksburg Village
Assessment Year 2022

Real Estate Assessment and Taxes					
Tax ID	Land	Improvements	Other	Total Assessment	Taxes
46-00011.000	\$2,740	\$0	\$0	\$2,740	\$148.74
46-00061.000	\$2,980	\$0	\$0	\$2,980	\$161.78
46-00427.000	\$58,840	\$198,220	\$0	\$257,060	\$14,099.32
Totals	\$64,560	\$198,220	\$0	\$262,780	\$14,409.84

Tax information for the subject property was obtained from the Wayne County Auditor's Office for the 2021 tax year, payable in 2022.

The table on the previous page is a summary of the subject property's real property tax information and tax assessment. As determined by Wayne County, the assessed values are based upon 35% of the appraised market value. Taxes paid in Wayne County are distributed to the subject's respective county, township, municipality, schools and other service providers. Overall, the subject's assessment and resultant tax liability appear to be typical of current policies and procedures.

Aerial Map



Zoning

The subject property is in the boundaries of the Fredericksburg Village in the Salt Creek Township in Wayne County. One out of the 16 townships in Wayne County, Chippewa Township, is regulated by zoning laws. Fredericksburg Village does not have residential zoning requirement. Commercial development must be approved by the Village and the County. The County requires four sets of drawings, inspections, and approvals prior to construction. Based upon a conversation with a representative from the Wayne County Building Department, the process is time-consuming although requirements are minimal.

Marketability

The subject is located in Ohio and is in close proximity to dairy farms. The facility is approximately five years old and has a functional design and layout for a dairy processing facility with adequate ceiling height, office employee wellness areas, and average product flow. The facility has a small processing capacity but there is room for expansion. Due to the large expenditure required to purchase the property, the buyer(s) would have to be financially strong in order to handle the capital outlay required to purchase with cash or service the debt. The typical buyer(s) would be a dairy company looking to expand and/or diversify their product offerings. There has been sales activity in the food processing and dairy processing industry. Therefore, in conclusion, given all the above attributes and consideration noted, the marketability of the subject is considered to be average.

Exposure Time & Marketing Time

Marketing Time (also marketing period) *is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.*

Based on the characteristics of the subject property, an appropriate marketing time for the subject property is estimated at nine to eighteen months. Exposure time is also estimated at nine to eighteen months. This is based on the expectation of the property being priced at no more than 10% above the estimate of fee simple market value concluded within this report.

Highest and Best Use

Highest and best use may be defined as: *The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.*¹

In the analysis of pertinent data, four criteria are applied in the following order to develop adequate support for the appraiser's highest and best use determination:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

These criteria are generally considered sequentially; however, the tests of legal permissibility and physical possibility can be applied in either order, but they both must be applied before the tests of financial feasibility and maximum productivity. These four tests are applied to each property both as vacant and as improved.

¹ Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), PDF e-book.

Highest and Best Use – as Vacant

The highest and best use of the land as though vacant must be considered in relation to its existing use and all potential uses. It builds on the area, neighborhood, and industry analyses and focuses on alternative uses, with the appraiser testing each reasonably probable use for legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Legally Permissible

The subject property is not subject to zoning laws; however, commercial development is required to get approval by the Village of Fredericksburg and Wayne County prior to construction. For residential use, no approval is required. Based on these considerations, the subject site could be legally developed to an array of residential and permitted commercial uses.

Physically Possible

There exist several items that must be considered so as to analyze the physical capabilities of the site. Such items of significance would include site size, topography, zoning, shape, frontage and depth. Based on its physical attributes, the subject could support an array of physically possible uses that would have functional utility. The property has adequate frontage, depth, accessibility, and is physically suited to a number of uses. The historical use of the subject's three parcels for residential use confirms, at minimum, the subject can physically support residential use. Based upon topography and location within the village, the subject site in comparison to other properties in the area, is not well suited for farming.

Financially Feasible

In order to estimate the financial feasibility, the ideal building(s) for the subject site must be considered. This building(s) should conform and be consistent with the uses in the neighborhood and be in sufficient demand so as to provide an adequate net return for the owner or investor. It has been determined that residential and/or commercial or industrial use structure(s) would both be logical as they are both physically possible and legally permissible. Based on the analysis of the immediate marketing area, the Village of Fredericksburg has a mix of uses with many residential, retail, and commercial buildings. It appears that there is currently stable to increasing demand for land and improved properties, based upon increasing values, the appeal of the Village, influence of the tourism industry on the economy, and a growing consumer demand for organic products produced in the market area.

Maximally Productive

The subject's physical characteristics, legally permissible uses, and proven financial feasibility are forces that are maximally productive. The highest and best use of the subject property, as if vacant, would be some type of residential and/or commercial/industrial uses.

Highest and Best Use – as Improved

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of existing improvements. The highest and best use of a property as improved may be continuation of the existing use, renovation or rehabilitation, expansion, adaptation, or conversion to another use, partial or total demolition, or some combination of these alternatives.

In order to conclude a highest and best use for the subject as improved, the previously described four tests are once again considered and reconciled.

Legally Permissible

Under the current requirements by Wayne County and the Village of Fredericksburg, the subject property is a legal and conforming use. The proposed use is consistent with the physical and economic characteristics of the downtown neighborhood where there are a mix of uses.

Physically Possible

The subject is improved with a dairy processing plant. The facility is only five years old and contributes significant value to the subject.

Financially Feasible

The subject's dairy processing facility is currently leased to an operator; however, the typical buyer for the subject would be an owner operator. No financial history or lease data was provided to the appraiser.

Maximally Productive

As mentioned, the subject's size, shape, access and visibility are conducive to some type of commercial or industrial development which typically have higher returns than residential uses. The existing improvements are legally permissible per the Village of Fredericksburg and Wayne County. They are functional and acceptable in the marketplace. Accordingly, it has been determined that the existing dairy processing facility would be the maximally productive use of the subject.

The appraiser assumes there are no environmental hazards, that all laws and regulations governing the facility are/will be in full compliance, and it would be sold as a going concern to achieve full value, along with all the Extraordinary Assumptions and Hypothetical Conditions outlined in this report.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ \hline = \text{Value} \end{array}$$

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and/or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was developed for the subject property. There is adequate data to develop a land value, the replacement cost new is verifiable, and the depreciation accrued can be reasonably measured. The Cost Approach is typically the most applicable for new or nearly new and/or special purpose and purpose-built properties.

A **sales comparison analysis** was considered and was developed. There was sufficient market data available. There have been transfers of dairy/food processing facilities throughout the United States.

An **income analysis** was considered but not developed. In addition, no financial statements were provided for the appraiser to analyze.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

- Estimate the land value according to its Highest and Best Use. I have used the Sales Comparison Approach; the process is as follows:

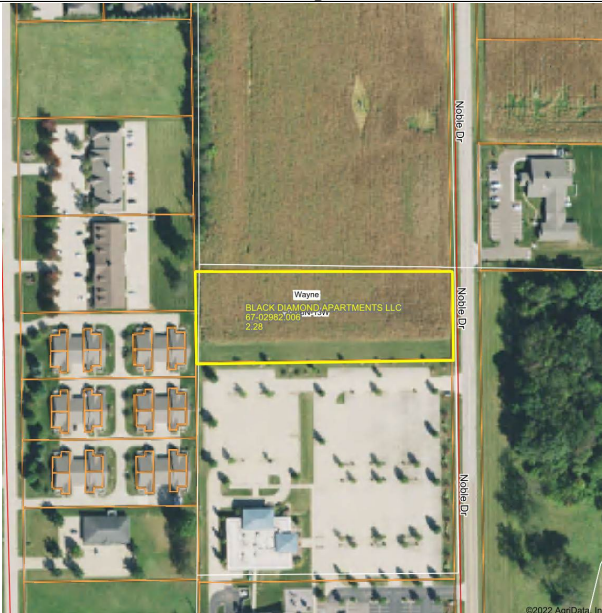
- Comparable sales, contracts for sale and current offerings are researched and documented.
- Each comparable is analyzed and adjusted to equate with the subject property.
- The value indication of each comparable is analyzed and the data reconciled for a land value indication.
- Estimate the replacement cost of the building and site improvements.
- Estimate the physical, functional and/or external depreciation accrued to the improvements.
- Sum the depreciated value of the improvements with the value of the land for an indication of value.

Land Valuation

The subject's market area includes similar sized vacant land properties located in Wayne County with similar uses/zoning. All sales used were verified, confirmed, and analyzed by the appraiser. Several transfers were unearthed. Of these transfers three were selected as the most comparable and were analyzed. These comparable sales all occurred in 2022 and range in size from 1.44 acres to 2.30 acres and are all zoned commercial or industrial.

The local market has been analyzed, and the most commonly quoted unit of comparison for similar properties has been identified as price-per-acre which is the unit of comparison that has been utilized in this analysis.

Land Comparable 1



Transaction

ID	2196	Date	6/21/2022
Address	Noble Drive	Price	\$110,000
City	Wooster	Price per Acre	\$47,930
State	OH	Financing	Cash
Tax ID	67-02982.006	Property Rights	Fee Simple
Grantor	Vaidya OH Holdings LLC	Days on Market	470
Grantee	Black Diamond Apartments LLC	Verification	Public Records, Costar
Legal Description	2263		

Site

Acres	2.30	Topography	Basically Level
Land SF	99,970	Zoning	I-1, Office/Light Industrial
Road Frontage	Average	Flood Zone	Not in flood zone
Shape	Rectangular	Encumbrance or	None known
Utilities	Public	Environmental Issues	None known

Sale Comments

The property is vacant land. It is zoned I-1, Office/Limited Industrial Districts by the city of Wooster.

Land Comparable 2



Transaction

ID	2197	Date	6/8/2022
Address	5195 Cleveland Road	Price	\$59,900
City	Wooster	Price per Acre	\$41,568
State	OH	Financing	Cash
Tax ID	53-01924.003	Property Rights	Fee Simple
Grantor	Wooster Investment	Days on Market	41
Grantee	Black Diamond Apartments LLC	Verification	Public Records, Costar
Legal Description	WD 2124		

Site

Acres	1.44	Topography	Basically Level
Land SF	62,770	Zoning	C-3, General Commercial
Road Frontage	Minimal	Flood Zone	Not in flood zone
Shape	Flag shaped	Encumbrance or	None known
Utilities	Public	Environmental Issues	None known

Sale Comments

The property is vacant land. It is a flag lot with very little road frontage. It is within the city limits of Wooster and is zoned C-3, General Commercial District

Land Comparable 3



Transaction

ID	2198	Date	3/8/2022
Address	State Route 39 & Belden	Price	\$107,500
City	Sugarcreek	Price per Acre	\$49,489
State	OH	Financing	Cash
Tax ID	58-01417-000, 58-01440-006	Property Rights	Fee Simple
Grantor	LTW Investments, LLC	Days on Market	444
Grantee	Royce O.W. LLC	Verification	Public Records, Costar
Legal Description	WD 1630/5500		

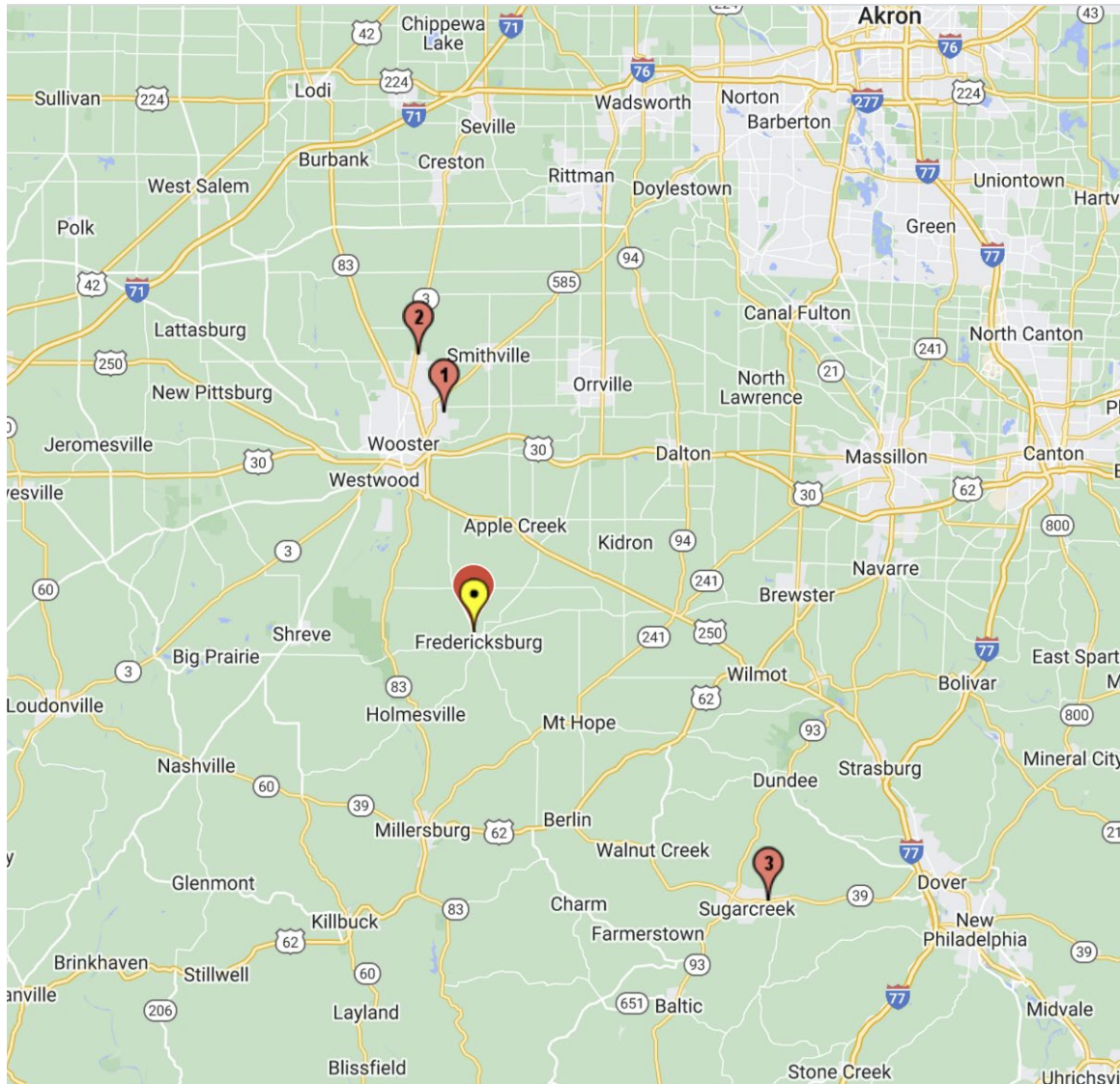
Site

Acres	2.17	Topography	Sloping
Land SF	94,621	Zoning	B2, Highway/General
Road Frontage	Average	Flood Zone	Not in flood zone
Shape	Irregular	Encumbrance or	None known
Utilities	Public	Environmental Issues	None known

Sale Comments

Property is located on the northwest corner of State Route 39 and Belten Parkway. It slopes downward from the road. It is zoned B2, Highway/General Business by Village of Sugarcreek.

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1		Comp 2		Comp 3	
Address	9552 Fredericksburg	Noble Drive		5195 Cleveland Road		State Route 39 &	
City	Fredericksburg	Wooster		Wooster		Sugarcreek	
State	OH	OH		OH		OH	
Date	7/28/2022	6/21/2022		6/8/2022		3/8/2022	
Price	--	\$110,000		\$59,900		\$107,500	
Acres	2.96	2.30		1.44		2.17	
Acre Unit Price	--	\$47,930		\$41,568		\$49,489	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Cash	0.0%	Cash	0.0%	Cash	0.0%
Conditions of Sale	Cash	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Acre Unit Price		\$47,930		\$41,568		\$49,489	
Market Trends Through 7/28/2022		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Acre Unit Price		\$47,930		\$41,568		\$49,489	
Location	Fredericksburg	Wooster		Wooster		Sugarcreek	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Acres	2.96	2.30		1.44		2.17	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Topography	Level to moderate sloping	Basically Level		Basically Level		Sloping	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Road Frontage	Average	Average		Minimal		Average	
% Adjustment		0%		10%		0%	
\$ Adjustment		\$0		\$4,157		\$0	
Utilities	AEP Ohio, Village of	Public		Public		Public	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Zoning	No formal zoning	I-1, Office/Light Industrial		C-3, General Commercial		B2, Highway/General Business	
% Adjustment		0%		-5%		-5%	
\$ Adjustment		\$0		-\$2,078		-\$2,474	
Adjusted Acre Unit Price		\$47,930		\$43,647		\$47,015	
Net Adjustments		0.0%		5.0%		-5.0%	
Gross Adjustments		0.0%		15.0%		5.0%	

Land Comparable Analysis

Property Rights

The property rights of all the comparables were similar to the subject; therefore, no adjustments were warranted.

Financing

The financing terms of the comparables were all considered to be conventional with no concessions, like the subject. Therefore, no adjustments were warranted.

Conditions of Sale

No adjustments were made to the comparables due to the similar enough conditions of sale.

Economic Trends

All comparables transferred with four months of the effective date of this appraisal. Therefore, no market conditions adjustment were warranted to account for the current stability in the marketplace.

Location

All comparables were deemed to have similar enough locations; therefore, no adjustments were made.

Site Size

All sales are within acceptable ranges and no adjustments were made for site sizes.

Topography

The topography of all comparables were deemed to be similar enough to the subject that no adjustments were warranted.

Road Frontage

The subject has average road frontage and access off Fredericksburg Road. Comps 1 and 3 have similar enough road frontage and access as the subject. Comp 2 is a flag-shaped parcel with minimal road frontage which is considered inferior; therefore, it was adjusted upward.

Utilities

The subject and all comparables have public utilities; therefore, no adjustments were necessary.

Zoning

The subject has no formal zoning, but currently has an approved industrial use. Comp 1 is zoned industrial; therefore, no adjustments were necessary. Comps 2 and 3 are zoned commercial which are considered to be superior; therefore, were adjusted downward.

Land Valuation Conclusion

The adjusted sales prices presented a tight range from \$43,647/acre to \$47,930/acre. All comparables have been given some consideration as each is relevant in many aspects and together, they are all indicative of market trends. However, Comp 1 is this most similar overall. The appraiser selected a value in the middle of the range. Based on the foregoing analysis, I have reconciled to a price per acre of \$45,000 x 2.96 acres which equates to \$132,998 **rounded to \$130,000.**

Cost Analysis

The next step in the Cost Approach is to estimate the replacement cost of the buildings and site improvements. The replacement costs utilized in this approach are based on a combination of actual cost data provided by the owners and cost information from Marshall Valuation Services, a nationally recognized provider of construction cost data. The appraiser also utilized cost estimates from recent similar assignments for comparison.

Costs included within the Marshall Valuation Services cost estimates include hard and soft costs of construction. These consist of:

- Average architect's and engineer's fees
- Normal interest on building funds during the period of construction plus the processing fee or service charges
- Sales tax on materials
- Normal site preparation
- Contractor's overhead and profit

Soft Costs, Engineering, Architectural, Permits and Legal

The soft costs, engineering, architectural, permit and legal costs are included in the cost-per-square-foot taken from Marshall & Swift Commercial Cost Guide, Section 14: Garages, Industrials, Lofts, and Warehouses. Site improvement costs were taken from costs provided by the owners.

Developer's Profit

This factor reflects the profit necessary for the developer to undertake the management, responsibility and risks of construction associated with the subject property. Current valuation theory states that the four components that create value are land, labor, capital, and coordination. Developer's profit, as used in the Cost Approach, reflects the coordination component of value. Typically, developer's profit runs 10% to 20%; however, projects such as the subject are typically built for a specific purpose to be owner operated. Facilities like the subject are not built for speculation or investment purposes; therefore, developer's profit is deemed to be not applicable to the subject.

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence, and external obsolescence. Depreciation may be curable or incurable, the test being that money spent

to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results in deterioration from aging and use. This type of depreciation may be curable or incurable.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable.

Depreciation Accrued to the Subject

Depreciation: Section 1 of 1				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	50	10%	\$196,873
Physical Depreciation: Site	5	20	25%	\$75,000
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			35%	\$689,055
Total Depreciation				\$960,928
Depreciated Value of Improvements				\$1,307,801

Depreciation Analysis

The economic age-life method has been used to determine the total depreciation of the subject facilities. The economic age-life method is defined by the 5th Edition of *The Dictionary of Real Estate Appraisal* as, “a method of estimating depreciation in which the ratio between the effective age of a building and its total economic life is applied to the current cost of the improvements to obtain a lump-sum deduction; also known as the age-life method.”

Effective age is defined as the age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. The effective age of the subject facilities has been determined through visual inspection and by comparing the subject to similar projects appraised by the appraiser. The actual age of the improvements is 5 years old which has also been determined to be the effective age of the subject improvements.

Economic life is defined as the period over which improvements to real property contribute to property value. The economic lives of the improvements have been determined by conversations with contractors and other appraisers and through the market extraction method as previously described. The total economic life for the

subject's improvements was determined to be 50 years. This is reflective of the mix of construction types included in the subject property.

The formula for this method is:

$(\text{Effective Age}/\text{Total Life}) \times \text{Total Replacement Cost New (RCN)} = \text{Depreciation}$

External Obsolescence

Economic obsolescence, also referred to as external obsolescence, is the loss in value resulting from influences external to the property itself. External conditions causing EO may be international, national, industry-based, or local in origin. Various external factors affect potential economic returns, thus having a direct impact on the market value of an asset or property.

To quantify EO, an appraiser must first investigate the existence of economic conditions that may reduce the value of a business and, hence, its assets. Then, the EO must be quantified in an objective manner. EO may exist in any industry or property where the following attributes are found:

- Reduced demand for the company's products
- Overcapacity in the industry
- Dislocation of raw material supplies
- Increasing cost of raw materials, labor, utilities, or transportation, while the selling price of the product remains fixed or increases at a much lower rate
- Government regulations that require capital expenditures to be made with little or no return on the new investment
- Environmental considerations that require capital expenditures to be made with little or no return on the new investment

EO is present when better economic opportunities exist for an investment. The economic principles of supply and demand, and competition drive the loss of value associated with EO. The dairy industry has been facing struggles. The COVID-19 pandemic created an initial spike in demand for dairy products in grocery stores, but ongoing response efforts have constrained sales to restaurants, schools, and other food service outlets. As a result, the domestic demand situation remains in a state of flux. There is still an oversupply of milk, cheese, nonfat dry powder, and other dairy products. Pockets of the industry and companies have maintained profitable levels, but these groups typically produce niche or specialty products, like FairLife, a2 milk, and flavored milks, and plant-based milk alternative beverages.

Dean Foods, formerly America's largest milk producer, filed for bankruptcy in November 2019. In January 2020, Borden Dairy filed bankruptcy. These two companies reportedly accounted for 13.5% of the fluid milk market in the United States. As a result, these events continue to have an impact on the value of dairy processing assets.

In addition, the appraiser has analyzed five sales of dairy processing facilities for depreciation and external/economic obsolescence. The table below summarizes the analysis. It is noted that it is difficult to separate functional and external obsolescence. The older facilities like Comps 2 and 3 may experience a higher degree of functional obsolescence.

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
GBA	33,000	52,475	65,001	41,042	38,977
RCN (\$/SF)	\$ 199.00	\$ 199.00	\$ 199.00	\$ 199.00	\$ 199.00
Total RCN	\$6,567,000	\$10,442,525	\$12,935,199	\$8,167,358	\$7,756,423
Building CV	\$3,800,000	\$ 1,575,000	\$ 835,000	\$5,300,000	\$3,250,000
Total Depreciation	\$2,767,000	\$ 8,867,525	\$12,100,199	\$2,867,358	\$4,506,423
Effective Age	12	35	40	7	20
Total Economic Life	55	55	55	55	55
Physical Depr \$	\$1,432,800	\$ 6,645,243	\$ 9,407,417	\$1,039,482	\$2,820,517
Physical Depr %	22%	64%	73%	13%	36%
Func/Ext Obs \$	\$1,334,200	\$ 2,222,282	\$ 2,692,782	\$1,827,876	\$1,685,906
Func/Ext Obs %	26%	59%	76%	26%	34%

Based on the state of the global dairy industry, the United States dairy industry, the oversupply of milk, the reduced/in-flux demand for dairy products, and the market extracted data, the appraiser has determined that external obsolescence does exist for the subject property. It was deemed that 35% external obsolescence was appropriate given all the factors discussed above.

Cost Approach Conclusion

The table on the following page presents the cost analysis of the subject.

Based on the analysis detailed on the following page, I have reconciled to a current “as is” Cost Approach value of **\$1,440,000**.

Marshall Valuation Service	
Cost Source: Marshall Valuation Service	
No. of Stories Multiplier: 1.000	Local Multiplier: 1.000
Height/Story Multiplier: 1.133	Current Cost Multiplier: 1.100
Perimeter Multiplier: 0.984	Combined Multipliers: 1.226

Building Improvements					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Processing Building	Sq. Ft.	\$136.00	11,804	1.226	\$1,968,728
Total Building Improvement Costs					\$1,968,728
Price per SF Gross Building Area					\$166.78

Site Improvements				
Item	Unit Type	Cost	Quantity	Total
Site Preparation & Improvements	Lump Sum	\$300,000	1	\$300,000
Total Site Improvement Costs				\$300,000
Subtotal: Building & Site Costs				\$2,268,728
Price per SF Gross Building Area				\$192.20

Soft Costs			
Item		Percent Type	Total
Engineering	0.0%	% Bld. & Site Cost	\$0
Architectural	0.0%	% of Building Cost	\$0
Permits & Legal			\$0
Leasing			\$0
Total Soft Costs			\$0
Insurable Value (Excludes Site Improvements, related Site Soft Costs and Developer's Profit)			\$1,968,728
Total Costs			
Subtotal: Building, Site & Soft Costs			\$2,268,728
Developer's Profit 0.0%			\$0
Total Cost			\$2,268,728
Price per SF Gross Building Area			\$192.20

Depreciation: Section 1 of 1				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	50	10%	\$196,873
Physical Depreciation: Site	5	20	25%	\$75,000
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			35%	\$689,055
Total Depreciation				\$960,928
Depreciated Value of Improvements				\$1,307,801
Cost Per Square Foot Gross Building Area				\$110.79

Additional Cost Sections	
Cost Section 2	\$0
Cost Section 3	\$0
Total Insurable Value (Excludes Site Improvements, related Costs & Dev. Profit)	\$1,968,728

Land Value	
Land Value	\$130,000
Other	\$0
Cost Approach Value Indication	\$1,437,801
Rounded	\$1,440,000
Price per SF Gross Building Area	\$121.99

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution, and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed, and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed, and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparables

I have researched and analyzed several transfers for this analysis. All have been researched through various sources, inspected, and verified by a party to the transaction. Some information is confidential in nature and has been retained in the appraiser's work file. The focus was on dairy processing facilities in the United States. A larger market area is typical for this type of property due to its special purpose nature. Several dairy processing facilities were unearthed during my research. Five comparables were selected to analyze in this approach to value. It is noted that Comp 5 is a confidential sale that was appraised by AgVisory. Therefore, the details of this sale were not disclosed in this report.

The best unit of comparison is the price-per-square foot of the building contributory value only.

The write-ups on the following pages summarize the comparables identified for this analysis.

Comparable 1



Transaction

ID	581	Date	5/29/2021
Address	522 Greenway Ct	Price	\$3,879,200
City	Reedsburg	Price Per SF	\$117.55
State	WI	Transaction Type	Closed Sale
County	Sauk	Financing	Conventional
Tax ID	276-2243-23000	Property Rights	Fee Simple
Grantor	Wisconsin Whey Protein	Days on Market	n/a
Grantee	Saputo Cheese USA Inc.	Verification	Public Records, Costar
Legal Description	1219194		

Site

Acres	6.8	Topography	Basically Level
Land SF	294,901	Zoning	I-4, Business Center
Road Frontage	Average	Flood Zone	Not in flood zone
Shape	Irregular	Encumbrance or	None Known
Utilities	Public	Environmental Issues	None Known
		Land Costs	\$79,200

Improvements

Source For SF Area	NA	Property Type	Processing
GBA	33,000	No. of Truck Doors	4
Year Built	2009	Ceiling Height	16'-50'
Renovations	None	Construction	Masonry & Steel
Quality	Good	Land to Building Ratio	8.9
Condition	Good	FFE Costs	NA

Sale Comments

The facility manufactures value-added ingredients such as goat whey, organic lactose and other dairy powders and it employs approximately 40 people. The transaction closed at the end of May and will enable Saputo to broaden and increase the value of its ingredients offering, enhancing its portfolio in the United States and internationally. It is in the city limits of Reedsburg. It was built in 2009.

Comparable 2

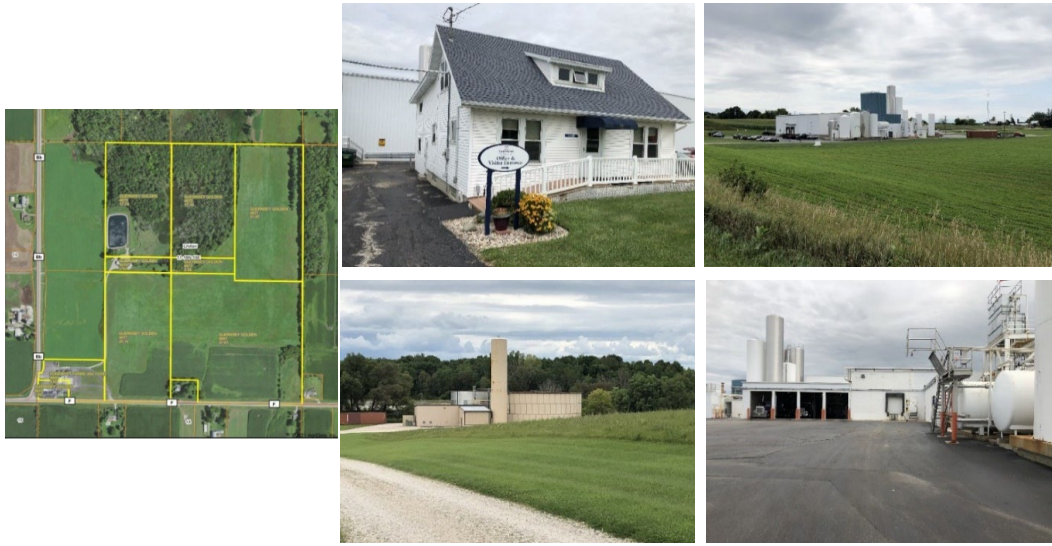


Transaction			
ID	582	Date	11/18/2020
Address	220 St. Paul Street	Price	\$3,000,000
City	Preston	Price Per SF	\$46.15
State	MN	Transaction Type	Closed Sale
County	Fillmore	Financing	Conventional
Tax ID	170144010, 170145000,	Property Rights	Fee Simple
Grantor	Foremost Farms USA,	Days on Market	n/a
Grantee	Preston Protein Products	Verification	Public Records, Costar,
Legal Description	1183523		
Site			
Acres	4.4	Topography	Basically Level
Land SF	189,486	Zoning	I-1, General Industrial
Road Frontage	Average	Flood Zone	Partially in flood Zone
Shape	Irregular	Encumbrance or	None Known
Utilities	Public	Environmental Issues	None Known
		Land Costs	\$40,000
Improvements			
Source For SF Area	NA	Property Type	Processing
GBA	65,001	No. of Truck Doors	8
Year Built	1940	Ceiling Height	Various
Renovations	Multiple	Construction	Masonry & Steel
Quality	Average	Land to Building Ratio	2.9
Condition	Fair	FFE Costs	\$2,125,000

Comments

Headquartered in Ballwin, Missouri, Diversified Ingredients provides quality products and services to the food ingredient, pet food, and feed industries. The new entity will be called Preston Protein Products and will be a joint venture between Diversified Ingredients and Johnson Farms, Inc. Lime Springs, Iowa. Built in 1924 with several additions, the Preston plant offers milk separation, condensing and drying services for organic dairy fluid and ingredient marketers. The plant building is a combination of construction types and materials. It has masonry (brick and block) and steel frame. The exterior is painted concrete block and brick. The roof is a combination of built up and metal. The floors in the processing, warehouse, and receiving areas are concrete, brick, and/or concrete with coating. The interior walls of the processing areas are glazed block or brick, painted block, concrete, and tile. The interior finishes of the office areas include painted drywall or paneling, acoustic drop tile ceilings, carpet, linoleum, and tile floors. Preston plant's receiving capacity is approximately 360,000 pounds of milk per day. The plant offers contract condensing and drying services for organic ingredient marketers. It acts as a balancing plant for Foremost Farms, it separates and condenses milk to support the cheese operations. The Blending Plant/Warehouse is no longer being used to custom blend powder; however, the equipment remains in place. It is currently used as warehouse for additional powder storage. The building has a painted concrete block exterior with wooden rafters and ceiling decking. The roof is flat, built up. It has a concrete floor. Interior finishes in the warehouse and blending areas include glazed block walls, painted block, and coated concrete floor. There is pallet racking in part of the warehouse.

Comparable 3



Transaction			
ID	583	Date	7/6/2021
Address	W3286 County Road F	Price	\$4,500,000
City	Chilton	Price Per SF	\$85.76
State	WI	Transaction Type	Closed Sale
County	Calumet	Financing	Conventional
Tax ID	008-4671, 008-4672, 008-	Property Rights	Fee Simple
Grantor	Foremost Farms USA,	Days on Market	n/a
Grantee	Tillamook Wisconsin LLC	Verification	Public Records, Buyer,
Legal Description	562100		
Site			
Acres	122.1	Topography	Level to sloping
Land SF	5,316,934	Zoning	GA, General Agriculture &
Road Frontage	Average	Flood Zone	Not in flood zone
Shape	Irregular	Encumbrance or	NA
Utilities	Private - Wells, Onsite	Environmental Issues	NA
		Land Costs	\$1,220,000
Improvements			
Source For SF Area	NA	Property Type	Processing
GBA	52,475	No. of Truck Doors	6
Year Built	Various	Ceiling Height	NA
Renovations	Several	Construction	Masonry & Steel
Quality	Average	Land to Building Ratio	101.3
Condition	Fair-to-Average	FFE Costs	\$1,705,000

Sale Comments

Foremost Farms closed the Chilton processing facility in Summer 2020. It could receive 550,000 pounds per day. The plant building is a combination of construction types and materials. It has masonry frame and steel frame. The exterior is painted concrete block, precast concrete, and metal. The roof is a combination of metal and rubber membrane. The floors in the processing, warehouse, and receiving areas are concrete, brick, and/or concrete with epoxy coating. The interior walls of the processing areas are glazed block, painted block, concrete, and tile. The office is a former dwelling converted to an office. It is a Cape Cod style dwelling with wood frame, vinyl siding, and asphalt shingle roof. The interior finishes of the office areas include painted drywall/plaster walls and ceilings, paneling, and carpet and tile floors. The wastewater treatment building is a steel frame building with metal exterior and roof and a concrete floor. It produces Italian cheeses including mozzarella and provolone. It also has a smoke pit for smoked cheeses. The plant condenses whey protein concentrate, permeate, and skim milk which is shipped out in bulk to other Foremost plants or sold to other processors. The buyer purchased for expansion into the eastern US.

Comparable 4



Transaction			
ID	1716	Date	8/9/2021
Address	103 McLeod St	Price	\$3,250,000
City	Yerlington	Price Per SF	\$92.33
State	NV	Transaction Type	Listing
County	Lyon	Financing	Conventional
Tax ID	001-541-08	Property Rights	Fee Simple
Grantor	The Bankruptcy Estate of	Days on Market	unknown
Grantee	Peri & Peri LLC	Verification	Public Records, Costar
Legal Description	NA		
Site			
Acres	10.2	Topography	Basically Level
Land SF	445,183	Zoning	Heavy Industrial
Road Frontage	Average	Flood Zone	Not in flood zone
Shape	Irregular	Encumbrance or	None Known
Utilities	Public	Environmental Issues	None Known
		Land Costs	NA
Improvements			
Source For SF Area	NA	Property Type	Processing
GBA	35,200	No. of Truck Doors	6
Year Built	2007	Ceiling Height	14'-20'
Renovations	2019	Construction	Masonry & Steel
Quality	Average	Land to Building Ratio	12.6
Condition	Good	FFE Costs	NA

Sale Comments

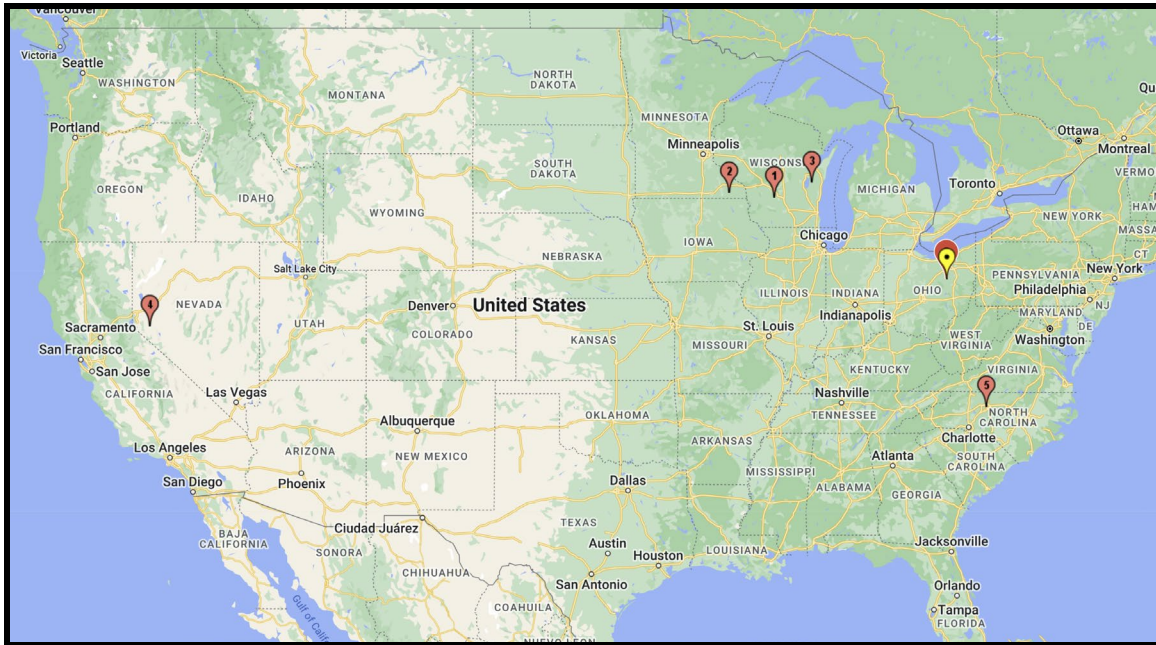
The facility was originally a dairy processing plant that had been vacant. It was built in 2008. ExtracTech purchased the facility in 2019 and converted into a hemp processing plant. The facility has a processing areas, laboratory, boiler room, shop, refrigeration room, computer room, and break room. The current buyer purchased the property out of bankruptcy. The document number for the bankruptcy deed is 642449 dated 8/9/2021.

Comparable 5

Transaction			
ID	1986	Date	2021
Address	Confidential	Price	\$15,500,000
City	Confidential	Price Per SF	\$161.76
State	Confidential	Transaction Type	Closed Sale
County	Confidential	Financing	Conventional
Tax ID	Confidential	Property Rights	Fee Simple
Grantor	Confidential	Days on Market	n/a
Grantee	Confidential	Verification	Public Records, Buyer,
Legal Description	Confidential		
Site			
Acres	11.1	Topography	Basically Level
Land SF	484,387	Zoning	Confidential
Road Frontage	Average	Flood Zone	Not in Flood Zone
Shape	Irregular	Encumbrance or	None known
Utilities	Public	Environmental Issues	None known
		Land Costs	\$610,000
Improvements			
Source For SF Area	Sellers	Property Type	Processing
GBA	95,820	No. of Truck Doors	25
Year Built	1946	Ceiling Height	12'-28'
Renovations	Multiple	Construction	Masonry & Steel
Quality	Average	Land to Building Ratio	5.1
Condition	Average	FFE Costs	\$7,365,000
Comments			

Confidential sale. Appraised by AgVisory. Details in workfile.

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	
Address	9522 Fredericksburg	522 Greenway Ct	220 St. Paul Street	W3286 County Road F	103 McLeod St	Confidential	
City	Fredericksburg	Reedsburg	Preston	Chilton	Yerlington	Confidential	
State	OH	WI	MN	WI	NV	Confidential	
Date	7/28/2022	5/29/2021	11/18/2020	7/6/2021	8/9/2021	Confidential	
Price	--	\$3,879,200	\$3,000,000	\$4,500,000	\$3,250,000	\$15,500,000	
Price Adjustment FF&E	--	\$0	-\$2,125,000	\$0	\$0	-\$7,365,000	
Adjusted Price	--	\$3,879,200	\$875,000	\$4,500,000	\$3,250,000	\$8,135,000	
GBA	11,804	33,000	65,001	52,475	35,200	95,820	
Price Per SF	--	\$117.55	\$13.46	\$85.76	\$92.33	\$84.90	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Cash	Normal	0.0%	Motivated Seller	20.0%	Motivated Seller	20.0%
Bankruptcy					20.0%	Bankruptcy	20.0%
Normal						Normal	0.0%
Adjusted Price/SF		\$117.55	\$16.15	\$102.91	\$110.80	\$84.90	
Market Trends Through	7/28/2022	0.0%	0.0%	0.0%	0.0%	0.0%	
Adjusted Price/SF		\$117.55	\$16.15	\$102.91	\$110.80	\$84.90	
Location Comparison	Fredericksburg, OH	Reedsburg, WI	Preston, MN	Chilton, WI	Yerlington, NV	Confidential	
		Superior	Similar	Similar	Similar	Superior	
Acres Comparison	2.96	6.77	4.35	122.06	10.22	11.12	
		See LTB	See LTB	See LTB	See LTB	See LTB	
GBA Comparison	11,804	33,000	65,001	52,475	35,200	95,820	
		Larger	Larger	Larger	Larger	Larger	
Land to Building Ratio Comparison	10.9	8.9	2.9	101.3	12.6	5.1	
		Similar	Smaller Inferior	Larger Superior	Similar	Smaller Inferior	
Year Built Comparison	2017	2009	1940	Various	2007	1946	
		See Condition	See Condition	See Condition	See Condition	See Condition	
Condition Comparison	Good	Good	Fair	Fair-to-Average	Good	Average	
		Similar	Inferior	Inferior	Similar	Inferior	
Utilities Comparison	Public	Public	Public	Private - Wells, Onsite WWT	Public	Public	
		Similar	Similar	Inferior	Similar	Similar	
Zoning Comparison	No formal zoning	I-4, Business Center	I-1, General Industrial	GA, General Agriculture &	Heavy Industrial	Commercial	
		Similar	Similar	Inferior	Similar	Similar	
Price/SF		\$117.55	\$16.15	\$102.91	\$110.80	\$84.90	
Overall Comparison Ranking		Slightly Superior	Inferior	Inferior	Similar	Inferior	
		Less than \$117.55	More than \$16.15	More than \$102.91	Similar to \$110.80	More than \$84.90	

Comparable Sale Adjustments

The comparables selected are all recent sales of dairy processing facilities in the subject's extended market area. Each was adjusted up or down to account for different features. The unit of comparison used in the analysis grid is the price per square foot of gross building area. Any contributory value of the FF&E that transferred were subtracted from the gross sale price.

Property Rights

All the comparables were deemed to have similar property rights; therefore, no adjustments were necessary.

Financing

All the comparables were deemed to have similar enough financing terms; therefore, no adjustments were necessary.

Conditions of Sale

Comps 1 and 5 were deemed to have similar conditions of sale; therefore, no adjustments were required. Sale 4 was a bankruptcy sale and Sales 2 and 3 were sold by motivated sellers; therefore, upward conditions of sale adjustment were warranted.

Market Conditions

No adjustments for market conditions were made; however, the age of these sales was taken into consideration in the reconciliation.

Location

The subject is located in Fredericksburg, Ohio which is a rural location. Comps 2, 3, and 4 were deemed to be in similar enough locations. Comps 1 and 5 were deemed to be located in superior areas that have a more urban influence, higher populations, and higher land values.

GBA

Typically, an investor will pay more per unit for a smaller building. Comps 2 and 4 were the closest in size to the subject; however, all comparables were larger and deemed to be inferior.

Land-to-Building Ratio

Typically, an investor will pay more for a larger LTB area because there is additional land for potential expansion. Comps 1 and 4 had similar enough LTBs. Comps 2 and 5 had smaller LTBs which were deemed inferior. Conversely, Comp 3 had a large LTB which was considered superior.

Utilities

The subject has public utilities. All comparables, except Comparable 3, have similar public utilities; therefore, no adjustments were warranted. Comparable 3 lacks public utilities; therefore, was deemed inferior.

Condition

The subject is in good condition. Comps 1 and 4 were deemed to be in similar condition. Comps 2, 3, and 5 are considered inferior in condition.

Zoning

The subject is in an approved industrial use. All comparables, except Comparable 3, are similarly zoned industrial. Comparable 3 has General Agricultural zoning; therefore, it was deemed inferior.

Sales Comparison Approach Conclusion

The adjusted values of the comparable properties range from \$16.15/sf to \$117.55/sf. Comps 1 and 4 were deemed to be the most similar overall and were given the most weight. Therefore, a number at the upper end of the range was selected to take into account the subject's location, smaller GBA, and condition. Based on an analysis of the comparable sales, with consideration given to all of the factors, it is the appraiser's opinion that the "as is" market value of the subject's building improvements is \$115.00/sf, as of July 28, 2022. The value of the improvements is calculated as follows \$115.00/sf x 11,804 SF which equates to **\$1,357,460, rounded to \$1,360,000.**

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied and the significance of each approach, as it relates to market behavior and defensibility of each approach, are considered and weighed.

In this appraisal, three approaches to value were applied. Each approach has been considered separately and comparatively with each other.

Cost Approach:	\$1,440,000
Sales Approach:	\$1,360,000
Income Approach:	Considered

Because appraising is not a science wherein property differences may be precisely measured, it would be unusual for the value estimated by all approaches to be exactly the same. Each approach implements tools to analyze the market data into an estimate of value and normally indicates a range of values to be reconciled into a final value estimate. The different methods of value estimation reveal both the strengths and weaknesses involved in the analyses and the imperfections in the market and the data used for each. Reconciliation involves a review of the reliability of the data used in each approach to the type of property being appraised and the relative applicability of the approach in the light of the definition of value sought.

The subject of this appraisal is a dairy processing plant. It is located in Fredericksburg, OH. The location is centralized with respect to the area it is to serve. The site and improvements are typical for such an operation.

The investigation of market value for the subject property in this report employed the Cost Approach and the Sales Comparison Approach. The adequacy and reliability of the information and the analysis contained in the approaches has been reviewed and judged for this appraisal. The appraiser found that each approach has merit as it pertains to the subject property and contributes substantially to the final value estimate.

In the Cost Approach, the subject was valued as separate components of land and building. The land sales used offered a fair indication of land value after adjustments. The replacement cost new was based on information supplied by local building contractors and the Marshall Valuation Service, a nationally recognized cost index. The selected square foot costs were therefore considered correctly estimated. The amount of depreciation, however, is a subjective judgment based on the appraiser's observation. Oftentimes, the Cost Approach sets the upper limit in the range of values. The subject is only five years old and a special purpose facility; therefore, some weight was placed on it in the reconciliation.

The Sales Comparison Approach involves a comparative analysis of the important attributes of the sale properties to those of the subject under the general divisions, location, physical characteristics, and conditions of sale, economic trends, and the change

in the market over time. Consideration of the dissimilarities in terms of their probable effect upon the sales price of the subject gives an indication of market value. It is the best reflection of the motivation of buyers and sellers in the marketplace and given some weight.

In addition, the Income Analysis section of this report supports the reconciled value of this property.

Accordingly, it is my opinion that the *current “as is” market value for the unencumbered fee simple interest of the subject property* as of the effective date July 28, 2022 is:

One Million Four Hundred Thousand Dollars

(\$1,400,000)

Machinery and Equipment Valuation

The purpose of this valuation is to provide the fair market value – installed of the assets. The following definition of value was taken from the Fourth Edition of “*Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets*” by the American Society of Appraisers (ASA).

Fair Market Value – Installed is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, considering market conditions for the asset being valued, independent of earnings generated by the business in which the property is or will be installed, as of a specific date.

The premise reflects the value of an installed asset, based on market conditions for the particular asset being valued, as of a specific date. It assumes that the asset or assets is capable of being used as designed at its current location. Therefore, the market value includes the depreciated value associated with all normal direct and indirect costs, such as installation and other costs, to make the asset or assets fully operational. The installed analysis is based on the premises of the principle of substitution in which a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility. There are many factors that play a role in how much a buyer is willing to pay for assets which may include:

- Existing market share
- Barriers to entry for a market/industry
- Competition
- Profitability
- Supply of raw materials and/or supplier base
- Demand for products produced
- Location of facility
- Brand recognition or trade names
- Existing customer base
- Market and industry trends – including consumer trends

The machinery and equipment valuation includes milk processing and packaging equipment for the specific purpose of processing raw milk into bottled milk products. In addition, there is other beverage mixing, holding, and packaging equipment. It also includes all associated support equipment, installations, and other related equipment. It is noted that this valuation does not include refrigeration equipment associated with the coolers/freezers as this is considered to be part of the real estate and was valued as such previously in this appraisal. The rolling stock was also not included in this valuation. The condition of the assets is deemed to be overall average. They have been well-maintained and/or was rebuilt over the life of the plant.

Valuation Methodology

There are three approaches used in the determination of value: Cost Approach, Sales Comparison Approach, and the Income Approach. These approaches are briefly described below.

Cost Approach is a set of procedures where an appraiser estimates a value indication by determining the current replacement or reproduction cost new of the assets being appraised and then deducting all forms of depreciation including physical deterioration, functional obsolescence, and external or economic obsolescence.

Sales Comparison Approach is a set of procedures where an appraiser estimates a value indication by comparing assets being appraised with similar assets that have been recently sold and adjusting sales prices based on appropriate elements of comparison.

Income Approach is a set of procedures where an appraiser estimates a value indication of assets by converting the anticipated income producing capacity into a present value. There are two methodologies to convert income into value: direct capitalization and discounted cash flow analysis.

Scope of Work

AgVisory inspected the machinery and equipment on July 28, 2022, with the plant engineer. Descriptive information about the assets was provided. AgVisory collected and analyzed the information and developed the approaches to value deemed the most appropriate for the purpose and intended use of this assignment.

Consideration is given to each of the asset's contributions, or the contribution of the assets as a whole, based on the production capacity of the plant. The facility can receive and process 5,000 gallons of raw milk per day.

AgVisory conducted market research to identify sales of comparable assets. Based on the installed nature of the machinery and equipment located at the subject facility, there is limited market data or published data available. This is because most sales of similar facilities either involve transactions where the entire business or enterprise has sold as a whole or there is a liquidation auction, and the assets are sold and removed from the facility.

Therefore, the Cost Approach was the primary approach to value used valuing the subject's personal property assets. Installed appraisals require a significant amount of judgement by the appraiser which is subjective and based on experience in the industry. The appraiser uses current cost information from manufacturers and similar projects appraised to support replacement cost new and used equipment sales and auction results to support depreciation and obsolescence. AgVisory maintains a database of costs and sales information used to provide additional support.

AgVisory has relied upon the depreciation/asset list provided by Plough Holdings. The appraiser makes the extraordinary assumption that the information provided is an accurate representation of the current assets and their associated costs. It is noted that extraordinary assumptions may affect value. While a significant sample of the assets have been verified, the appraiser is not responsible if there are errors and/or omissions in the list provided by the owners. The full list is maintained in the appraiser's workfile.

In some instances, the assets included in this appraisal were not in operation during the inspection. The appraiser has made the assumption that all equipment is in working order unless otherwise indicated in this report.

AgVisory has considered a number of factors in the valuation of the assets. The appraiser has conducted industry research to support the analysis of the marketability and potential value of the subject assets. Every effort has been made to estimate value conclusions that are supportable and reflective of current market conditions.

The market for food processing and packaging equipment is average to good. In recent years, there has been a lot of merger and acquisition activity in the industry as well as private equity investment. As previously discussed, the market for convenience food products like those produced at the subject is currently strong. Supply chain issues and increasing cost of new equipment has positively impacted the used equipment market. In conclusion, the market for used food processing and packaging equipment has been stable to increasing in salability and value in recent years.

There have been two recent operating fluid milk processing plants that have transferred in the past twelve months.. Details on both transactions are confidential due to AgVisory's involvement in those assignments. These transactions support the FMV-Installed reconciled value of the subject's machinery and equipment.

- Transfer 1 the purchase price allocation for the installed equipment was \$7,365,000 and the raw receiving capacity for that facility was 230,000 gallons per day.
- Transfer 2 the purchase price allocation for the installed equipment was \$6,500,000 and the raw receiving capacity for the facility was 260,000 gallons per day.

The tables that summarize the valuation of the machinery and equipment are located on the following pages.

Value Conclusion for Machinery & Equipment

The current 'as is' Fair Market Value – Installed of the machinery and equipment located at the Plough Holdings facility in Fredericksburg, Ohio site as of October 6, 2022, is:

**Nine Hundred Twenty Thousand Dollars
(\$920,000)**

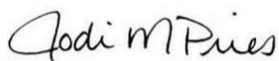
Plough Holdings M&E Valuation				
Description	Date in Service	Cost	FMV - Installed	
(2) Each new BCast Stainless Products 4,000 gallon vertical all stainless steel refrigerated milk storage silos.	5/1/2018	\$ 77,800	\$	50,000
(1) Each reconditioned Klenzaid drop-in tanker spray washer	5/1/2018	\$ 1,350	\$	900
(1) Each reconditioned 3A in-line milk receiving strainer	5/1/2018	\$ 425	\$	250
(1) Each new HEC fabricated modular skidded 2 tank CIP system to provide proper dedicated CIP cleaning and sanitizing of both raw and pasteurized processed in plants.	5/1/2018	\$ 92,628	\$	60,000
(1) Each new HEC fabricated all type 304L stainless steel filled bottle accumulation table for manual	5/1/2018	\$ 1,725	\$	1,000
Separator	5/1/2018	\$ 19,825	\$	13,000
Bottle Filler	5/1/2018	\$ 10,905	\$	7,000
Cream Tank	5/1/2018	\$ 2,650	\$	1,800
(1) Lot of new Topline 3A sanitary all stainless steel centrifugal process pumps,	5/1/2018	\$ 16,819	\$	10,000
(2) Each new BCast Stainless Products 1,000 gallon jacketed pasteurizing vats	5/1/2018	\$ 52,000	\$	35,000
(1) 800 gallon Pasteurizing vat	5/1/2018	\$ 22,240	\$	15,000
(1) Each new AGC 50 GPM milk cooler,	5/1/2018	\$ 19,562	\$	13,000
1 Reconditioned 9 lane glass bottle washer, currently set up as (6) 1/2 gallon lanes and (3) 1 gallon lanes.	5/1/2018	\$ 35,750	\$	20,000
2 Each new BCast Stainless Products 1,000 gallon jacketed pasteurized surge tanks.	5/1/2018	\$ 48,400	\$	30,000
1 Lot of new Topline 3A sanitary all stainless steel piston style air valves	5/1/2018	\$ 23,894	\$	15,000
(2) 8' COP parts cleaning tank	5/1/2018	\$ 18,800	\$	12,000
(1) Each reconditioned stainless steel dairy case washer, for washing and sanitizing milk crates	5/1/2018	\$ 7,350	\$	4,000
Automation Package including installation PANELS:CIP #2, Receiving Area Panel #1, Raw Process Room Panel #3, Pastuerized Process Panel #4, Pastuerized Process Room #4, Motor Control Panel #5, Remote Instrumentation Package. Process Steam Package, W/Commissioning Service	5/1/2018	\$ 174,888	\$	100,000
(1) Lot of sanitary piping installation materials to complete sanitary piping installation, including all new type 304L sanitary polished stainless steel tubing, fittings, clamps, hangers, hanger base materials, sanitary check valves, sanitary air eliminators, air blow assemblies, (2) 6x1 CIP flow panels-pre drilled for proximity switches. 1) Lot of sanitary piping installation labor, including all travel expenses, field labor, expendables, argon gas and all other related expenses to complete sanitary piping installation	5/1/2018	\$ 131,847	\$	50,000
(3) Each new diaphragm style pneumatic chemical supply pumps and interconnected poly lines to CIP skid.	5/1/2018	\$ 1,305	\$	750
(5) Each new BCast Stainless Products #D10FLV-2.0", 2" manual leak detect outlet plug valves for the vat pasteurizers.	5/1/2018	\$ 6,975	\$	3,500
6) Each new SUPER KLEAN wall mounted hot water mixing operator hose stations.	5/1/2018	\$ 7,368	\$	3,500
Flow meter	5/1/2018	\$ 2,432	\$	1,500
Chemical equipment	5/1/2018	\$ 1,207	\$	750
Cat walks	5/1/2018	\$ 11,850	\$	8,000

Plough Holdings M&E Valuation				
Description	Date in Service	Cost	FMV - Installed	
Cream pumps	5/1/2018	\$ 3,974	\$	2,500
(2) Each #32RFFDAE32TC32TCSS-180", 3A FDA USDA sanitary hose assemblies for unloading milk and CIP return duties.	5/1/2018	\$ 1,110	\$	500
(8) Each #8-32, 2" hose doughnuts, two piece bolted assemblies to keep sanitary hoses off of floor and protect them from damage and soiling. Yellow-Gold color vinyl coated.	5/1/2018	\$ 752	\$	350
(1) Each Ink Jet Printer for date coding of filled bottles	5/1/2018	\$ 15,000	\$	7,500
(1) Each IDEXX Lab testing equipment for testing of raw milk	5/1/2018	\$ 2,532	\$	1,500
(20) Each stainless steel case carts	5/1/2018	\$ 1,827	\$	1,000
(1) Lot of conveyors per specifications on drawing	5/1/2018	\$ 35,878	\$	20,000
Lab Refrigerator	5/1/2018	\$ 200	\$	50
(1) Each Stanpac bottle capper	5/1/2018	\$ 25,000	\$	15,000
1 100 hp Boiler``	5/1/2018	\$ 149,635	\$	100,000
1 Jib Crane for Separator	5/1/2018	\$ 2,456	\$	1,500
1 Air Compressor with Filter	5/1/2018	\$ 2,018	\$	1,200
Air Dryer	5/1/2018	\$ 1,457	\$	800
2 Crown Pallet Jacks	5/1/2018	\$ 4,588	\$	3,000
Process chiller	5/1/2018	\$ 163,435	\$	100,000
Large chiller	5/1/2018	\$ 94,375	\$	60,000
Small chiller	5/1/2018	\$ 27,340	\$	18,000
Cooling tower	5/1/2018	\$ 42,500	\$	25,000
Bottle Filler	4/17/2020	\$ 35,222	\$	25,000
Homogenizer	5/15/2020	\$ 80,640	\$	65,000
Scanner Guns	5/6/2020	\$ 21,939	\$	15,000
Totals		\$ 1,501,873	\$	918,850
		FMV - Installed (Rounded)	\$	920,000

Certification Statement

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- 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.
- The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.
- The appraiser/appraisal company have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- The appraiser/appraisal company have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP 2020-2021).
- No one provided significant professional assistance in the development of the conclusions contained in this report.
- Jodi Pries inspected the subject on October 6, 2022.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has made an inspection of the subject of this report.
- As of the date of this report, Jodi M. Pries has completed the continuing education program for Designated Members of the Appraisal Institute.



Jodi M. Pries, MAI

Professional Qualifications

Jodi M. Pries, MAI

President

Certified General Appraiser

- Office Address: P.O. Box 177, Nassau, DE 19969
- Phone: 302.270.5165
- Web: www.agvisory.com
- E-mail: Jodi.Pries@agvisory.com
- Service Area: Nationwide

EDUCATION

- B. S. of Agricultural Business & Economics, Auburn University, December 2000
- M.B.A., Wilmington University, May 2008
- M.S. of Real Estate, Johns Hopkins University, May 2012

- Appraisal Education:
 - Licensing Education
 - A-25, Eminent Domain, ASFMRA 5/02
 - Appraisal Review (731); Appraisal Institute 6/05
 - Greenbelts/Transferable Development Rights; Appraisal Institute 11/05
 - Appraising Agricultural Land in Transition; ASFMRA 5/07
 - Valuation of Conservation Easements Certificate Program; ASA/ASFRMA/Appraisal Institute: 2/08
 - General Appraiser Income Approach/Part 1; Appraisal Institute – 4/14
 - General Appraiser Income Approach/Part 2; Appraisal Institute – 7/14
 - ME 201 – Intro to M&E Valuation; American Society of Appraisers – 10/15
 - ME 202 – M&E Valuation Methodology; American Society of Appraisers – 11/15
 - ME 203 – M&E Advanced Topics and Case Studies; American Society of Appraisers – 1/16
 - ME 204 – M&E Valuation Advanced Topics and Report Writing; American Society of Appraisers – 3/16
 - BV 201 – Intro to Business Valuation, Market Approach; American Society of Appraisers – 8/17
 - BV 202 – Intro to Business Valuation, Income Approach; American Society of Appraisers – 10/17
 - Continuing Education from AI and others for licensing requirements.
 - USPAP, 7-hour update
 - DE Laws & Regulations for Appraisers
 - Review Theory – General; Appraisal Institute – 10/20
 - ASFRMA Ethics; ASFMRA – 9/21
 - Inconsistency in Plain Sight – 9/22
 - Scope of Work – 10/22

PROFESSIONAL AFFILIATIONS

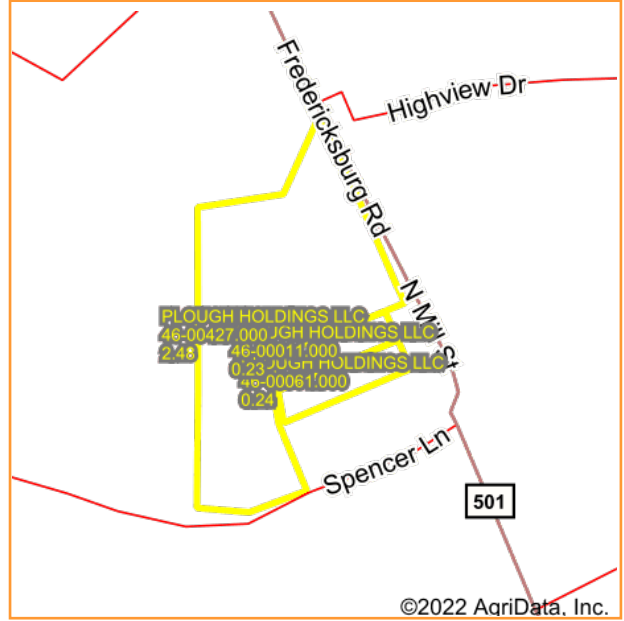
- State of Delaware, Certified General Real Property Appraiser License #X1-0000395 exp. 10/31/2023
- State of Maryland, Certified General Real Property Appraiser License, #04-27864 exp. 4/17/2023
- State of Virginia, Certified General Real Property Appraiser License, #4001018051 exp. 10/31/2022
- State of Pennsylvania, Certified General Appraiser, License # GA004614, exp. 06/30/2023
- Appraisal Institute: Designated Member (MAI)
- ASFMRA: Associate Member
- ASA: Candidate Member – M&E
- State of Oregon, Real Estate Broker License, License # 200270812, exp. 5/31/2022

EXPERIENCE

- 2012 – Present: President/ & Owner, AgVisory LLC
- 2018 – 2022: Managing Member, AgValuation LLC
- 2010 – 2012: Commercial Staff Appraiser, The Trice Group
- 2001 – 2009: Principal Appraisal, MidAtlantic Farm Credit, ACA

ADDENDA

Parcel Data Map



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Date: 10/21/2022

State: Ohio

County: Wayne

Legal: 18-15N-12W



Maps Provided By

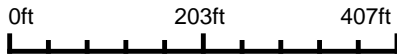


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Map Center: 40° 40.9365', -81° 52.4829'

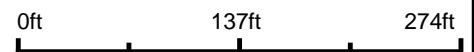


parcel_id	owner	acreage_deeded	sale_price	county_name	addr_number	addr_street_name
46-00427.000	PLOUGH HOLDINGS LLC	2.4860	0.00	Wayne	9552	FREDERICKSBURG
46-00011.000	PLOUGH HOLDINGS LLC	0.2250	136392.00	Wayne	594	MILL
46-00061.000	PLOUGH HOLDINGS LLC	0.2445	136392.00	Wayne	584	MILL

Aerial Map



Map Center: 40° 40.9365', -81° 52.4829'



18-15N-12W
Wayne County
Ohio



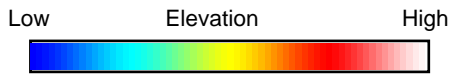
10/21/2022

Maps Provided By:
**surety**
CUSTOMIZED ONLINE MAPPING
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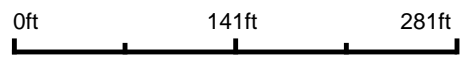
Topography Hillshade



©2022 AgriData, Inc.



Source: USGS 3 meter dem
 Interval(ft): 2
 Min: 1,020.1
 Max: 1,069.8
 Range: 49.7
 Average: 1,050.3
 Standard Deviation: 12.57 ft

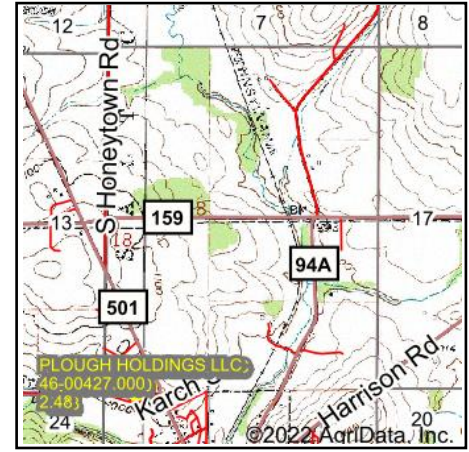
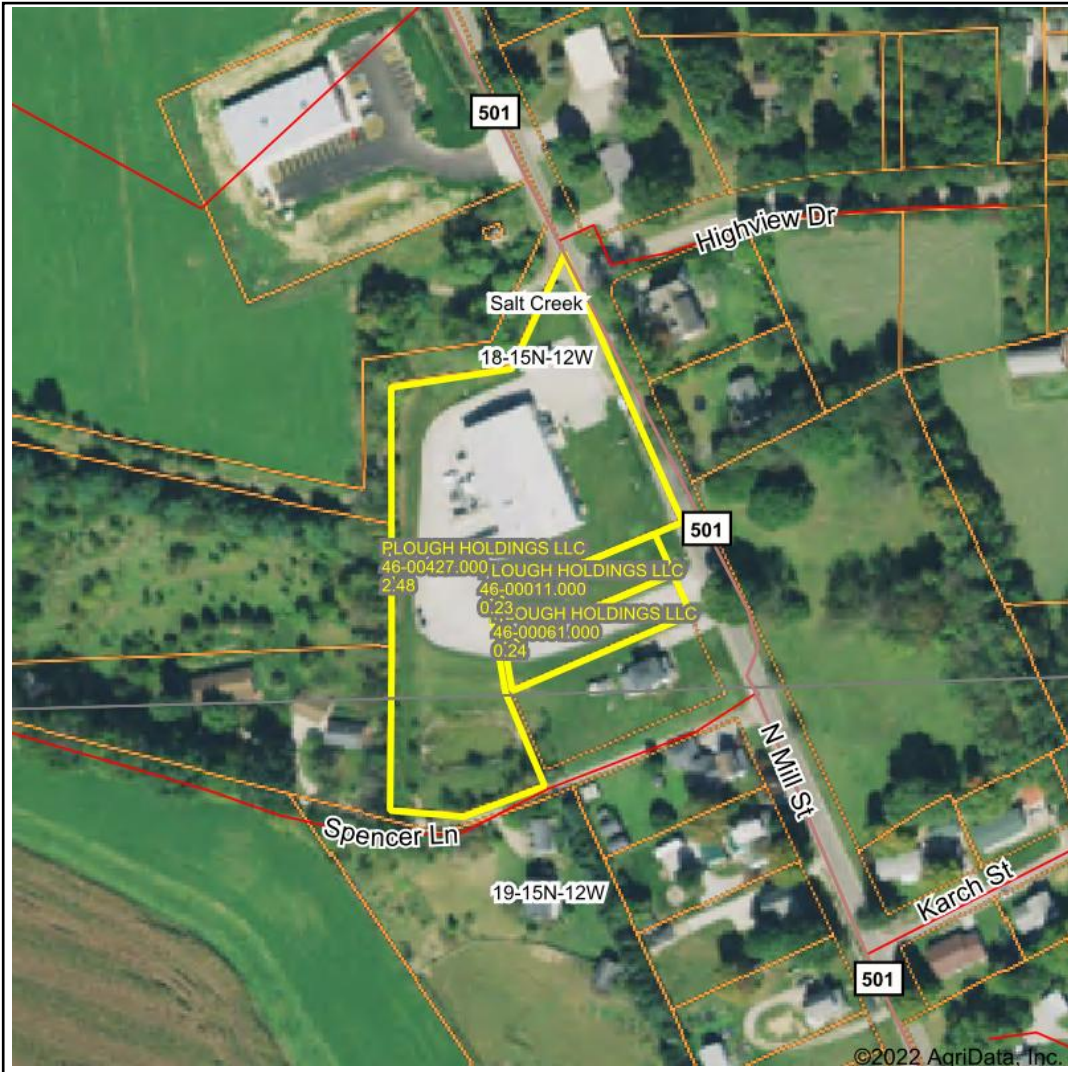


18-15N-12W
Wayne County
Ohio

map center: 40° 40.9365', -81° 52.4829'



Wetlands Map

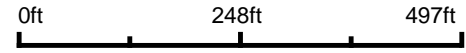


State: Ohio
Location: 18-15N-12W
County: Wayne
Township: Salt Creek
Date: 10/21/2022



Maps Provided By:

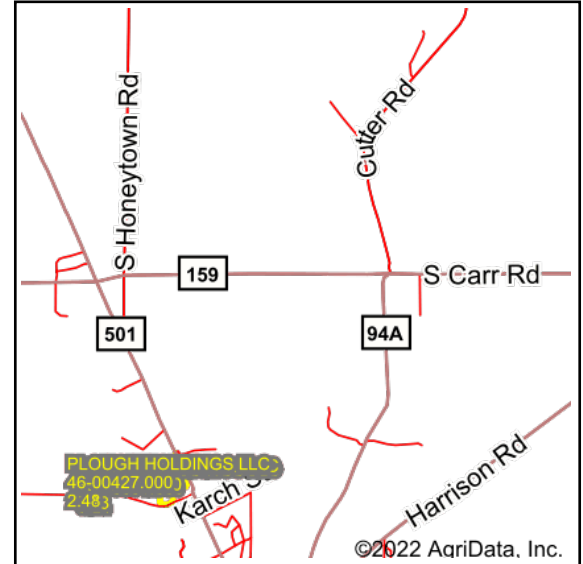
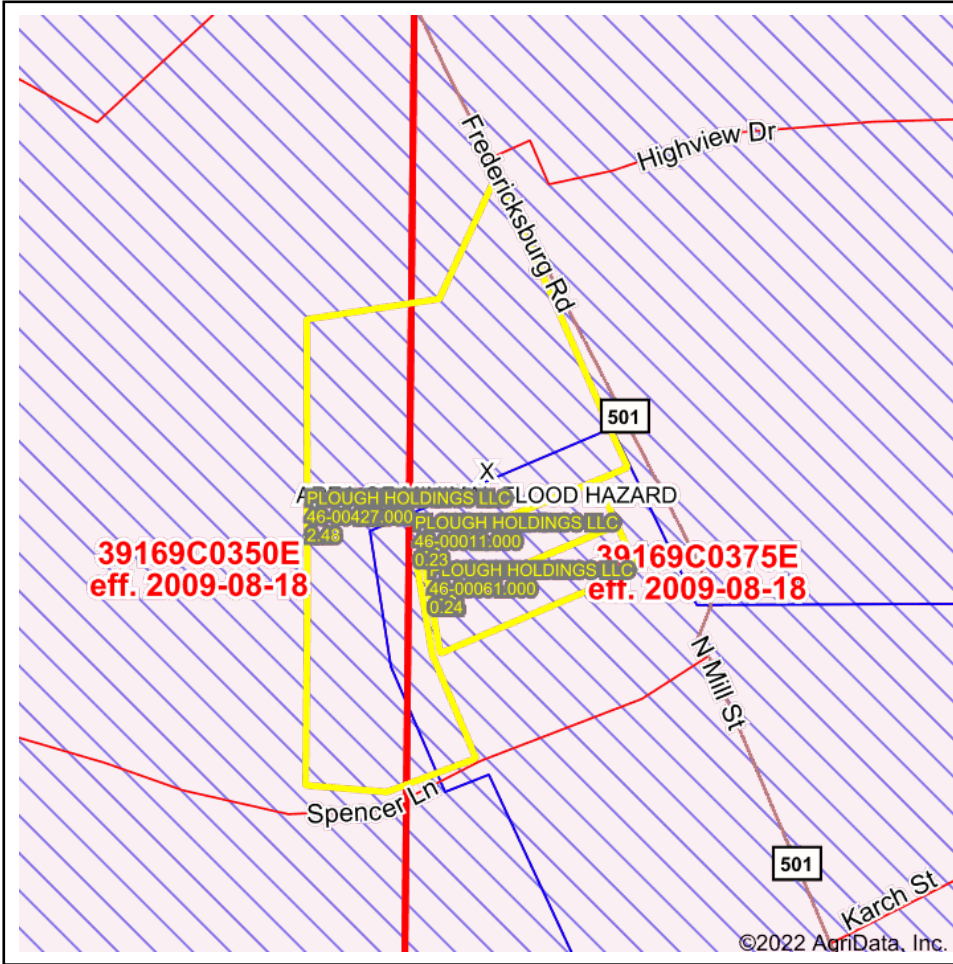
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Classification Code	Type	Acres
	Total Acres	0.00

Data Source: National Wetlands Inventory website. U.S. DoI, Fish and Wildlife Service, Washington, D.C. <http://www.fws.gov/wetlands/>

FEMA Report



Map Center: 40° 40.9365', -81° 52.4829'
 State: OH Acres: 2.95
 County: Wayne Date: 10/21/2022
 Location: 18-15N-12W
 Township: Salt Creek



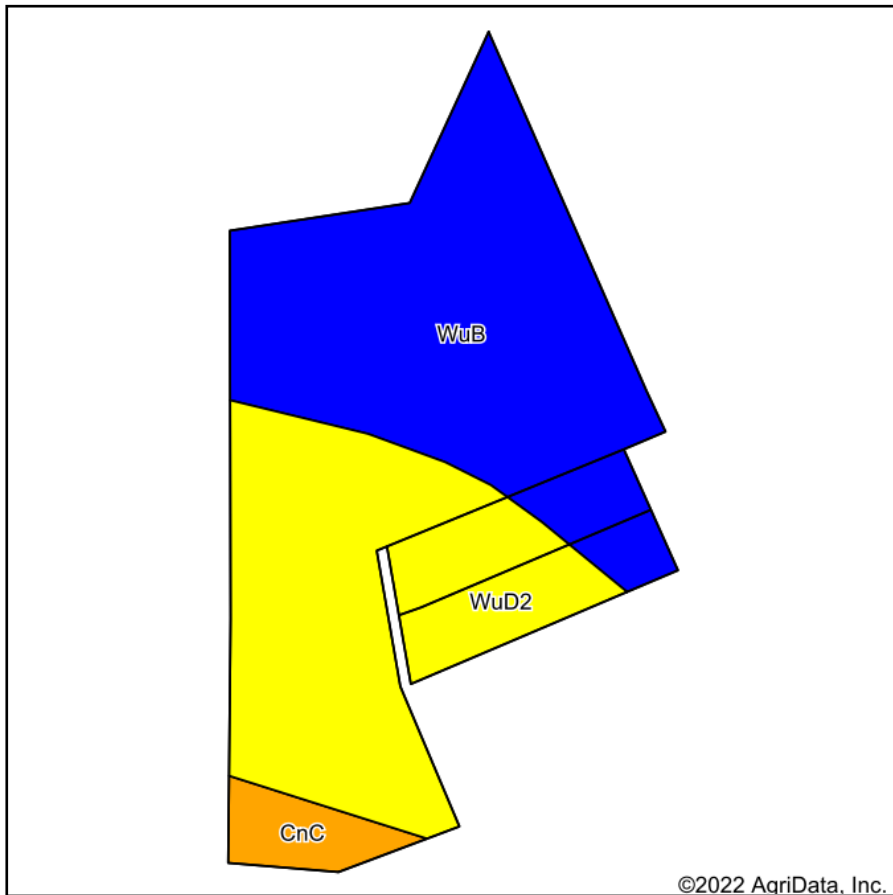
Name	Number	County	NFIP Participation	Acres	Percent
WAYNE COUNTY	390574	Wayne	Regular	1.99	67.5%
FREDERICKSBURG, VILLAGE OF	390576	Wayne	Regular	0.96	32.5%
Total				2.95	100%

Map Change	Date	Case No.	Acres	Percent
No			0	0%

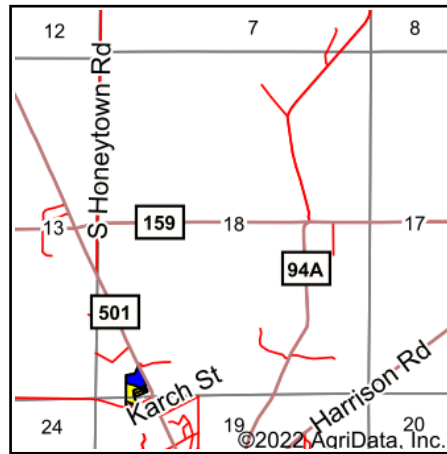
Zone	SubType	Description	Acres	Percent
X	AREA OF MINIMAL FLOOD HAZARD	Outside 500-year Floodplain	2.95	100%
Total			2.95	100%

Panel	Effective Date	Acres	Percent
39169C0375E	8/18/2009	1.78	60.3%
39169C0350E	8/18/2009	1.17	39.7%
Total		2.95	100%

Soils Map



Soils data provided by USDA and NRCS.



State: **Ohio**
 County: **Wayne**
 Location: **18-15N-12W**
 Township: **Salt Creek**
 Acres: **2.95**
 Date: **10/21/2022**



Maps Provided By:



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Area Symbol: OH169, Soil Area Version: 19

Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Non-Irr Class *c	Alfalfa hay Tons	Corn Bu	Grass legume hay Tons	Oats Bu	Orchardgrass hay Tons	Orchardgrass alfalfa hay Tons	Orchardgrass trefoil AUM	Soybeans Bu	Tall fescue AUM	Winter wheat Bu	
WuB	Wooster-Riddles silt loams, 2 to 6 percent slopes	1.53	51.9%		Ile	6.5	120	5.5	80		4.5		40	7.5	50	
WuD2	Wooster-Riddles silt loams, 12 to 18 percent slopes, eroded	1.28	43.4%		Ive	4.5	90	4	60		3.5		25	6	30	
CnC	Chili loam, 6 to 12 percent slopes	0.14	4.7%		IIIe	6	90	5	75	4	4.2	5.8	35	6.5	40	
Weighted Average						2.92	5.6	105.6	4.8	71.1	0.2	4.1	0.3	33.3	6.8	40.8

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

*c: Using Capabilities Class Dominant Condition Aggregation Method

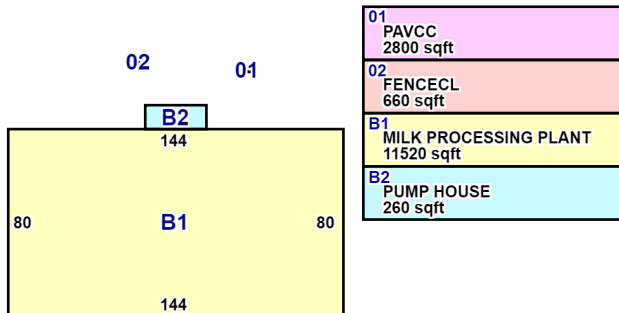
Soils data provided by USDA and NRCS.

46-00427.000



7/7/2022

FIRST SKETCH



LEGAL

OWNER	PLOUGH HOLDINGS LLC	
ADDRESS	9552 FREDERICKSBURG RD	
DESCRIPTION	12-15-18 SMPT SW & SEC 19 NMPT NW 2.486A CD 29	
SCHOOL DIST	SOUTHEAST LSD (WAYNE CO)	TAX DIST 46
ACREAGE	2.4860	

VALUATION

	APPRAISED	ASSESSED
LAND	\$168,110.00	\$58,840.00
IMPROVEMENTS	\$566,340.00	\$198,220.00
CAUV	\$0.00	\$0.00
TOTAL	\$734,450.00	\$257,060.00

TAXES

TAXABLE VALUE	\$257,060.00
ROLLBACKS	NONE
HALF (1ST / 2ND)	\$7,049.66 / \$7,049.66
YEAR (TOTAL / BALANCE)	\$14,099.32 / \$7,049.66

SPECIAL ASSESSMENTS

COUNT	1
DELINQUENT / BALANCE	\$0.00 / \$0.00
TOTAL / BALANCE	\$144.00 / \$72.00

MOST RECENT SALES

DATE	BUYER	SELLER	# PARCELS	PRICE	VALIDITY
4/25/2017	PLOUGH HOLDINGS LLC	PLOUGH HOLDINGS LLC	0	\$0.00	UNKNOWN
3/7/2017	PLOUGH HOLDINGS LLC	WENGER HOLDINGS LLC	3	\$136,392.00	YES
6/22/2015	WENGER HOLDINGS LLC	WENGER HOLDINGS LLC	1	\$0.00	NO
6/22/2015	WENGER HOLDINGS LLC	WENGER HOLDINGS LLC	2	\$0.00	NO
6/22/2015	WENGER HOLDINGS LLC	BICKEL CLETUS	3	\$114,000.00	YES

LAND

CODE	FRONTAGE	DEPTH	ACREAGE	SQFT	VALUE	DESCRIPTION	BUILT	DIMS	VALUE
0	0	150	1.0742	46,792	\$37,430.00	Chain Link Fence	2018	6x110	\$2,820.00
0	0	150	1.0000	43,560	\$130,680.00	Concrete Paving	2018	0x0	\$10,640.00
0	0	150	0.4118	0	\$0.00				

IMPROVEMENTS

COMMERCIAL

DESCRIPTION (CARD 3)	494 - Industrial Light Manufacturing	WALL HEIGHT	18
YEAR BUILT	2017	YEAR REMODELED	0
Unit Count	S	Section (ID/Number/Area/Stories)	1 / / 11,520 / 1
DESCRIPTION (CARD 3)	494 - Industrial Light Manufacturing	WALL HEIGHT	10
YEAR BUILT	2017	YEAR REMODELED	0
Unit Count	C	Section (ID/Number/Area/Stories)	2 / / 260 / 1

46-00427.000



7/7/2022

Parcel

46-00427.000

310 - FOOD & DRINK PROCESSI...

Address

9552 FREDERICKSBURG RD

SALT CREEK TWP

Owner

PLOUGH HOLDINGS LLC

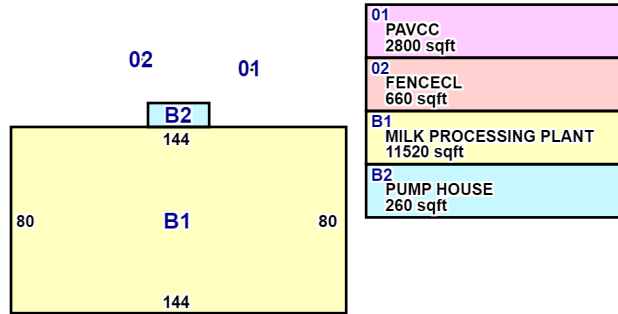
SOLD: 4/25/2017 \$0.00

Appraised

\$734,450.00

ACRES: 2.486

Sketches



Levies

LEVY INFORMATION

There are **NO** Levies on the ballot for the **2022 Primary Election** on **8/2/2022**

Location

Parcel	46-00427.000
Owner	PLOUGH HOLDINGS LLC
Address	9552 FREDERICKSBURG RD
Municipality	FREDERICKSBURG VILLAGE
Township	SALT CREEK TWP
School District	SOUTHEAST LSD (WAYNE CO)

Deeded Owner Address

Mailing Name	PLOUGH HOLDINGS LLC
Mailing Address	6464 FREDERICKSBURG RD
City, State, Zip	WOOSTER OH 44691

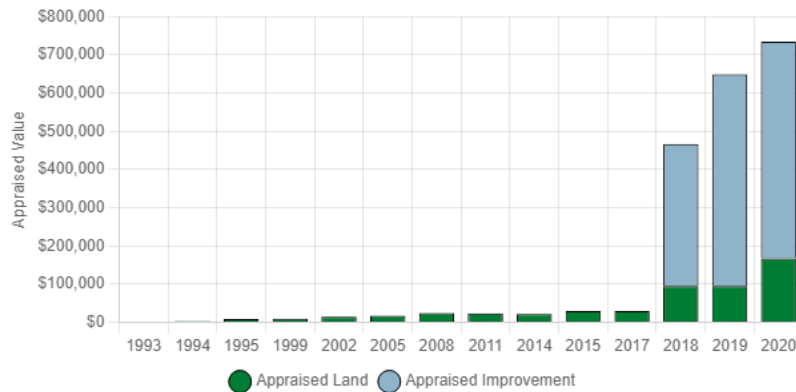
Tax Payer Address

Mailing Name	PLOUGH HOLDINGS LLC
Mailing Address	6464 FREDERICKSBURG RD
City, State, Zip	WOOSTER OH 44691

Valuation

Year	Appraised (100%)			Assessed (35%)		
	Land	Improvements	Total	Land	Improvements	Total
2020	\$168,110.00	\$566,340.00	\$734,450.00	\$58,840.00	\$198,220.00	\$257,060.00
2019	\$95,030.00	\$553,550.00	\$648,580.00	\$33,260.00	\$193,740.00	\$227,000.00
2018	\$95,030.00	\$371,970.00	\$467,000.00	\$33,260.00	\$130,190.00	\$163,450.00
2017	\$30,080.00	\$0.00	\$30,080.00	\$10,530.00	\$0.00	\$10,530.00
2015	\$30,080.00	\$0.00	\$30,080.00	\$10,530.00	\$0.00	\$10,530.00
2014	\$22,190.00	\$0.00	\$22,190.00	\$7,770.00	\$0.00	\$7,770.00

Historic Appraised (100%) Values



Current Abatements And/Or Exemptions

No Abatement or Exemption Record Found.

Legal

Legal Acres	2.486	Homestead Reduction	N
Legal Description	12-15-18 SMPT SW & SEC 19 ...	Owner Occupied	N
Land Use	310 - Food & drink processi...	Foreclosure	N
Neighborhood	54602	Board of Revision	N
Card Count	1	New Construction	N
Tax Lien	N	Lender ID	0
Annual Tax	\$13,955.32	Divided Property	N
Routing Number	46-00002-065000		

Notes

No Note Records Found.

Residential

Improvements

Description	Card	Segment ID	Size (LxW)	Area	Condition	Year Built	Appraised Value
							(100%)
Concrete Paving	3	01	0x0	2,800	5 G	2018	\$10,640.00
Chain Link Fence	3	02	6x110	660	5 G	2018	\$2,820.00
Totals							\$13,460.00

Tax

Disclaimer: Please note, refunds will not be reflected in the payment history.

Due Dates

- First half due date for banks February 7, 2022
- First half taxes are due February 24, 2022
- Second half due date for banks July 5, 2022
- Second half taxes are due July 21, 2022

2021 Payable 2022

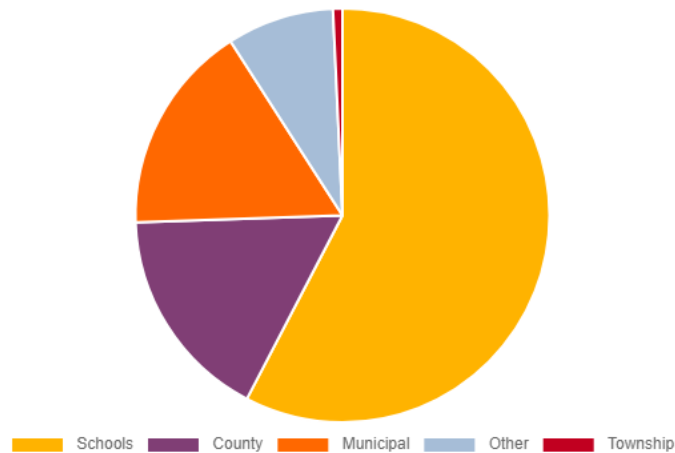
	Delinquency	First Half	Second Half	Year Total
CHARGE	\$0.00	\$9,761.85	\$9,761.85	\$19,523.70
ADJUSTMENT		\$0.00	\$0.00	\$0.00
REDUCTION		-\$2,784.19	-\$2,784.19	-\$5,568.38
NON-BUSINESS CREDIT		\$0.00	\$0.00	\$0.00
OWNER OCCUPANCY CREDIT		\$0.00	\$0.00	\$0.00
HOMESTEAD		\$0.00	\$0.00	\$0.00
SALES CREDIT		\$0.00	\$0.00	\$0.00
NET TAX	\$0.00	\$6,977.66	\$6,977.66	\$13,955.32
CAUV RECOUPMENT	\$0.00	\$0.00	\$0.00	\$0.00
SPECIAL ASSESSMENTS	\$0.00	\$72.00	\$72.00	\$144.00
PENALTY / INTEREST	\$0.00	\$0.00	\$0.00	\$0.00
NET OWED	\$0.00	\$7,049.66	\$7,049.66	\$14,099.32
NET PAID	\$0.00	-\$7,049.66	\$0.00	-\$7,049.66
NET DUE	\$0.00	\$0.00	\$7,049.66	\$7,049.66
TAX RATE: 75.950000			ESCROW	\$0.00
EFFECTIVE TAX RATE: 54.288174			SURPLUS	\$0.00

Tax Payments

Payment Date	Cycle	Prior Paid	First Half Paid	Second Half Paid	Surplus Paid	Receipt Number
2/24/2022	1-21	\$0.00	\$7,049.66	\$0.00	\$0.00	DLC04A/OT-03042022-6-5
7/22/2021	2-20	\$0.00	\$0.00	\$6,638.89	\$0.00	DLC30B/OT-07302021-11-4
2/25/2021	1-20	\$0.00	\$6,638.89	\$0.00	\$0.00	ALF03/OT-03032021-40-2
7/23/2020	2-19	\$0.00	\$0.00	\$6,331.29	\$0.00	ALF27OTD-07272020-67-3
2/27/2020	1-19	\$0.00	\$6,331.29	\$0.00	\$0.00	MAK27A-02272020-64-3
6/26/2019	2-18	\$0.00	\$0.00	\$4,886.52	\$0.00	SKO26-06262019-30-1
2/21/2019	1-18	\$0.00	\$4,886.52	\$0.00	\$0.00	DAS22C-02222019-79-4
7/25/2018	2-17	\$0.00	\$0.00	\$249.61	\$0.00	MAK25-07252018-79-3
2/14/2018	1-17	\$0.00	\$249.61	\$0.00	\$0.00	kz021418b-02142018-11-1
2/23/2017	1-16	\$0.00	\$241.59	\$241.59	\$0.00	KZ0223B-02232017-82-3
2/25/2016	1-15	\$0.00	\$238.68	\$238.68	\$0.00	MAK2A-03022016-71-2
1/26/2015	1-14	\$0.00	\$177.09	\$177.09	\$0.00	DM26A-01262015-2-1
2/27/2014	1-13	\$0.00	\$194.06	\$194.06	\$0.00	KRZ022714C-02272014-35-3
2/22/2013	1-12	\$0.00	\$194.19	\$194.19	\$0.00	abm22b-02222013-18-3
2/24/2012	1-11	\$0.00	\$194.12	\$194.12	\$0.00	DEBC24A-02242012-41-2
2/17/2011	1-10	\$0.00	\$192.97	\$192.97	\$0.00	BAB17-02172011-6-1
7/16/2010	2-09	\$0.00	\$0.00	\$165.87	\$0.00	SKO16-07162010-57-3
3/1/2010	1-09	\$0.00	\$165.87	\$0.00	\$0.00	MAK3-03032010-50-3
3/2/2009	1-08	\$0.00	\$168.50	\$168.50	\$0.00	sko10a-03102009-38-2
2/29/2008	1-07	\$0.00	\$121.82	\$121.82	\$0.00	DEBC29A-02292008-54-3
7/11/2007	2-06	\$0.00	\$0.00	\$120.04	\$0.00	SKB2-07112007-29-2
2/15/2007	1-06	\$0.00	\$120.04	\$0.00	\$0.00	DEB15-02152007-66-1

Tax Distributions

2021



Levy Name	Amount	Percentage
County	\$2,346.70	16.82%
Township	\$102.82	0.74%
Totals	\$13,955.32	100%

Levy Name	Amount	Percentage
Municipal	\$2,295.52	16.45%
Schools	\$8,044.60	57.65%
Other	\$1,165.68	8.35%
Totals	\$13,955.32	100%

Special Assessments

Project Name	Past		Due			Year Balance		
	Delinquency	Adjustment	First Half	Adjustment	Second Half	Adjustment	First Half	Second Half
C980000000 MUSKINGUM WATERSHED COUNTYWIDE	\$0.00	\$0.00	\$72.00	-\$72.00	\$72.00	\$0.00	\$0.00	\$72.00



**MELISSA A KOCH
WAYNE COUNTY
TREASURER**

428 West Liberty St.,
Wooster, Ohio 44691

PLOUGH HOLDINGS LLC
6464 FREDERICKSBURG RD
WOOSTER OH 44691

Office Hours 8:00am - 4:30pm
Monday through Friday
Phone 330-287-5450

REAL ESTATE TAXES FOR
SECOND HALF 2021
DUE: 7/21/2022

MESSAGES

PLEASE PROVIDE A CURRENT PHONE NUMBER ON
CHECKS

TAX DISTRICT

46 - SALT CREEK TWP FREDERICKSBURG

PARCEL NUMBER	LEGAL OWNER	LEGAL DESCRIPTION	PROPERTY ADDRESS
46-00427.000	PLOUGH HOLDINGS LLC	12-15-18 SMPT SW & SEC 19 NMPT NW 2.486A CD 29	9552 FREDERICKSBURG RD

	APPRAISED VALUE	ASSESSED VALUE (35% OF MARKET)	TAX RATE	EFFECTIVE TAX RATE (MILLS)	NON-BUSINESS CREDIT FACTOR	OWNER OCCUPANCY CREDIT FACTOR
LAND	\$168,110.00	\$58,840.00	75.95	54.288174	0.079772	0.019943
IMPROVEMENT	\$566,340.00	\$198,220.00	75.95	54.288174	0.079772	0.019943
TOTAL	\$734,450.00	\$257,060.00	75.95	54.288174	0.079772	0.019943

CALCULATION OF FULL YEAR TAXES		WHERE YOUR TAXES GO	
GROSS REAL ESTATE TAXES	\$19,523.70	COUNTY	\$2,346.70
ADJUSTMENT	\$0.00	TOWNSHIP	\$102.82
REDUCTION AMOUNT	-\$5,568.38	MUNICIPAL	\$2,295.52
SUB TOTAL	\$13,955.32	SCHOOLS	\$8,044.60
NON-BUSINESS CREDIT	\$0.00	OTHER	\$1,165.68
OWNER OCCUPIED CREDIT	\$0.00	CURRENT ASSESSMENTS	\$144.00
HOMESTEAD	\$0.00	DELINQUENT ASSESSMENTS	\$0.00
REAL ESTATE NET	\$13,955.32	PAYMENTS	-\$7,049.66
CAUV RECOUPMENT	\$0.00		
CURRENT ASSESSMENTS	\$144.00		
DELINQUENT ASSESSMENTS	\$0.00		
DELINQUENT REAL ESTATE	\$0.00		
FULL YEAR TOTAL	\$14,099.32	BALANCE DUE	\$7,049.66

DETACH THIS AND RETURN WITH PAYMENT INSIDE AN ENCLOSED ENVELOPE

MELISSA A KOCH WAYNE COUNTY TREASURER

428 West Liberty St.,
Wooster, Ohio 44691

Please make any address changes in the area below

PLOUGH HOLDINGS LLC
6464 FREDERICKSBURG RD
WOOSTER OH 44691

PENALTY ADDED AFTER DUE DATE



PARCEL NUMBER 46-00427.000

REAL ESTATE TAXES FOR **SECOND HALF 2021**
DUE 7/21/2022

BALANCE DUE

\$7,049.66



**MELISSA A KOCH
WAYNE COUNTY
TREASURER**

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REAL ESTATE TAXES FOR
SECOND HALF 2021
DUE: 7/21/2022

MESSAGES

PLEASE PROVIDE A CURRENT PHONE NUMBER ON
CHECKS

TAX DISTRICT

46 - SALT CREEK TWP FREDERICKSBURG

PARCEL NUMBER	LEGAL OWNER	LEGAL DESCRIPTION	PROPERTY ADDRESS
46-00101.000	PLOUGH HOLDINGS LLC	LOT 200 100' MP 2 CD 96	570 N MILL ST FREDERICKSBURG OH 44627

	APPRAISED VALUE	ASSESSED VALUE (35% OF MARKET)	TAX RATE	EFFECTIVE TAX RATE (MILLS)	NON-BUSINESS CREDIT FACTOR	OWNER OCCUPANCY CREDIT FACTOR
LAND	\$30,240.00	\$10,580.00	75.95	49.887559	0.079772	0.019943
IMPROVEMENT	\$84,950.00	\$29,730.00	75.95	49.887559	0.079772	0.019943
TOTAL	\$115,190.00	\$40,310.00	75.95	49.887559	0.079772	0.019943

CALCULATION OF FULL YEAR TAXES		WHERE YOUR TAXES GO	
GROSS REAL ESTATE TAXES	\$3,061.54	COUNTY	\$282.16
ADJUSTMENT	\$0.00	TOWNSHIP	\$14.52
REDUCTION AMOUNT	-\$1,050.58	MUNICIPAL	\$340.56
SUB TOTAL	\$2,010.96	SCHOOLS	\$1,045.74
NON-BUSINESS CREDIT	-\$160.42	OTHER	\$167.56
OWNER OCCUPIED CREDIT	\$0.00	CURRENT ASSESSMENTS	\$6.00
HOMESTEAD	\$0.00	DELINQUENT ASSESSMENTS	\$0.00
REAL ESTATE NET	\$1,850.54	PAYMENTS	-\$1,856.54
CAUV RECOUPMENT	\$0.00		
CURRENT ASSESSMENTS	\$6.00		
DELINQUENT ASSESSMENTS	\$0.00		
DELINQUENT REAL ESTATE	\$0.00		
FULL YEAR TOTAL	\$1,856.54	BALANCE DUE	\$0.00

DETACH THIS AND RETURN WITH PAYMENT INSIDE AN ENCLOSED ENVELOPE

MELISSA A KOCH WAYNE COUNTY TREASURER

428 West Liberty St.,
Wooster, Ohio 44691

Please make any address changes in the area below

PLOUGH HOLDINGS LLC
6464 FREDERICKSBURG
WOOSTER OH 44691

PENALTY ADDED AFTER DUE DATE



PARCEL NUMBER 46-00101.000

REAL ESTATE TAXES FOR **SECOND HALF 2021**
DUE 7/21/2022

BALANCE DUE **\$0.00**

46-00061.000



7/7/2022

MOST RECENT PHOTO



LEGAL

OWNER	PLOUGH HOLDINGS LLC		
ADDRESS	584 MILL ST FREDERICKSBURG OH 44627		
DESCRIPTION	LOT 201 50' MP 2 CD 48		
SCHOOL DIST	SOUTHEAST LSD (WAYNE CO)	TAX DIST	46
ACREAGE	0.2445		

VALUATION

	APPRAISED	ASSESSED
LAND	\$8,520.00	\$2,980.00
IMPROVEMENTS	\$0.00	\$0.00
CAUV	\$0.00	\$0.00
TOTAL	\$8,520.00	\$2,980.00

TAXES

TAXABLE VALUE	\$2,980.00
ROLLBACKS	NONE
HALF (1ST / 2ND)	\$80.89 / \$80.89
YEAR (TOTAL / BALANCE)	\$161.78 / \$80.89

SPECIAL ASSESSMENTS

COUNT	0
DELINQUENT / BALANCE	\$0.00 / \$0.00
TOTAL / BALANCE	\$0.00 / \$0.00

MOST RECENT SALES

DATE	BUYER	SELLER	# PARCELS	PRICE	VALIDITY
3/7/2017	PLOUGH HOLDINGS LLC	WENGER HOLDINGS LLC	3	\$136,392.00	YES
9/12/2016	WENGER HOLDINGS LLC	MILLER ROBERT E & RUTH D S/T	1	\$22,000.00	YES
8/11/2015	MILLER ROBERT E & RUTH D S/T	DAUGHERTY JAMES O	1	\$12,000.00	NO
8/28/1998	DAUGHERTY JAMES O	DAUGHERTY FRANCES A	1	\$0.00	NO
1/1/1950	DAUGHERTY FRANCES A	UNKNOWN	0	\$0.00	UNKNOWN

LAND

CODE	FRONTAGE	DEPTH	ACREAGE	SQFT	VALUE
0	0	150	0.2445	10,650	\$8,520.00

IMPROVEMENTS

46-00061.000



7/7/2022

Parcel

46-00061.000

300 - IND VACANT LAND

Address

584 MILL ST FREDERICKSBUR...

SALT CREEK TWP

Owner

PLOUGH HOLDINGS LLC

SOLD: 3/7/2017 \$136,392.00

Appraised

\$8,520.00

ACRES: 0.245

Levies

LEVY INFORMATION

There are **NO** Levies on the ballot for the **2022 Primary Election** on **8/2/2022**

Location

Parcel	46-00061.000
Owner	PLOUGH HOLDINGS LLC
Address	584 MILL ST FREDERICKSBURG OH 44627
Municipality	FREDERICKSBURG VILLAGE
Township	SALT CREEK TWP
School District	SOUTHEAST LSD (WAYNE CO)

Deeded Owner Address

Mailing Name	PLOUGH HOLDINGS LLC
Mailing Address	6464 FREDERICKSBURG RD
City, State, Zip	WOOSTER OH 44691

Tax Payer Address

Mailing Name	PLOUGH HOLDINGS LLC
Mailing Address	6464 FREDERICKSBURG RD
City, State, Zip	WOOSTER OH 44691

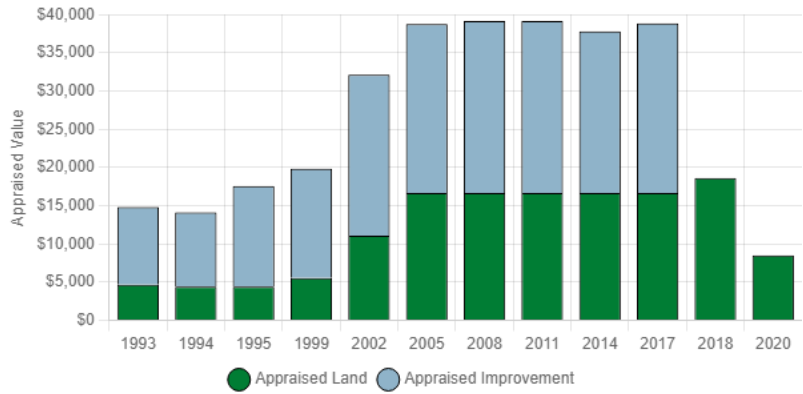
Valuation

Appraised (100%)

Assessed (35%)

Year	Appraised (100%)			Assessed (35%)		
	Land	Improvements	Total	Land	Improvements	Total
2020	\$8,520.00	\$0.00	\$8,520.00	\$2,980.00	\$0.00	\$2,980.00
2018	\$18,640.00	\$0.00	\$18,640.00	\$6,520.00	\$0.00	\$6,520.00
2017	\$16,650.00	\$22,210.00	\$38,860.00	\$5,830.00	\$7,770.00	\$13,600.00
2014	\$16,650.00	\$21,150.00	\$37,800.00	\$5,830.00	\$7,400.00	\$13,230.00
2011	\$16,650.00	\$22,510.00	\$39,160.00	\$5,830.00	\$7,880.00	\$13,710.00
2008	\$16,650.00	\$22,510.00	\$39,160.00	\$5,830.00	\$7,880.00	\$13,710.00

Historic Appraised (100%) Values



Current Abatements And/Or Exemptions

No Abatement or Exemption Record Found.

Legal

Legal Acres	0.245	Homestead Reduction	N
Legal Description	LOT 201 50' MP 2 CD 48	Owner Occupied	N
Land Use	300 - Ind vacant land	Foreclosure	N
Neighborhood	54602	Board of Revision	N
Card Count	0	New Construction	N
Tax Lien	N	Lender ID	0
Annual Tax	\$161.78	Divided Property	N
Routing Number	46-00002-027000		

Notes

No Note Records Found.

Residential

No Residential Records Found.

Additions

No Addition Records Found.

Agricultural

No Agricultural Records Found.

Commercial

No Commercial Building Records Found.

Sales

Date	Buyer	Seller	Conveyance				Valid	Parcels	
			Number	Deed Type	Deed	Book/Page		In Sale	Amount
3/7/2017	PLOUGH HOLDINGS LLC	WENGER HOLDINGS LLC	728	WD-WARRANTY DEED	728	/	YES	3	\$136,392.00
9/12/2016	WENGER HOLDINGS LLC	MILLER ROBERT E & RUTH D S/T	2884	WD-WARRANTY DEED	2884	/	YES	1	\$22,000.00
8/11/2015	MILLER ROBERT E & RUTH D S/T	DAUGHERTY JAMES O	2553	FD-FIDUCIARY DEED	2553	/	NO	1	\$12,000.00
8/28/1998	DAUGHERTY JAMES O	DAUGHERTY FRANCES A	02537	CT-CERTIFICATE OF TITLE		/	NO	1	\$0.00
1/1/1950	DAUGHERTY FRANCES A	unknown		Unknown		/	UNKNOWN	0	\$0.00

Land

Land Type	Acres	Actual Frontage	Effective Frontage	Depth	Depth Factor	Base Rate	Unit Rate	Adj. Rate	Appraised
									Value (100%)
P2 - BUILDING SITE	0.2445	0	0	0	100%	\$0.80	\$0.80	\$0.80	\$8,520.00
Totals	0.2445								\$8,520.00

Improvements

No Improvement Records Found.

Tax

Disclaimer: Please note, refunds will not be reflected in the payment history.

Due Dates

- First half due date for banks February 7, 2022
- First half taxes are due February 24, 2022
- Second half due date for banks July 5, 2022
- Second half taxes are due July 21, 2022

2021 Payable 2022

	Delinquency	First Half	Second Half	Year Total
CHARGE	\$0.00	\$113.17	\$113.17	\$226.34
ADJUSTMENT		\$0.00	\$0.00	\$0.00
REDUCTION		-\$32.28	-\$32.28	-\$64.56
NON-BUSINESS CREDIT		\$0.00	\$0.00	\$0.00
OWNER OCCUPANCY CREDIT		\$0.00	\$0.00	\$0.00
HOMESTEAD		\$0.00	\$0.00	\$0.00

SALES CREDIT		\$0.00	\$0.00	\$0.00
NET TAX	\$0.00	\$80.89	\$80.89	\$161.78
CAUV RECOUPMENT	\$0.00	\$0.00	\$0.00	\$0.00
SPECIAL ASSESSMENTS	\$0.00	\$0.00	\$0.00	\$0.00
PENALTY / INTEREST	\$0.00	\$0.00	\$0.00	\$0.00
NET OWED	\$0.00	\$80.89	\$80.89	\$161.78
NET PAID	\$0.00	-\$80.89	\$0.00	-\$80.89
NET DUE	\$0.00	\$0.00	\$80.89	\$80.89
TAX RATE: 75.950000			ESCROW	\$0.00
EFFECTIVE TAX RATE: 54.288174			SURPLUS	\$0.00

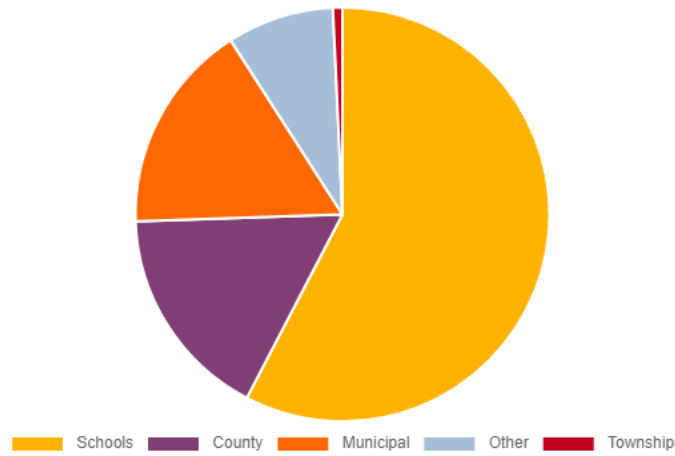
Tax Payments

Payment Date	Cycle	Prior Paid	First Half Paid	Second Half Paid	Surplus Paid	Receipt Number
2/24/2022	1-21	\$0.00	\$80.89	\$0.00	\$0.00	DLC04A/OT-03042022-6-4
7/22/2021	2-20	\$0.00	\$0.00	\$76.13	\$0.00	DLC30B/OT-07302021-11-5
2/25/2021	1-20	\$0.00	\$76.13	\$0.00	\$0.00	ALF03/OT-03032021-40-3
7/23/2020	2-19	\$0.00	\$0.00	\$179.79	\$0.00	ALF27OTD-07272020-67-4
2/27/2020	1-19	\$0.00	\$179.79	\$0.00	\$0.00	MAK27A-02272020-64-1
6/26/2019	2-18	\$0.00	\$0.00	\$192.05	\$0.00	SKO26-06262019-30-2
2/21/2019	1-18	\$0.00	\$192.05	\$0.00	\$0.00	DAS22C-02222019-79-1
7/25/2018	2-17	\$0.00	\$0.00	\$322.39	\$0.00	MAK25-07252018-79-2
2/14/2018	1-17	\$0.00	\$322.39	\$0.00	\$0.00	kz021418b-02142018-11-2
2/23/2017	1-16	\$0.00	\$322.26	\$322.26	\$0.00	KZ0223B-02232017-82-1
7/25/2016	2-15	\$0.00	\$0.00	\$318.63	\$0.00	SF25A-07252016-35-1
2/17/2016	1-15	\$0.00	\$318.63	\$0.00	\$0.00	kz021716b-02172016-38-1
8/14/2015	1-15	\$248.48	\$0.00	\$0.00	\$0.00	MNG14/10%-08142015-28-1
2/24/2014	1-13	\$0.00	\$121.91	\$121.91	\$0.00	WIND24-02242014-2-1
2/15/2013	1-12	\$0.00	\$121.97	\$121.97	\$0.00	WIND15-02152013-13-1
7/3/2012	2-11	\$0.00	\$0.00	\$119.88	\$0.00	WIND3-07032012-33-1
2/7/2012	1-11	\$0.00	\$119.94	\$0.06	\$0.00	WIND7-02072012-28-1
8/10/2011	2-10	\$0.00	\$0.00	\$119.25	\$0.00	WINDOW10-08102011-50-1
2/15/2011	1-10	\$0.00	\$119.25	\$0.00	\$0.00	BAB15-02152011-15-3
7/9/2010	2-09	\$0.00	\$0.00	\$278.03	\$0.00	mak9a-07092010-62-1
2/22/2010	1-09	\$0.00	\$278.03	\$0.00	\$0.00	MAK22-02222010-2-1
7/13/2009	2-08	\$0.00	\$0.00	\$269.56	\$0.00	BAB13B-07132009-38-2
2/4/2009	1-08	\$0.00	\$269.56	\$0.00	\$0.00	BAB4C-02042009-21-1
7/30/2008	2-07	\$0.00	\$0.00	\$261.33	\$0.00	BAB30C-07302008-22-1
2/20/2008	1-07	\$0.00	\$261.33	\$0.00	\$0.00	SKO20C-02202008-14-1
11/27/2007	1-07	\$282.46	\$0.00	\$0.00	\$0.00	DMZ27-11272007-1-1
11/21/2007	1-07	\$257.60	\$0.00	\$0.00	\$0.00	BB21A-11212007-11-1

Payment Date	Cycle	Prior Paid	First Half Paid	Second Half Paid	Surplus Paid	Receipt Number
7/26/2007	2-06	\$0.00	\$50.00	\$0.00	\$0.00	NRC2-07262007-57-1

Tax Distributions

2021



Levy Name	Amount	Percentage
County	\$27.22	16.83%
Township	\$1.20	0.74%
Municipal	\$26.60	16.44%
Schools	\$93.26	57.65%
Other	\$13.50	8.34%
Totals	\$161.78	100%

Special Assessments

No Special Assessment Records Found.



**MELISSA A KOCH
WAYNE COUNTY
TREASURER**

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REAL ESTATE TAXES FOR
SECOND HALF 2021
DUE: 7/21/2022

MESSAGES

PLEASE PROVIDE A CURRENT PHONE NUMBER ON
CHECKS

TAX DISTRICT

46 - SALT CREEK TWP FREDERICKSBURG

PARCEL NUMBER	LEGAL OWNER		LEGAL DESCRIPTION		PROPERTY ADDRESS	
46-00061.000	PLOUGH HOLDINGS LLC		LOT 201 50' MP 2 CD 48		584 MILL ST FREDERICKSBURG OH 44627	
	APPRAISED VALUE	ASSESSED VALUE (35% OF MARKET)	TAX RATE	EFFECTIVE TAX RATE (MILLS)	NON-BUSINESS CREDIT FACTOR	OWNER OCCUPANCY CREDIT FACTOR
LAND	\$8,520.00	\$2,980.00	75.95	54.288174	0.079772	0.019943
IMPROVEMENT	\$0.00	\$0.00	75.95	54.288174	0.079772	0.019943
TOTAL	\$8,520.00	\$2,980.00	75.95	54.288174	0.079772	0.019943
CALCULATION OF FULL YEAR TAXES				WHERE YOUR TAXES GO		
GROSS REAL ESTATE TAXES			\$226.34	COUNTY	\$27.22	
ADJUSTMENT			\$0.00	TOWNSHIP	\$1.20	
REDUCTION AMOUNT			-\$64.56	MUNICIPAL	\$26.60	
SUB TOTAL			\$161.78	SCHOOLS	\$93.26	
NON-BUSINESS CREDIT			\$0.00	OTHER	\$13.50	
OWNER OCCUPIED CREDIT			\$0.00	CURRENT ASSESSMENTS	\$0.00	
HOMESTEAD			\$0.00	DELINQUENT ASSESSMENTS	\$0.00	
REAL ESTATE NET			\$161.78	PAYMENTS	-\$80.89	
CAUV RECOUPMENT			\$0.00			
CURRENT ASSESSMENTS			\$0.00			
DELINQUENT ASSESSMENTS			\$0.00			
DELINQUENT REAL ESTATE			\$0.00			
FULL YEAR TOTAL			\$161.78	BALANCE DUE	\$80.89	

DETACH THIS AND RETURN WITH PAYMENT INSIDE AN ENCLOSED ENVELOPE

MELISSA A KOCH WAYNE COUNTY TREASURER

428 West Liberty St.,
Wooster, Ohio 44691

Please make any address changes in the area below

PLOUGH HOLDINGS LLC
6464 FREDERICKSBURG RD
WOOSTER OH 44691

PENALTY ADDED AFTER DUE DATE



PARCEL NUMBER 46-00061.000

REAL ESTATE TAXES FOR **SECOND HALF 2021**
DUE 7/21/2022

BALANCE DUE

\$80.89

46-00011.000



7/7/2022

MOST RECENT PHOTO



LEGAL

OWNER PLOUGH HOLDINGS LLC
ADDRESS 594 MILL ST FREDERICKSBURG OH 44627
DESCRIPTION LOT 202 50' MP 2 CD 12
SCHOOL DIST SOUTHEAST LSD (WAYNE CO) **TAX DIST** 46
ACREAGE 0.2250

VALUATION

	APPRAISED	ASSESSED
LAND	\$7,840.00	\$2,740.00
IMPROVEMENTS	\$0.00	\$0.00
CAUV	\$0.00	\$0.00
TOTAL	\$7,840.00	\$2,740.00

TAXES

TAXABLE VALUE	\$2,740.00
ROLLBACKS	NONE
HALF (1ST / 2ND)	\$74.37 / \$74.37
YEAR (TOTAL / BALANCE)	\$148.74 / \$74.37

SPECIAL ASSESSMENTS

COUNT	0
DELINQUENT / BALANCE	\$0.00 / \$0.00
TOTAL / BALANCE	\$0.00 / \$0.00

MOST RECENT SALES

DATE	BUYER	SELLER	# PARCELS	PRICE	VALIDITY
3/7/2017	PLOUGH HOLDINGS LLC	WENGER HOLDINGS LLC	3	\$136,392.00	YES
6/22/2015	WENGER HOLDINGS LLC	BICKEL CLETUS	3	\$114,000.00	YES
1/1/1987	BICKEL CLETUS	UNKNOWN	1	\$0.00	YES

LAND

CODE	FRONTAGE	DEPTH	ACREAGE	SQFT	VALUE
0	0	150	0.2250	9,800	\$7,840.00

IMPROVEMENTS

46-00011.000



7/7/2022

Parcel
46-00011.000

300 - IND VACANT LAND

Address
594 MILL ST FREDERICKSBUR...

SALT CREEK TWP

Owner
PLOUGH HOLDINGS LLC

SOLD: 3/7/2017 \$136,392.00

Appraised
\$7,840.00

ACRES: 0.225

Levies

LEVY INFORMATION

There are **NO** Levies on the ballot for the **2022 Primary Election** on **8/2/2022**

Location

Parcel	46-00011.000
Owner	PLOUGH HOLDINGS LLC
Address	594 MILL ST FREDERICKSBURG OH 44627
Municipality	FREDERICKSBURG VILLAGE
Township	SALT CREEK TWP
School District	SOUTHEAST LSD (WAYNE CO)

Deeded Owner Address

Mailing Name	PLOUGH HOLDINGS LLC
Mailing Address	6464 FREDERICKSBURG RD
City, State, Zip	WOOSTER OH 44691

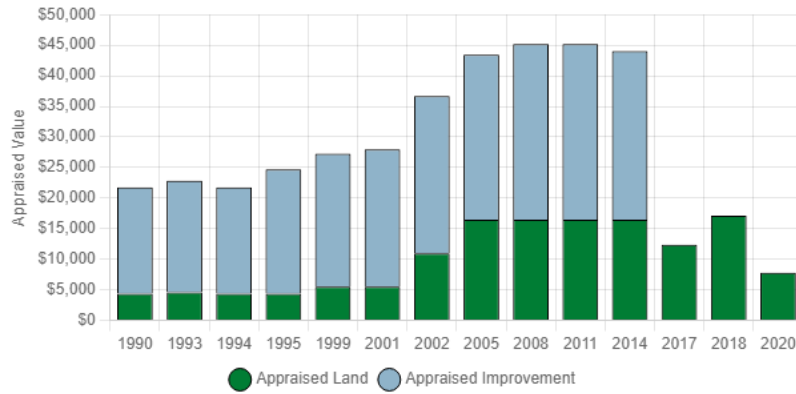
Tax Payer Address

Mailing Name	PLOUGH HOLDINGS LLC
Mailing Address	6464 FREDERICKSBURG RD
City, State, Zip	WOOSTER OH 44691

Valuation

Year	Appraised (100%)			Assessed (35%)		
	Land	Improvements	Total	Land	Improvements	Total
2020	\$7,840.00	\$0.00	\$7,840.00	\$2,740.00	\$0.00	\$2,740.00
2018	\$17,150.00	\$0.00	\$17,150.00	\$6,000.00	\$0.00	\$6,000.00
2017	\$12,380.00	\$0.00	\$12,380.00	\$4,330.00	\$0.00	\$4,330.00
2014	\$16,500.00	\$27,570.00	\$44,070.00	\$5,780.00	\$9,650.00	\$15,430.00
2011	\$16,500.00	\$28,680.00	\$45,180.00	\$5,780.00	\$10,040.00	\$15,820.00
2008	\$16,500.00	\$28,680.00	\$45,180.00	\$5,780.00	\$10,040.00	\$15,820.00

Historic Appraised (100%) Values



Current Abatements And/Or Exemptions

No Abatement or Exemption Record Found.

Legal

Legal Acres	0.225	Homestead Reduction	N
Legal Description	LOT 202 50' MP 2 CD 12	Owner Occupied	N
Land Use	300 - Ind vacant land	Foreclosure	N
Neighborhood	54602	Board of Revision	N
Card Count	0	New Construction	N
Tax Lien	N	Lender ID	0
Annual Tax	\$148.74	Divided Property	N
Routing Number	46-00002-028000		

Notes

No Note Records Found.

Residential

No Residential Records Found.

Additions

No Addition Records Found.

Agricultural

No Agricultural Records Found.

Commercial

No Commercial Building Records Found.

Sales

Date	Buyer	Seller	Conveyance Number	Deed Type	Deed	Book/Page	Valid	Parcels In Sale	Amount
3/7/2017	PLOUGH HOLDINGS LLC	WENGER HOLDINGS LLC	728	WD-WARRANTY DEED	728	/	YES	3	\$136,392.00
6/22/2015	WENGER HOLDINGS LLC	BICKEL CLETUS	1929	FD-FIDUCIARY DEED	1929	/	YES	3	\$114,000.00
1/1/1987	BICKEL CLETUS	unknown	0	Unknown		/	YES	1	\$0.00

Land

Land Type	Acres	Actual Frontage	Effective Frontage	Depth	Depth Factor	Base Rate	Unit Rate	Adj. Rate	Appraised Value (100%)
P2 - BUILDING SITE	0.2250	0	0	0	100%	\$0.80	\$0.80	\$0.80	\$7,840.00
Totals	0.2250								\$7,840.00

Improvements

No Improvement Records Found.

Tax

Disclaimer: Please note, refunds will not be reflected in the payment history.

Due Dates

- First half due date for banks February 7, 2022
- First half taxes are due February 24, 2022
- Second half due date for banks July 5, 2022
- Second half taxes are due July 21, 2022

2021 Payable 2022

	Delinquency	First Half	Second Half	Year Total
CHARGE	\$0.00	\$104.05	\$104.05	\$208.10
ADJUSTMENT		\$0.00	\$0.00	\$0.00
REDUCTION		-\$29.68	-\$29.68	-\$59.36
NON-BUSINESS CREDIT		\$0.00	\$0.00	\$0.00
OWNER OCCUPANCY CREDIT		\$0.00	\$0.00	\$0.00
HOMESTEAD		\$0.00	\$0.00	\$0.00
SALES CREDIT		\$0.00	\$0.00	\$0.00
NET TAX	\$0.00	\$74.37	\$74.37	\$148.74
CAUV RECOUPMENT	\$0.00	\$0.00	\$0.00	\$0.00
SPECIAL ASSESSMENTS	\$0.00	\$0.00	\$0.00	\$0.00

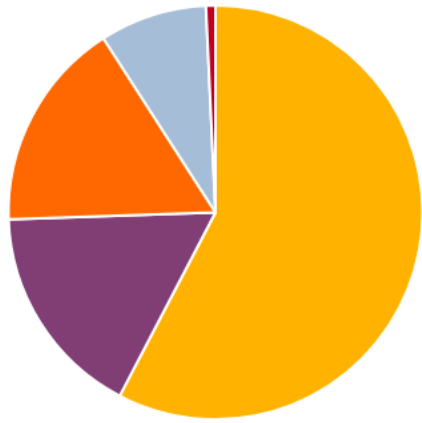
PENALTY / INTEREST	\$0.00	\$0.00	\$0.00	\$0.00
NET OWED	\$0.00	\$74.37	\$74.37	\$148.74
NET PAID	\$0.00	-\$74.37	\$0.00	-\$74.37
NET DUE	\$0.00	\$0.00	\$74.37	\$74.37
TAX RATE: 75.950000			ESCROW	\$0.00
EFFECTIVE TAX RATE: 54.288174			SURPLUS	\$0.00

Tax Payments

Payment Date	Cycle	Prior Paid	First Half Paid	Second Half Paid	Surplus Paid	Receipt Number
2/24/2022	1-21	\$0.00	\$74.37	\$0.00	\$0.00	DLC04A/OT-03042022-6-3
7/22/2021	2-20	\$0.00	\$0.00	\$70.00	\$0.00	DLC30B/OT-07302021-11-6
2/25/2021	1-20	\$0.00	\$70.00	\$0.00	\$0.00	ALF03/OT-03032021-40-4
7/23/2020	2-19	\$0.00	\$0.00	\$165.44	\$0.00	ALF27OTD-07272020-67-5
2/27/2020	1-19	\$0.00	\$165.44	\$0.00	\$0.00	MAK27A-02272020-64-2
6/26/2019	2-18	\$0.00	\$0.00	\$176.73	\$0.00	SKO26-06262019-30-3
2/21/2019	1-18	\$0.00	\$176.73	\$0.00	\$0.00	DAS22C-02222019-79-5
2/14/2018	1-17	\$0.00	\$179.09	\$179.09	\$0.00	kz021418b-02142018-11-3
2/23/2017	1-16	\$0.00	\$375.34	\$375.34	\$0.00	KZ0223B-02232017-82-2
2/25/2016	1-15	\$0.00	\$371.11	\$371.11	\$0.00	MAK2A-03022016-71-1
1/26/2015	1-14	\$0.00	\$159.38	\$159.38	\$0.00	DM26A-01262015-4-1
2/27/2014	1-13	\$0.00	\$171.68	\$171.68	\$0.00	KRZ022714C-02272014-35-2
2/22/2013	1-12	\$0.00	\$171.80	\$171.80	\$0.00	abm22b-02222013-18-2
2/24/2012	1-11	\$0.00	\$168.88	\$168.88	\$0.00	DEBC24A-02242012-41-3
2/17/2011	1-10	\$0.00	\$167.89	\$167.89	\$0.00	BAB17-02172011-6-2
7/16/2010	2-09	\$0.00	\$0.00	\$146.69	\$0.00	SKO16-07162010-57-1
3/1/2010	1-09	\$0.00	\$146.69	\$0.00	\$0.00	MAK3-03032010-50-1
3/2/2009	1-08	\$0.00	\$142.29	\$142.29	\$0.00	sko10a-03102009-38-3
2/29/2008	1-07	\$0.00	\$125.04	\$125.04	\$0.00	DEBC29A-02292008-54-1
7/11/2007	2-06	\$0.00	\$0.00	\$289.35	\$0.00	SKB2-07112007-29-1
2/15/2007	1-06	\$0.00	\$289.35	\$0.00	\$0.00	DEBI5-02152007-66-2

Tax Distributions

2021



■ Schools
 ■ County
 ■ Municipal
 ■ Other
 ■ Township

Levy Name	Amount	Percentage
County	\$24.98	16.79%
Township	\$1.10	0.74%
Municipal	\$24.46	16.44%
Schools	\$85.76	57.66%
Other	\$12.44	8.36%
Totals	\$148.74	100%

Special Assessments

No Special Assessment Records Found.



**MELISSA A KOCH
WAYNE COUNTY
TREASURER**

428 West Liberty St.,
Wooster, Ohio 44691

PLOUGH HOLDINGS LLC
6464 FREDERICKSBURG RD
WOOSTER OH 44691

Office Hours 8:00am - 4:30pm
Monday through Friday
Phone 330-287-5450

REAL ESTATE TAXES FOR
SECOND HALF 2021
DUE: 7/21/2022

MESSAGES

PLEASE PROVIDE A CURRENT PHONE NUMBER ON
CHECKS

TAX DISTRICT

46 - SALT CREEK TWP FREDERICKSBURG

PARCEL NUMBER	LEGAL OWNER	LEGAL DESCRIPTION	PROPERTY ADDRESS
46-00011.000	PLOUGH HOLDINGS LLC	LOT 202 50' MP 2 CD 12	594 MILL ST FREDERICKSBURG OH 44627

	APPRAISED VALUE	ASSESSED VALUE (35% OF MARKET)	TAX RATE	EFFECTIVE TAX RATE (MILLS)	NON-BUSINESS CREDIT FACTOR	OWNER OCCUPANCY CREDIT FACTOR
LAND	\$7,840.00	\$2,740.00	75.95	54.288174	0.079772	0.019943
IMPROVEMENT	\$0.00	\$0.00	75.95	54.288174	0.079772	0.019943
TOTAL	\$7,840.00	\$2,740.00	75.95	54.288174	0.079772	0.019943

CALCULATION OF FULL YEAR TAXES		WHERE YOUR TAXES GO	
GROSS REAL ESTATE TAXES	\$208.10	COUNTY	\$24.98
ADJUSTMENT	\$0.00	TOWNSHIP	\$1.10
REDUCTION AMOUNT	-\$59.36	MUNICIPAL	\$24.46
SUB TOTAL	\$148.74	SCHOOLS	\$85.76
NON-BUSINESS CREDIT	\$0.00	OTHER	\$12.44
OWNER OCCUPIED CREDIT	\$0.00	CURRENT ASSESSMENTS	\$0.00
HOMESTEAD	\$0.00	DELINQUENT ASSESSMENTS	\$0.00
REAL ESTATE NET	\$148.74	PAYMENTS	-\$74.37
CAUV RECOUPMENT	\$0.00		
CURRENT ASSESSMENTS	\$0.00		
DELINQUENT ASSESSMENTS	\$0.00		
DELINQUENT REAL ESTATE	\$0.00		
FULL YEAR TOTAL	\$148.74	BALANCE DUE	\$74.37

DETACH THIS AND RETURN WITH PAYMENT INSIDE AN ENCLOSED ENVELOPE

MELISSA A KOCH WAYNE COUNTY TREASURER

428 West Liberty St.,
Wooster, Ohio 44691

Please make any address changes in the area below

PLOUGH HOLDINGS LLC
6464 FREDERICKSBURG RD
WOOSTER OH 44691

PENALTY ADDED AFTER DUE DATE



PARCEL NUMBER 46-00011.000

REAL ESTATE TAXES FOR **SECOND HALF 2021**
DUE 7/21/2022

BALANCE DUE **\$74.37**



June 26, 2022

Plough Holdings LLC
PO Box 265
Fredericksburg, OH 44627
Attn. R Duane Hord Manger

Dear Mr. Hord,

Thank you for choosing AgVisory for your valuation and consulting service needs. I am confident that you will be very satisfied with the services that we offer.

Enclosed please find our Agreement for Services. If this Agreement is acceptable to you, please sign and return to our office via email. Once we receive the signed Agreement from you, we will expedite your request.

If you have questions, please don't hesitate to contact me. I can be reached at 302.270.5165.

Again, thank you for choosing AgVisory.

Sincerely,

Jodi M. Pries
President

Enclosure



AGREEMENT OF SERVICES

DATE OF AGREEMENT: June 23, 2022

PARTIES TO AGREEMENT:

Client:

Plough Holdings LLC
PO Box 265
Fredericksburg, OH 44627
Attn. R Duane Hord Manger

Appraiser(s):

Jodi Pries
jodi.pries@agvisory.com
302.270.5165

AgVisory LLC
P.O. Box 177
Nassau, DE 19969

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

PROPERTY IDENTIFICATION / DESCRIPTION

9552 Fredericksburg Road, Wooster, Ohio in Wayne County
Parcel #s 45-0033.000, 46-00011.000, 46-00061.000, 46-00101.000
3.45 acres improved by dairy processing facility

INTEREST VALUED

Fee Simple of Real Estate

INTENDED USERS

Plough Holdings, LLC and assigns

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.

INTENDED USE

To aid in property management



Note: No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate Scope of Work for the assignment.

TYPE OF VALUE

Market Value

DATE OF VALUE

Current 'As Is'

PROPERTY TO BE VALUED

Real Estate & Processing Equipment

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

None anticipated

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

- The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
- American Society of Farm Managers & Rural Appraisers (ASFMRA) Ethics & Guidelines
- American Society of Appraisers (ASA) Code of Ethics

ANTICIPATED SCOPE OF WORK

Site visit:

On site visits to be scheduled with owners

Valuation approaches:

Sales comparison approach / Cost approach / Income approach

Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.

APPRAISAL REPORT

Summary narrative

CONTACT FOR PROPERTY ACCESS, IF APPLICABLE

To be provided by client



PROPOSED IMPROVEMENTS

If the property appraised consists of proposed improvements, Client shall provide to Appraiser plans, specifications or other documentation sufficient to identify the extent and character of the proposed improvements.

PROPERTIES UNDER CONTRACT FOR SALE

If the property appraised is currently under contract for sale, Client shall provide to Appraiser a copy of said contract including all addenda.

ADDITIONAL DOCUMENTATION

Client agrees to provide Appraiser with the documentation as indicated in Appendix A to this Agreement.

FEE & DELIVERY DATE

The fee for delivery by September 30, 2022 is \$10,000 plus travel not to exceed \$2,000.

PAYMENT TERMS

100% to be paid upon receipt of report.

PAYMENT DUE DATE

Appraiser shall invoice Client for services rendered pursuant to this Agreement based upon the fees specified in this Agreement. Appraiser's invoices are considered due upon receipt by Client and shall be deemed delinquent if not paid within 30 days of the date of Appraiser's invoice.

DELIVERY METHOD

E-mail

WHEN APPRAISER'S OBLIGATIONS ARE COMPLETE

Appraiser's obligations pursuant to this Agreement are complete when the Appraisal Report in the form specified in this Agreement is delivered to Client pursuant to this Agreement. Appraiser agrees to be responsive to Client's legitimate inquiries regarding the contents of the report after delivery.

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 to, 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).



USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

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 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.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

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 as a result of this Assignment will serve



to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

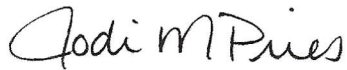
ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of, this Agreement:

By Appraiser:



Jodi M Pries

Date: 6/26/2022

By Client:



Authorized Signature of Client

Date: 6/29/2022



Addenda

List of requested items for appraisals

1. Site plans, blueprints, and/or building sketches with square footages, building heights
2. Depreciation schedules or asset list
3. Process flow diagrams
4. Maps/Surveys
5. Deeds or legal descriptions
6. Income & Expense Statements and/or Financial Statements (3-5 year history and/or projections if a proposed project)
7. Recent renovations and cost data
8. Leases, if applicable
9. Contact names and numbers for all facilities to be inspected
10. Real Estate Taxes (and personal property taxes, if applicable)