

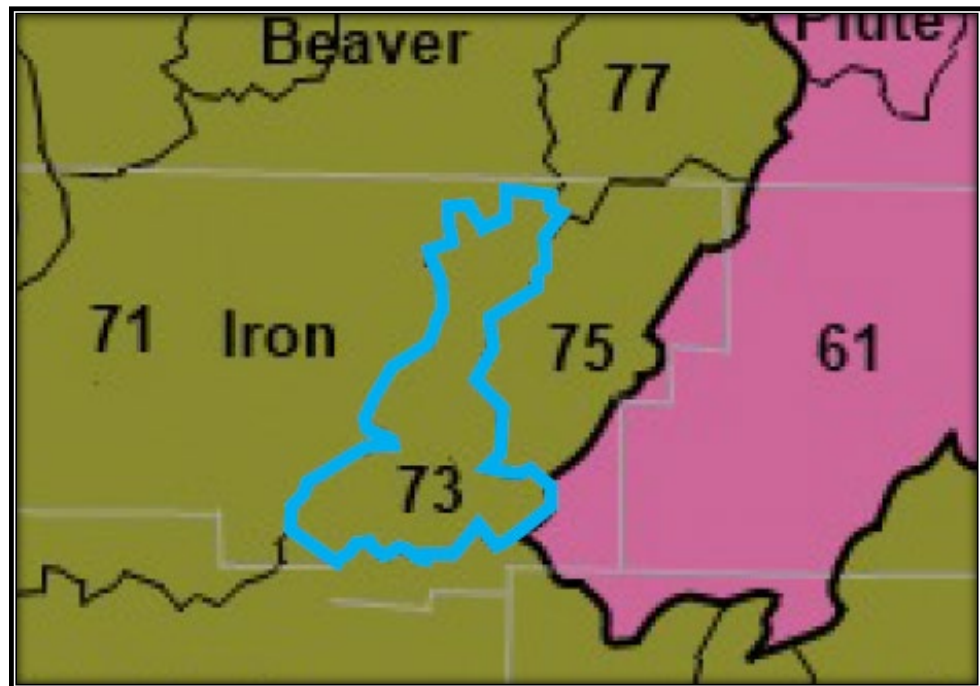


HYMAS & ASSOCIATES

REAL ESTATE APPRAISALS

Water Rights and Water Shares Basin 73

Basin 73 is located in eastern portion of Iron County, UT



Prepared For
Mr. Paul Bittmenn
Cedar City Corporation
10 North Main Street
Cedar City, UT 84720

Prepared By
Hymas & Associates, LC
Cody Hymas, MAI
427 S. Main Street, Suite 202-B
Cedar City, UT 84720
File #:25CH230R



Date of Report: October 22, 2025

Mr. Paul Bittmenn
Cedar City Corporation
10 North Main Street
Cedar City, UT 84720

Re: Water Rights and Water Shares Basin 73
Basin 73 is located in the eastern portion of Iron County, UT
Appraisers' File #25CH230R

Dear Mr. Bittmenn,

At your request, I have appraised water rights located within basin 73 and water shares within irrigation companies within the 73 basin. The purpose of the appraisal report is to form an opinion of market value of water rights and water shares within basin 73, which incorporates a portion of Iron County, Utah. The purpose of this appraisal report is to provide a conclusion on the current market value of water rights within basin 73 and water shares within irrigation companies within the 73 basin. Further, based on the request of the client, water rights with a priority date of 1934 or senior are to be concluded and water rights with a priority date of 1935 or younger is to be determine if there is an associated discount based on the State of Utah, Department of Natural Resources, Division of Water Rights final adoption of the Cedar City Valley Groundwater Management Plan. The State Engineer determined that basin 73 is a critical management area with the adoption of the Cedar City Valley Groundwater Management Plan seeking to remedy the over depletion of basin 73. I, Cody Hymas, MAI, did not observe any of the water rights, wells, pumps, or appurtenant parts of water rights within basin 73 or the associated irrigation companies. The results of the appraisal report are presented in the following Appraisal Report which sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

According to the Utah Division of Water Rights, basin 73 is described as follows, *"Reaching from T315 to T375 in Iron County, this drainage basin, of about 580 square miles, includes the surface source of Coal Creek in the southeast and several intermittent streams that flow from the Black Mountains in the north. It is bounded on the west by the 7,200 foot Harmony Mountains and the Swett Hills, on the south and east by the 11,307 foot Markagunt Plateau and Cedar Mountain, and on the north by the 8,700 foot Black Mountains. Low saddles on the south, northeast, and northwest lead to the adjacent Ash Creek, Parowan, and Escalante Valleys, respectively. The lowest point is Mud Springs Gap at 5,350 feet, giving the basin a total relief of about 5,250 feet."*

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of my client as I understand them.

Mr. Paul Bittmenn is the client in this assignment and Cedar City Corporation and Enoch City are the sole intended users of the appraisal report. The intended use is to assist in providing a market value baseline for water rights in basin 73 with a priority date of 1934 or senior and determine what if any discount is associated with water rights with a priority day of 1935 or younger. Further, to determine a value baseline for water shares within irrigation companies located within basin 73. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

This appraisal report relies on the following hypothetical condition:

- I have relied on the hypothetical condition that none of the water rights are currently listed for sale or under contract and none of the water rights have been listed for sale, under contract, or sold within the three years preceding the date of this appraisal.



This appraisal report relies on the following extraordinary assumptions:

- I have not conducted a physical inspection of any water rights, wells, pumps, or associated components pertaining to the subject water rights. This analysis is based solely on documentation provided by the Utah Division of Water Rights and information supplied by the client.
- There have been relatively few water rights that have sold over the past several years in basin 73. As such, I have relied on the sales I was able to verify as well as my interviews with market participants, municipalities officials, and real estate professionals in the area to assist in determining the value baseline and the possible discount associated with 1935 or younger priority water rights.
- This appraisal report relies on the extraordinary assumption that the water rights noted in this appraisal report have proven beneficial use and are in good standing with the State of Utah, Department of Water Rights and are not subject to forfeiture.

The use of the hypothetical condition and/or extraordinary assumptions might have affected the assignment results.

Based upon my examination and study of the water rights and water shares within basin 73 and subject to the hypothetical condition, extraordinary assumptions, and limiting conditions contained later in this report, market value of the water rights and water shares as of October 17, 2025, is as follows:

Basin 73 Water Right Value Conclusions Summary	
Water Priority, Location, and Acre-Feet	Value/Acre-Foot
1934 and Seniort	
Water Right Sales Less than 10 Acre-Feet	\$19,000
Water Right Sales 10 Acre-Feet or Larger	\$16,150
Priority Dates from January 1, 1935 to December 31, 1935	
Water Right Sales Less than 10 Acre-Feet	\$15,000
Water Right Sales 10 Acre-Feet or Larger	\$12,000
Priority Dates from January 1, 1936 to December 31, 1951	
Water Right Sales Less than 10 Acre-Feet	\$10,000
Water Right Sales 10 Acre-Feet or Larger	\$8,000
Priority Dates from January 1, 1952 to December 31, 1954	
Water Right Sales Less than 10 Acre-Feet	\$8,000
Water Right Sales 10 Acre-Feet or Larger	\$6,000
Priority Dates from January 1, 1955 to December 31, 1957	
Water Right Sales Less than 10 Acre-Feet	\$7,500
Water Right Sales 10 Acre-Feet or Larger	\$5,625
Priority Dates from January 1, 1958 to Present	
Water Right Sales Less than 10 Acre-Feet	\$2,500
Water Right Sales 10 Acre-Feet or Larger	\$1,750



Cedar Valley Irrigation Companies		
Irrigation Company	Class of Stock	Value/Share
South & West Field	Class 1	\$28,000
Union Field	Class 1	\$4,000
East Extension	Class 1 & 2	\$10,000
	Class 3 & 4	\$5,000
	Class 4A	\$2,000
Northfield	Class 1 & 2	\$10,000
	Class 3 & 4	\$5,000
	Class 4A	\$2,000
Old Fort & Old Field	Class A	\$500
Northwest Field	Class A	\$500
Coal Creek	Class 4A	\$100
	Calss 4B	\$75

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, for the value opinions set forth above to be valid.

Respectfully submitted,
Hymas & Associates, LC

Cody Hymas, MAI
UT State Certified General Appraiser
UT #5504978-CG00 Expires April 30, 2026



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Certification

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed prior appraisal related services regarding water rights within basin 73 within the previous three years of the appraisal date.
- I 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.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I, Cody Hymas, MAI, made a personal inspection of property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this appraisal, I, Cody Hymas, MAI, have completed the continuing education requirements for Designated Members of the Appraisal Institute.

Cody Hymas, MAI
UT Certified General Appraiser
Utah #5504978-CG00 Expires: April 30, 2026
Date: October 22, 2025



General Assumptions & Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. As the subject consists of no specific water rights, I have not relied on any water right numbers, legal descriptions, or other defining information. I have relied on the general description for basin 73 from the information on the Utah Division of Water Rights website.
2. I accept no responsibility for legal matters. I express no opinion about the quality of the title which is assumed to be marketable. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, it is assumed that the subject has no encroachments, zoning violations or adverse restrictions.
4. I am not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
5. Unless expressly specified in this Agreement, the fee for this appraisal does not include the attending testifying at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding(s). If any partner or employee of Hymas & Associates, LC, is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Hymas & Associates, LC, for the time that its employees spend appearing and/or testifying and in preparing to testify according to the appraiser's then current hourly rate plus reimbursement of expenses.
6. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
7. The dates of value to which the opinions expressed in this report apply are set forth in this report. I assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
8. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property and/or understanding the appraisal analysis. I accept no responsibility for the accuracy of these documents.
9. I have not made a survey of the property. Although I have developed my estimates of property size and other property characteristics from sources that I believe to be reliable, I have not independently verified the accuracy of the information and assume no responsibility for its accuracy.
10. The information, estimates and opinions which were obtained from sources outside of Hymas & Associates, LC, are assumed to be reliable. I have not verified the information and assume no liability for its accuracy.
11. Possession of this appraisal report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraiser(s), professional designations, reference to any professional appraisal organization or the firm with which the appraiser(s) are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval from the appraiser(s).



12. I claim no expertise in matters which require specialized investigation or knowledge beyond levels common among real estate appraisers. Examples of these matters include, but are not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
13. This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the client identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Hymas & Associates, LC, and Client. I assume no liability for unauthorized use of the appraisal report by a third party.
14. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
15. The value opinion provided herein is subject to all predications set forth in this report.
16. I assume that the water rights and water shares have no hidden or unknown conditions which would render them more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover.
17. Unless expressly granted in writing, this appraisal is not intended to be used, and may not be used, on behalf of or in connection with a real estate syndicate or syndicates. A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, an investment or gain from and interest in real property, including, but not limited to a sale or exchange, trade or development of such real property, on behalf of others, or which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency which regulates investments made as a public offering. It is agreed that any user of this appraisal who uses it contrary to the prohibitions in this section indemnifies the appraiser and the appraiser's firm and holds them harmless of and from all claims, including attorney's fees, arising from said use.
18. Unless otherwise stated in this report, I observed no hazardous material(s), which may or may not be present on the property. I have no knowledge of the existence of such materials on or in the property and, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value conclusion is predicted on the assumption that the property has no environmental contamination has no such material on or in the property that would cause a loss in value. I accept no responsibility for any such conditions, or for the cost of any expertise or engineering knowledge required to discover such materials and/or conditions. The client is urged to retain an expert in this field, if desired.
19. I have surveyed the property for compliance with the various requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
20. If any claim is filed against Hymas & Associates, LC, its officers or employees, in connection with, or in any way arising out of, or relating to, this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
21. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.



22. It is the client's responsibility to read the report and to inform the appraiser(s) of any errors or omissions of which you are aware, prior to utilizing the report.
23. All disputes shall be settled by binding arbitration in accordance with the then-existing commercial arbitration rules of the American Arbitration Association (the "AAA").
24. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.
25. The report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with Hymas & Associates, LC independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, Hymas & Associates, LC shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and Hymas & Associates, LC has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of Hymas & Associates, LC to buy, sell, hold, or finance the subject property.

Hypothetical Conditions:

- I have relied on the hypothetical condition that none of the water rights are currently listed for sale or under contract and none of the water rights have been listed for sale, under contract, or sold within the three years preceding the date of this appraisal.

Extraordinary Assumptions:

- I have not conducted a physical inspection of any water rights, wells, pumps, or associated components pertaining to the subject water rights. This analysis is based solely on documentation provided by the Utah Division of Water Rights and information supplied by the client.
- There have been relatively few water rights that have sold over the past several years in basin 73. As such, I have relied on the sales I was able to verify as well as my interviews with market participants, municipalities officials, and real estate professionals in the area to assist in determining the value baseline and the possible discount associated with 1935 or younger priority water rights.
- This appraisal report relies on the extraordinary assumption that the water rights noted in this appraisal report have proven beneficial use and are in good standing with the State of Utah, Department of Water Rights and are not subject to forfeiture.

The use of the hypothetical condition and/or extraordinary assumptions might have affected the assignment results.



Executive Summary

Property Name:	Water Rights and Water Shares Basin 73
Water Right Basin Description:	Reaching from T31S to T37S in Iron County, this drainage basin, of about 580 square miles, includes the surface source of Coal Creek in the southeast and several intermittent streams that flow from the Black Mountains in the north. It is bounded on the west by the 7,200 foot Harmony Mountains and the Swett Hills, on the south and east by the 11,307 foot Markagunt Plateau and Cedar Mountain, and on the north by the 8,700 foot Black Mountains. Low saddles on the south, northeast, and northwest lead to the adjacent Ash Creek, Parowan, and Escalante Valleys, respectively. The lowest point is Mud Springs Gap at 5,350 feet, giving the basin a total relief of about 5,250 feet.
Property Rights Appraised:	Fee Simple
Valuation Premise:	'as if'
Intended User:	Cedar City Corporation and Enoch City
Intended Use:	To assist in providing a market value baseline for water rights in basin 73 with a priority date of 1934 or senior and determine what if any discount is associated with water rights with a priority day of 1935 or younger. Further, to determine a value baseline for water shares within irrigation companies located within basin 73.
Hypothetical Conditions:	Yes, See letter, introduction, and body of report.
Extraordinary Assumptions:	Yes, See letter, introduction, and body of report.
Highest & Best Use:	Agriculture or transfer to municipalities for potable water.
Marketing Time:	3 to 6 months
Exposure Time:	3 to 6 months
Date of Inspection:	I did not observe any of the water rights, wells, pumps, or appurtenant parts of water rights within basin 73 or the associated irrigation companies.
Date of Value:	October 17, 2025
Date of Report:	October 22, 2025



Reconciled Value:

Basin 73 Water Right Value Conclusions Summary	
Water Priority, Location, and Acre-Feet	Value/Acre-Foot
1934 and Senior	
Water Right Sales Less than 10 Acre-Feet	\$19,000
Water Right Sales 10 Acre-Feet or Larger	\$16,150
Priority Dates from January 1, 1935 to December 31, 1935	
Water Right Sales Less than 10 Acre-Feet	\$15,000
Water Right Sales 10 Acre-Feet or Larger	\$12,000
Priority Dates from January 1, 1936 to December 31, 1951	
Water Right Sales Less than 10 Acre-Feet	\$10,000
Water Right Sales 10 Acre-Feet or Larger	\$8,000
Priority Dates from January 1, 1952 to December 31, 1954	
Water Right Sales Less than 10 Acre-Feet	\$8,000
Water Right Sales 10 Acre-Feet or Larger	\$6,000
Priority Dates from January 1, 1955 to December 31, 1957	
Water Right Sales Less than 10 Acre-Feet	\$7,500
Water Right Sales 10 Acre-Feet or Larger	\$5,625
Priority Dates from January 1, 1958 to Present	
Water Right Sales Less than 10 Acre-Feet	\$2,500
Water Right Sales 10 Acre-Feet or Larger	\$1,750

Cedar Valley Irrigation Companies		
Irrigation Company	Class of Stock	Value/Share
South & West Field	Class 1	\$28,000
Union Field	Class 1	\$4,000
East Extension	Class 1 & 2	\$10,000
	Class 3 & 4	\$5,000
	Class 4A	\$2,000
Northfield	Class 1 & 2	\$10,000
	Class 3 & 4	\$5,000
	Class 4A	\$2,000
Old Fort & Old Field	Class A	\$500
Northwest Field	Class A	\$500
Coal Creek	Class 4A	\$100
	Class 4B	\$75



Introduction

Property Identification and Location – Per Utah Division of Water Rights Website

Basin 73 – Reaching from T31S to T37S in Iron County, this drainage basin, of about 580 square miles, includes the surface source of Coal Creek in the southeast and several intermittent streams that flow from the Black Mountains in the north. It is bounded on the west by the 7,200 foot Harmony Mountains and the Swett Hills, on the south and east by the 11,307 foot Markagunt Plateau and Cedar Mountain, and on the north by the 8,700 foot Black Mountains. Low saddles on the south, northeast, and northwest lead to the adjacent Ash Creek, Parowan, and Escalante Valleys, respectively. The lowest point is Mud Springs Gap at 5,350 feet, giving the basin a total relief of about 5,250 feet.

Client and Intended User

The client of this appraisal report is Mr. Paul Bittmenn. Intended users of this appraisal report include Cedar City Corporation and Enoch City and no others.

Intended Use

The intended use of this appraisal report is to assist in providing a market value baseline for water rights in basin 73 with a priority date of 1934 or senior and determine what if any discount is associated with water rights with a priority day of 1935 or younger. Further, to determine a value baseline for water shares within irrigation companies located within basin 73.

Appraisal Assignment

This appraisal has been completed at the specific request of Mr. Paul Bittmenn of Cedar City Corporation. This appraisal report consist of all water rights within basin 73 with respect to the priority dates established in the Cedar City Valley Groundwater Management Plan that was adopted January 11, 2021.

Definitions

A glossary of general appraisal terminology is contained in the Addendum. Following are some of the more pertinent definitions that will be used in this appraisal.

Market Value

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

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

Source – Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [h].

Appraisal Report

A written report prepared under Standards Rule 2-2(a) of the Uniform Standards of Appraisal Practice, 2024 ed.

Note: This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

Marketing and Exposure Time

Marketing time is defined by The Dictionary of Real Estate Appraisal 7th Edition as “An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price 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. Marketing Time and Exposure Time would ordinarily be the same, unless a temporary market condition existed prior to the date of valuation that would not be a factor postdate of value or vice versa. Market influences like a road widening, local or national election could be considered. Sources of support data include national surveys, comparable sales data, and broker interviews.

Based on the above information the marketing time for a property such as the subject has been determined to be approximately 3 to 6 months. This estimate is based upon the statistical information above about days on the market and market times gathered through sales verification as well as interviews with commercial real estate brokers in the Iron County area.

Exposure time is presumed to precede the effective date of the appraisal and reflects the estimated length of time the property would need to be offered prior to the date of the appraisal to achieve a market value sale on the effective date of the appraisal. Based on an analysis of market conditions, the exposure time is determined to be 3 to 6 months.

Real Property Interest Appraised

The interest appraised arises from Fee Simple ownership.

Property Ownership

This appraisal report does not value any specific water right but rather values general water rights and water shares within basin 73. Therefore, no ownership is noted.

Current and/or Previous Listing History

I have relied on the hypothetical condition that none of the water rights are currently listed for sale and have not been listed for sale within the three years preceding the date of this appraisal report.

Current Contract and/or Previous Contract

I have relied on the hypothetical condition that none of the water rights are currently under contract and have not been under contract within the three years preceding the date of this appraisal report.

Sales History

I have relied on the hypothetical condition that none of the water rights have sold within the three years preceding the date of this appraisal report.

Important Dates

Date of Value
October 17, 2025

Inspection Date
No physical inspection.

Date of Report
October 22, 2025

Scope of Work

This report is intended to be a narrative appraisal report, as defined by the Appraisal Foundation in the current Uniform Standards of Professional Practice. All data pertinent to the solution of the appraisal problem has been collected, confirmed, and reported. The difficulty of the appraisal problem is reflected in the extent of the Scope of the Appraisal.

To accomplish the stated purpose of the appraisal, a field observation of the subject and the surrounding neighborhood and marketing area was conducted. In addition, extensive research regarding sales, rentals and other information was collected, confirmed, and analyzed to support the valuation analysis. The specific activities included the following:

- **Property Identification**

This appraisal report consist of all water rights within basin 73 with respect to the priority dates established in the Cedar City Valley Groundwater Management Plan that was adopted January 11, 2021.



- **Type of Property Observation**
I did not observe any of the water rights, wells, pumps, or appurtenant parts of water rights within basin 73 or the associated irrigation companies.
- **Problem to be Solved (Purpose of the Appraisal)**
To assist in providing a market value baseline for water rights in basin 73 with a priority date of 1934 or senior and determine what if any discount is associated with water rights with a priority day of 1935 or younger. Further, to determine a value baseline for water shares within irrigation companies located within basin 73.
- **Zoning**
I interviewed officials within Cedar City, Enoch City, Central Iron County Water Conservancy District, irrigation companies, and the Southwest Branch of the State of Utah Division of Water Rights. Additionally, I interviewed numerous market participants and real estate professionals in an effort to obtain sufficient data to rely on within this appraisal report.
- **Market Analysis**
Research was performed into the local economy that drives the demand for water rights and water shares.
- **Highest & Best Use**
Research was conducted for comparable sales and listings of water rights and water shares to assist in supporting the conclusions.
- **Informational Sources**
Research, analyses, and conclusions are contained within this appraisal report with additional information, research, analysis, notes, and conclusions retained within the hard file.

Appraisal Methodology & Valuation

The valuation of commercial real estate is typically based on the traditional approaches to value. These are described as follows.

- **Cost Approach** – The Cost Approach is based upon the principle of substitution, which states that a prudent purchaser would not pay more for a property than the amount required to purchase a similar site and construct a similar improvement without undue delay, producing a property of equal desirability and utility. This approach is particularly applicable when the improvements being appraised are relatively new or when the improvements are so specialized that there is little or no sales data from comparable properties.
- **Income Capitalization Approach** – The Income Capitalization Approach is based on the principle of anticipation, or the assumption that value is created by the expectation of benefits to be derived in the future, such as expected future income flows. Its premise is that a prudent investor will pay no more for the property than he or she would for another investment of similar risk and cash flow characteristics. The Income Capitalization Approach is widely used and relied upon in appraising income-producing properties, especially those for which there is an active investment sales market.
- **Direct Sales Comparison Approach** – The Sales Comparison Approach involves the direct comparison of sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. This method can be useful for valuing general-purpose properties or vacant land. For improved properties, it is particularly applicable when there is an active sales market for the property type being appraised – either by owner-users or investors.

Cost Approach

The cost approach was not developed as the subject consists of water rights and water shares and the cost approach is not applicable and does not provide a reliable indication of market value.



Sales Comparison Approach

The sales comparison approach was developed as there is adequate data to develop a conclusion of market value and the sales comparison approach reflects market behavior. In addition to the market data, I have relied heavily on my interviews with municipalities officials, market participants, and real estate professionals.

Income Capitalization Approach

The income capitalization approach was not developed as the subject consists of water rights and water shares and the income approach is not applicable and does not provide a reliable indication of market value.

Hypothetical Conditions

- I have relied on the hypothetical condition that none of the water rights are currently listed for sale or under contract and none of the water rights have been listed for sale, under contract, or sold within the three years preceding the date of this appraisal.

Extraordinary Assumptions

- I have not conducted a physical inspection of any water rights, wells, pumps, or associated components pertaining to the subject water rights. This analysis is based solely on documentation provided by the Utah Division of Water Rights and information supplied by the client.
- There have been relatively few water rights that have sold over the past several years in basin 73. As such, I have relied on the sales I was able to verify as well as my interviews with market participants, municipalities officials, and real estate professionals in the area to assist in determining the value baseline and the possible discount associated with 1935 or younger priority water rights.
- This appraisal report relies on the extraordinary assumption that the water rights noted in this appraisal report have proven beneficial use and are in good standing with the State of Utah, Department of Water Rights and are not subject to forfeiture.

The use of the hypothetical condition and/or extraordinary assumptions might have affected the assignment results.



Utah Water Right History

The Utah pioneers, in the late 1840's, were the first Anglo-Saxons to practice irrigation on an extensive scale in the United States. Being a desert, Utah contained much more cultivable land than could be watered from the incoming mountain streams. The principle was established that those who first made beneficial use of water should be entitled to continued use in preference to those who came later. This fundamental principal was later sanctioned in law and is known as the Doctrine of Prior Appropriation. This means those holding water rights with the earliest priority dates, and who have continued beneficial use of the water, have the right to water from a certain source before others with water rights having later priority dates.

In the early territorial days, rights to the use of public streams of water were acquired by physical diversion and application of water to beneficial use, or by legislative grant. A "county courts" water allocation system was enacted in 1852 and was in effect until 1880 when it was replaced by a statute providing for county water commissioners.

The Office of the State Engineer was created in 1897. The State Engineer is the chief water rights administrative officer. A complete "water code" was enacted in 1903 and was revised and reenacted in 1919. This law, with succeeding complete reenactments and amendments is presently in force mostly as *Utah Code*, Title 73. In 1967 the name of the Office of the State Engineer was changed to the Division of Water Rights with the State Engineer designated as the Director, but the public sometimes still refers to the Division as the State Engineer's Office. The Division of Water Rights is the state agency that regulates the appropriation and distribution of water in the state of Utah.

All waters in Utah are public property. A "water right" is a right to divert (remove from its natural source) and beneficially use water. The defining elements of a typical water right will include:

- A defined nature and extent of beneficial use;
- A priority date;
- A defined quantity of water allowed for diversion by flow rate (cfs) and/or by volume (acre-feet);
- A specified point of diversion and source of water;
- A specified place of beneficial use.

Rights for water diversion and use established prior to 1903 for surface water or prior to 1935 for ground water can be established by filing a "diligence claim" with the Division. Such claims are subject to public notice and judicial review and may be barred by court decree in some areas of the state.

All other rights to the use of water in the State of Utah must be established through the appropriation process administered by the Division of Water Rights. The steps to this process for an "Application to Appropriate Water" are as follows:

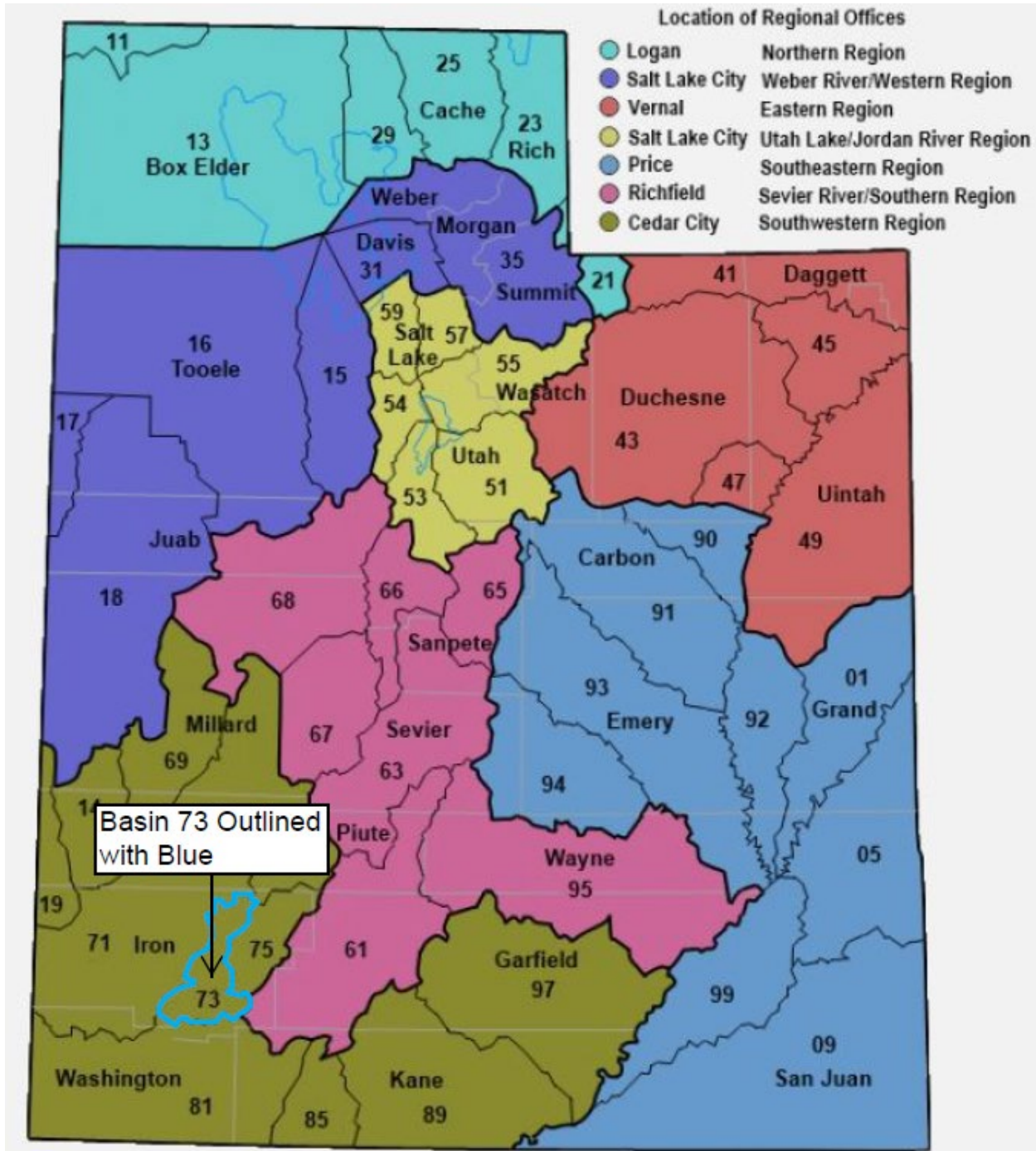
- An Application to Appropriate Water is filed with the Division.
- The application is advertised and protests may be received and a hearing may be held.
- The State Engineer renders a decision on the application based upon principles established in statute and by prior court decisions.
- If the application is approved, the applicant is allowed a set period of time within which to develop the proposed diversion and use water. When the diversion and use are fully developed, the applicant retains the services of a professional engineer or land surveyor who files "proof" documentation with the Division showing the details of the development.
- Upon verification of acceptably complete proof documentation, the State Engineer issues a Certificate of Appropriation, thus "perfecting" the water right.

Many areas of the state are administratively "closed" to new appropriations of water. In those areas, new diversions and uses of water are established by the modification of existing water rights. Such modifications are accomplished by the filing of "change applications." These applications are filed and processed in a manner very similar to that described above for Applications to Appropriate Water.

Water appropriation issues in specific geographic areas of the state are often administered using policies and guidelines designed to address local conditions. These policies and guidelines are generally developed



for all or part of a defined Drainage Basin. Below is a State of Utah basin map which was taken from the Utah Division of Water Rights webpage and it identifies the location of each basin.





Basin 73 General Information

Area 73 – Cedar City Valley (Per Utah Division of Water Rights Webpage)

Water rights in this area were first compiled into a proposed determination of water rights in 1947. This publication was superseded by the completion of four proposed determination books in 1966; a pre-trial order was issued in 1970. There are two state-administered water distribution systems in this area; the Coal Creek Distribution System oversees the distribution of surface water from Coal Creek, while the Cedar City Valley Distribution System monitors the ground-water pumpers. Both systems are under the jurisdiction of the Cedar City Valley Commissioner. The Cedar Breaks National Monument Water Rights Settlement Agreement was signed in April 2000 and quantifies the appurtenant water rights.

General Description of Basin 73

Reaching from T31S to T37S in Iron County, this drainage basin, of about 580 square miles, includes the surface source of Coal Creek in the southeast and several intermittent streams that flow from the Black Mountains in the north. It is bounded on the west by the 7,200 foot Harmony Mountains and the Sweet Hills, on the south and east by the 11,307 foot Markagunt Plateau and Cedar Mountain, and on the north by the 8,700 foot Black Mountains. Low saddles on the south, northeast, and northwest lead to the adjacent Ash Creek, Parowan, and Escalante Valleys, respectively. The lowest point is Mud Springs Gap at 5,350 feet, giving the basin a total relief of about 5,250 feet.

Surface and Ground Water

All waters of the basin are considered to be fully appropriated. New diversions and uses must be accomplished by change applications based on valid existing water rights. Fixed-time projects must be accomplished by temporary change applications on valid existing water rights, which require annual renewal. The basin is divided into two subareas. The boundary is generally delineated by the route of State Highway 56 through the valley. No change applications between subareas are allowed. Change applications proposing a change from surface to underground sources or vice versa will be critically reviewed to assure hydrologic connection, that there are no enlargements of the underlying right(s), and that there will be no impairments of other rights.

The general irrigation diversion duty for this area, which the State Engineer uses for evaluation purposes, is 4.0 acre-feet per acre per year. The consumptive use requirement is determined from the publication *Consumptive Use of Irrigated Crops in Utah*, Research Report 145, Utah State University, 1994, unless the applicant submits other data for consideration. This area is administered by the Southwest Regional Office in Cedar City.

Cedar Valley Groundwater Management Plan

The Utah Division of Water Rights adopted the Cedar City Valley Groundwater Management Plan on January 11, 2021. The Cedar City Valley Groundwater Management Plan was implemented to ensure that groundwater withdrawals remain within the safe yield of the aquifer, safeguard its physical integrity, and protect water quality. Studies showed that the average annual groundwater depletion ($\approx 28,000$ acre-feet per year) significantly exceeded the safe yield of 21,000 acre-feet, classifying the basin as a *critical management area*. To restore balance, average depletions need to be reduced by about 7,000 acre-feet per year.

The plan applies to Water Right Area 73 in Iron County and establishes a priority-based regulation schedule extending from 2035 to 2080. Water rights are phased out based on their priority dates to gradually reduce depletions. For example:

- Phase 1 (2035): Regulates rights through December 31, 1957 — reducing 5,434 acre-feet.
- Phase 5 (2080): Concludes with rights through July 25, 1934 — achieving nearly 29,857 acre-feet in cumulative reduction.

Each year, the State Engineer will assess aquifer conditions, recharge projects, and depletion levels, adjusting regulations as needed.



Annual crop surveys will estimate irrigation-based depletions, while municipalities must report water use, diversions, and return flows. Artificial recharge, such as from approved recharge projects, will be included in depletion calculations if the water did not previously recharge the aquifer.

The plan allows voluntary arrangements among water users, approved by the State Engineer, to manage withdrawals collaboratively rather than strictly by priority date. For instance, projects like the Central Iron County Water Conservancy District's importation of water from Pine and Wah Wah Valleys could offset future regulations if successful. The plan also follows an adaptive management approach, adjusting as groundwater levels stabilize and balance is achieved. If safe yield is reached before all reduction phases, further cuts may be suspended.

Market Analysis

General Market Conditions

Historically there has been good demand for water rights in Utah. However, it is somewhat difficult to analyze the amount of water-right transactions because water rights can and are marketed and transferred in many different forums. Although water rights are marketed in different forums, water rights typically have very little variation in sales price if compared within the same basin, drainage, and other similar characteristics, albeit this has changed with water rights rapidly increasing in sales price over the past decade or so, with some fluctuation most recently being noted. The most notable difference in sales price comes from Basin 81, which, depending on the water right's location, can vary five or more times in price from one place to another.

My interviews with municipality officials, market participants, and real-estate professionals active in Basin 73 water rights generally agreed that the market for water rights used to be fairly predictable with buyers and sellers both generally having a reasonable understanding about water-right prices, uses, and locations, which has changed significantly in the past decade. Historically, water rights transferred mainly between farmers who utilized the water for irrigation and agricultural purposes. Over the past decade, developers have become major purchasers of water, which has increased demand and pricing of the water and have priced many agricultural users out of the market.

Sellers typically market water rights competitively with little to no negotiation in asking price. Additionally, water rights are easily split off and typically sell in quantities of less than 3-4 acre-feet in any one transaction, albeit there are occasions where large-volume transactions occur. In these large transaction sales, the sales price per acre-foot can vary from no associated discount to a rather large associated discount depending on the motivations of the buyer and/or seller. Lastly, the marketing period for water rights remains relatively short if the water rights are marketed at a price consistent with current market context.

Historically, water rights values have been relatively stable, but over the past decade have increased in demand and value at an unprecedented rate. Several years ago, the Utah Division of Water Rights (DWR) Engineer completed a study of Basin 73 (the Cedar City Valley). The study indicated that the average annual groundwater withdrawals exceeded the safe yield, making this basin a critical management area. The safe yield for the basin was estimated at about 21,000 acre-feet per year, while the current average depletion was estimated at about 28,000 acre-feet per year (i.e., a shortfall of ~7,000 acre-feet) at the time of the plan's adoption.

Based on the findings of the DWR Engineer, the Cedar City Valley Groundwater Management Plan (GMP) was adopted on January 11, 2021. The GMP is structured solely on priority dates of the water rights. According to the plan, water rights with a priority date of July 25, 1934 or senior are deemed secure and do not face potential regulation under the priority-curtailment schedule. Following that, water rights are tiered for regulation by date: (i) July 26, 1934 to December 31, 1935; (ii) January 1, 1936 to December 31, 1951; (iii) January 1, 1952 to December 31, 1954; (iv) January 1, 1955 to December 31, 1957; and (v) January 1, 1958 to present.

Based on the conclusions of the GMP, both Cedar City Corporation and Enoch City Corporation indicated that they will not purchase any water with a priority date younger than 1934 and the Central Iron County Water Conservancy District (CICWCD) has minimal interest in such younger-dated water. Based on my interviews with city officials and CICWCD management, this is because the entities are unwilling to risk purchasing water rights that potentially could lose use or be entirely curtailed.

Additionally, in September 2022 the Iron County Board of County Commissioners voted in favor of ordinance amendment 2022-6, which increased the minimum water rights required per residential unit in unincorporated Iron County from 0.45-acre-foot to 1 acre-foot. Further, the amendment included a new paragraph stating, "Any water right(s) required in this section shall be of a priority date that insures it(them) not to be in jeopardy of suspension or termination according to the applicable Utah Division of Water Rights State Engineer's 'Groundwater Management Plan' and rules for the water basin wherein the water right(s) is(are) issued for a period of at least fifty (50) years from the date of issuance of a building permit..." This



amendment effectively precludes any property located in unincorporated Iron County from securing a building permit using a water right younger than 1934 (if consistent with the GMP) as of this date.

My interviews with market participants and real-estate professionals indicate that although municipalities are unwilling to purchase water dated 1935 or younger, some market participants still will. Those interviewees who have or are willing to purchase 1935-dated or younger water rights have indicated that they will do so if they only need water for a fixed timeframe, believe the aquifer will recharge, or believe that one of the voluntary or import/recharge solutions will allow for sufficient water and the water will be usable for an extended period.

As water has become such a “hot” topic, many more people are becoming educated on the issues. For example, according to a news article in St. George News dated March 21, 2019, “The Central Iron County Water Conservancy District recently secured 26,275 acre-feet of groundwater rights from Utah’s West Desert.” The water is located in the Wah Wah Valley and Pine Valley—approximately 50 miles northwest of Cedar City. Although CICWCD secured these rights, a large amount of time, energy, and cost lies ahead to bring the water to Cedar Valley. Based on more recent updates, in August 2025 the CICWCD launched the next phase of the Pine Valley Water Supply (PVWS) project to transport water from Basin 14 (Pine Valley) to Basin 73, seeking to address the aquifer depletion. The imbalance remains: Basin 73 continues to use roughly 28,000 acre-feet annually while sustainable yield is about 21,000 acre-feet.

To date, CICWCD and Cedar City have been active in developing and improving recharge efforts. Some recharge projects have resulted in about 20,000 acre-feet of stored water by mid-2023, though this remains significantly less than necessary to fully recharge the aquifer. Although recharge is vital moving forward, the most significant recharge continues to be from snow and spring-runoff. Even with the relatively wetter winter of 2022-2023 and the slightly above average snowpack of winter 2023-2024, and the mild winter thus far in 2024-2025, the Basin 73 area remains subject to extended drought and continues to be in depletion mode.

Historically there has always been, and remains, a strong market for water rights. However, the market is changing because of increasing regulatory and basin-management uncertainty. Although water rights in Basin 73 are likely to evolve going forward, the market for 1934 and senior water currently is secure and not likely to change materially in the short term but water rights dated 1935 and younger are likely to face increasing uncertainty in the years ahead. Because the Cedar City Valley GMP has been in effect for several years, the full extent of the market adjustments is becoming clearer, albeit some uncertainty remains. It has become clear that water rights with a priority date of 1958 or younger have nearly no market demand because of the GMP adoption.

The current economic changes in the market, namely increasing interest rates and slower development pace, will likely impact the market for water rights. Because developers have been the most active purchasers of water rights, if development slows, demand for water rights will also decrease. Near the middle of 2023, there was a dip in pricing of water rights, largely due to one seller off-loading a number of 1934-or-senior water rights well below market norms. However, more recent sales of 1934-or-senior water rights have rebounded toward recent norms over the past year. Although developers are not as active in water rights as they once were, market data suggest that enough participants remain, especially in the 1934-or-senior segment, that there is no noticeable decrease in demand. Additionally, as long as Cedar City Corporation and Enoch City remain active in purchasing water rights, the price levels for 1934-or-senior water rights are likely to remain similar to what has been observed over the past several years.



Population Growth and Trends

According to the U.S. Census Bureau the population of Iron County was 46,163 as of 2010 and is 57,658 as of 2020 census, an increase of 24.90% total or 2.49% annually. It is estimated that Iron County will increase in population by 27,590 between the years 2020 and 2040. This would be a 47.85% increase from 57,658 people in 2020 to 85,248 people in 2040, an increase of 2.39% annually. Given the actual 2.41% change per year from 2010 to 2020 and the demographers expected growth, it is likely that Iron County will meet the expectations of strong growth for the foreseeable future.

Geography	2020 Census	2040 Projected	% Change
Tooele County	73,149	115,253	58%
Box Elder County	57,886	75,494	30%
Iron County	57,658	85,248	48%
Summit County	42,394	52,303	23%
Uintah County	35,679	39,112	10%
Wasatch County	34,933	57,112	63%

<https://gardner.utah.edu/demographics/population-projections/>

The table above is prepared using data from the U.S. Census and Kem C. Gardner Policy Institute. The table indicates the projected population of six similarly sized counties by 2040. Based on the projected population in Iron County, Iron County is expected to have the 8th largest percentage increase when compared with the other 29 counties in Utah between 2020 and 2040.

This growth rate is expected to continue in the foreseeable future according to the Kem C. Gardner Policy Institute. Increasing population growth promotes increased demand for new residential building sites and new demand for commercial development.

The Utah Department of Workforce Services stated the following regarding the economy of Iron County, updated August 2025.

"Iron County continues to have strong employment growth in the first quarter of 2025, with faster growth this quarter than in Q4 of 2024. With a low unemployment rate, strong wage growth, and a decline in initial unemployment claims filed, steady growth prevails in the county."



Highest & Best Use

The highest and best use of a property is "the reasonably probable use that results in the highest value. The four criteria that the highest best use must meet are legal permissibility, physical possibility, financial feasibility, and maximally productive."

Source: The Dictionary of Real Estate Appraisal, 7th Edition by The Appraisal Institute

Two procedures are used to determine a property's highest and best use. The first is an analysis of the site as vacant. The second is an analysis of any proposed or existing improvements and their influence upon the site's highest and best use. The use(s) concluded in the analyses to be highest and best must meet the four required criteria of legally permissible, physically possible, financially feasible, and maximally productive. Definitions from The Dictionary of Real Estate Appraisal 7th Edition for the four requirements are found below:

Legal Permissibility – A property use that is either currently allowed or most probably allowable under zoning codes, building codes, environmental regulations, and other applicable laws and regulations that govern land use.

Physical Possibility – For a land use to be considered physically possible, the parcel of land must be able to accommodate the construction of any building that would be a candidate for the ideal improvement.

Financial Feasibility – For a land use to be considered financially feasible, the value of the land use must exceed costs.

Maximally Productive – To achieve maximum productivity, a specific land use must yield the highest value of all the physically possible, legally permissible, and financially feasible possible uses.

This appraisal assignment involves the valuation of water rights and water shares. Water rights and water shares are unique as the water is not necessarily tied to real estate and if the water is tied to property it can be severed from the real property and transferred to another location. For this analysis, I have assumed that all water rights are severed from any real property. With that in mind, the discussion of highest and best use in this report addresses only the water right.

According to Utah Code, Title 73, Chapter 1, Section 4 (2a), "Except as provided in Subsection (2)(b) or (e), when an appropriator or the appropriator's successor in interest abandons or ceases to beneficially use all or a portion of a water right for a period of at least seven years, the water right or the unused portion of that water right is subject to forfeiture in accordance with Subsection (2)(c)." For the purposes of this appraisal report I have assumed that all water rights have demonstrated beneficial use and are not subject to forfeiture.



Analysis of Highest & Best Use As If Vacant

Legally Permissible

The water rights are located within basin 73 and are capable of transfer from one point of diversion to another. According to the Division of Water Rights, Highway 56 water rights are required to remain south of Highway 56 and water rights north of Highway 56. However, recently, market data suggests that no significant legal differences are known or considered because of the water lines capabilities of having the water transferred from one side of Highway 56 to the other. Although water is capable of being diverted from one point of diversion to another it is required that an application is made to the Utah Division of Water Rights for both approval and transferability. Both transferring the point of use and changing the use would be considered legally permissible. The subject water rights are legally permissible to be utilized within basin 73 and can be sold and transferred in any quantity.

Physically Possible

Underground basin 73 water rights can be used for a number of purposes. The water can be used for agriculture, irrigation, and industrial purposes without further processing. Some wells are potable while some wells do required treatment to become potable. The water is within treating facilities and could easily be transferred to a different point of diversion to be treated. From a physical perspective, water rights are capable of accommodating many uses within the confines of the use and purity. The subject water rights are physically capable of use within basin 73.

Water shares are physically more difficult as they water shares are required to stay proximate to the irrigation system. Further, only South and West water have been proven to be convertible to underground water.

Financially Feasible and Maximally Productive

Use is of primary concern. Historically, water rights in the Cedar City Valley have been for agriculture which remains financially feasible and maximally productive, as long as the pricing does not exceed agriculture income generating levels. Recently, the cost of water has increased to the point that agriculture users can no longer financially afford to purchase the water. Over the past several years, both Cedar City and Enoch City require water right to be deeded to the respective city for any development to occur. Therefore, given the recent increase in population and the number of new residences being constructed, water rights in the Cedar City Valley have also been critically important for development. Currently, Cedar City requires 1.2 acre-feet of water per acre to be deeded to the city if the property is being annexed into city limits or 1.5 acre-feet of water per acre to be deeded to the city if the property is already within city limits. Enoch City requires 1 acre-foot of water per improvement or site. Additionally, neither municipality will accept water that is 1935 or younger because of the possibility of complete curtailing. Ultimately, water has proven to be financially feasible and maximally productive for both agriculture and development, albeit developers are able to pay a higher price for their water rights than agriculture users because the developers can absorb the higher water cost within development. The subject water rights are financially feasible and have a maximally productive use to be applied for residential use and consumption.

Highest and Best Use

The highest and best use of the subject water rights is for residential use and consumption.

Most Probable Buyer/User

As of the effective date the most probable buyer of water rights are developers and investors and the most probable user would be to turn the water over to the water service providers for culinary use.



Water Valuation

Water rights are classified as “real property” in the State of Utah and are bought and sold much like real estate. Water rights are only classified as real property but do not meet the definition of real property. According to The Dictionary of Real Estate Appraisal 7th Edition, real property is defined as *“The interests, benefits, and rights inherent in the ownership of real estate.”* Water rights are associated with a general area, or basin and are divisible.

To determine the market value of the subject water rights, I searched for sales, pending sales, and listings of water rights in the specific basin and interviewed numerous municipality and water officials, real estate professionals, and developers who own or have purchased water rights. On the following table are multiple sales, pending sales, and listings of water rights within Basin 73 or the Cedar City Valley that have a priority date of October 31, 2022, while some junior water right sales from 2022 are included.

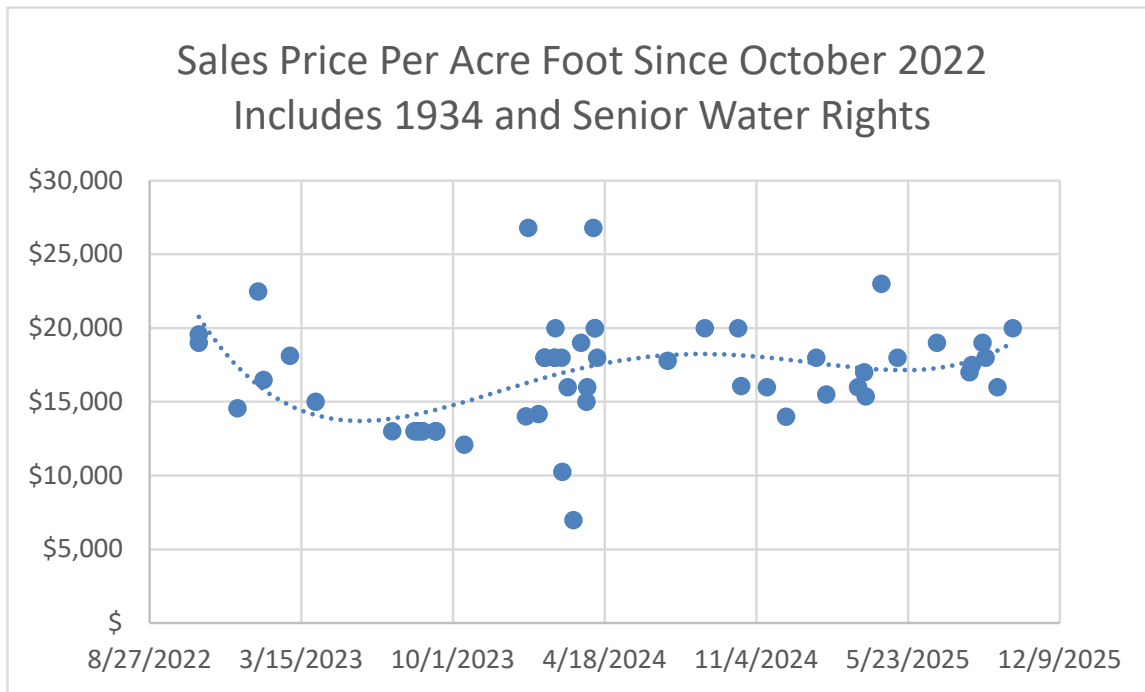


Comparable Water Rights for Basin 73

Water Right	Priority Date	Source	Amount	Sales Date	Sales Price	Price/Ac-Ft
73-4650	1934	Underground water well	1.00 Ac-Ft	10/8/2025	\$20,000	\$20,000
73-1206	1934	Underground water well	6.67 Ac-Ft	9/18/2025	\$106,752	\$16,000
73-4684	1931	Underground water well	1.00 Ac-Ft	9/2/2025	\$18,000	\$18,000
73-4684	1931	Underground water well	1.00 Ac-Ft	8/29/2025	\$19,000	\$19,000
73-283, 284	1917	Underground water well	52.56 Ac-Ft	8/15/2025	\$919,800	\$17,500
73-21	1932	Underground water well	5.00 Ac-Ft	8/12/2025	\$85,000	\$17,000
73-4636	1934	Underground water well	4.00 Ac-Ft	6/30/2025	\$76,000	\$19,000
73-4706	1933	Underground water well	1.00 Ac-Ft	5/9/2025	\$18,000	\$18,000
73-2451	1914	Underground water well	1.00 Ac-Ft	4/18/2025	\$23,000	\$23,000
73-2455	1931	Underground water well	1.30 Ac-Ft	3/28/2025	\$20,000	\$15,385
73-3484	1925	Underground water well	85.80 Ac-Ft	3/26/2025	\$1,458,600	\$17,000
73-4683	1931	Underground water well	15.00 Ac-Ft	3/18/2025	\$240,000	\$16,000
73-4654	1928	Underground water well	42.00 Ac-Ft	2/4/2025	\$651,000	\$15,500
73-1017	1931	Underground water well	1.00 Ac-Ft	1/22/2025	\$18,000	\$18,000
73-117	1916	Underground water well	13.46 Ac-Ft	12/13/2024	\$188,440	\$14,000
73-4282	1930	Underground water well	10.00 Ac-Ft	11/18/2024	\$160,000	\$16,000
73-190	1934	Underground water well	15.00 Ac-Ft	10/15/2024	\$241,145	\$16,076
73-2471	1926	Underground water well	1.20 Ac-Ft	10/11/2024	\$24,000	\$20,000
73-4610	1925	Underground water well	20.00 Ac-Ft	8/28/2024	\$400,000	\$20,000
73-584	1934	Underground water well	1.00 Ac-Ft	7/10/2024	\$17,800	\$17,800
73-190	1934	Underground water well	1.00 Ac-Ft	4/8/2024	\$18,000	\$18,000
Credit Transfer		Underground water well	5.00 Ac-Ft	4/5/2024	\$100,000	\$20,000
Credit Transfer		Underground water well	5.00 Ac-Ft	4/5/2024	\$100,000	\$20,000
73-4625	1931	Underground water well	1.00 Ac-Ft	4/3/2024	\$26,800	\$26,800
73-2381	1931	Underground water well	1.00 Ac-Ft	3/26/2024	\$16,000	\$16,000
73-4520	1934	Underground water well	1.00 Ac-Ft	3/25/2024	\$15,000	\$15,000
73-4595	1930	Underground water well	0.50 Ac-Ft	3/18/2024	\$9,500	\$19,000
73-4303	1934	Underground water well	2.00 Ac-Ft	3/8/2024	\$14,000	\$7,000
73-1969	1931	Underground water well	15.00 Ac-Ft	2/29/2024	\$240,000	\$16,000
73-1442 et al	1934	Underground water well	520.00 Ac-Ft	2/22/2024	\$5,330,000	\$10,250
73-190	1934	Underground water well	2.00 Ac-Ft	2/21/2024	\$36,000	\$18,000
Credit Transfer		Underground water well	10.00 Ac-Ft	2/13/2024	\$200,000	\$20,000
73-190	1934	Underground water well	1.00 Ac-Ft	2/12/2024	\$18,000	\$18,000
73-190	1934	Underground water well	1.00 Ac-Ft	2/12/2024	\$18,000	\$18,000
73-190	1934	Underground water well	1.00 Ac-Ft	1/30/2024	\$18,000	\$18,000
73-190	1934	Underground water well	2.00 Ac-Ft	1/30/2024	\$36,000	\$18,000
73-190	1934	Underground water well	3.00 Ac-Ft	1/30/2024	\$54,000	\$18,000
73-4354	1934	Underground water well	0.99 Ac-Ft	1/22/2024	\$14,000	\$14,170
73-4282	1930	Underground water well	1.00 Ac-Ft	1/8/2024	\$26,800	\$26,800
73-155	1924	Underground water well	137.37 Ac-Ft	1/5/2024	\$1,925,260	\$14,015
73-627 et al	1934	Underground water well	942.75 Ac-Ft	10/16/2023	\$11,412,998	\$12,106
73-2797	1930	Underground water well	1.00 Ac-Ft	9/9/2023	\$13,000	\$13,000
73-2797	1930	Underground water well	1.00 Ac-Ft	9/8/2023	\$13,000	\$13,000
73-4575	1918	Underground water well	1.00 Ac-Ft	9/8/2023	\$13,000	\$13,000
73-2999	1930	Underground water well	1.00 Ac-Ft	8/22/2023	\$13,000	\$13,000
73-2797	1930	Underground water well	1.00 Ac-Ft	8/22/2023	\$13,000	\$13,000
73-2797	1930	Underground water well	1.00 Ac-Ft	8/17/2023	\$13,000	\$13,000
73-2999	1930	Underground water well	1.00 Ac-Ft	8/14/2023	\$13,000	\$13,000
73-2999	1930	Underground water well	1.00 Ac-Ft	8/11/2023	\$13,000	\$13,000
73-2797	1930	Underground water well	1.00 Ac-Ft	7/13/2023	\$13,000	\$13,000
73-133	1930	Underground water well	120.00 Ac-Ft	4/3/2023	\$1,800,000	\$15,000
73-3167	1931	Underground water well	4.00 Ac-Ft	2/28/2023	\$72,500	\$18,125
73-3484	1925	Underground water well	10.00 Ac-Ft	1/24/2023	\$165,000	\$16,500
73-3300	1860	Underground water well	1.00 Ac-Ft	1/17/2023	\$22,500	\$22,500
73-190	1934	Underground water well	100.00 Ac-Ft	12/21/2022	\$1,458,000	\$14,580
73-4282	1930	Underground water well	10.00 Ac-Ft	10/31/2022	\$190,000	\$19,000
73-4282	1930	Underground water well	17.46 Ac-Ft	10/31/2022	\$342,000	\$19,588
				Average		\$16,819
				Median		\$17,000



In addition to the table above, I have provided a scatter graph with a polynomial line with four orders. This was completed because over the past several years water right sales prices have fluctuated in price and most recently have indicated an upward trend in sales price per acre foot after a slight decrease. The noted decrease in mid-2023 was due to one seller selling multiple one acre-foot of water right at a price point below the market norm. According to my interviews with real estate brokers, market participants, and developers, water rights remain sought after however not at the fervent level that was noted in 2022. Although slightly more demand existed in 2022, the continued demand for 1934 or senior water rights has continued to place upward pressure on the pricing of the water rights. The scatter graph of the noted water right sales below indicates all water right sales since October 31, 2022 that are 1934 or senior that are noted in the table above.



Water Rights Pending Sales and Listings Within Basin 73 with a Priority Date of 1934 or Senior

Water Right	Priority Date	Source	Amount	Listing Date	List Price	Price/Ac-Ft	
73-227	1928	Underground Water Well	0.50 Ac-Ft	Pending	\$8,500	\$17,000	
73-4437	1925	Underground Water Well	2.21 Ac-Ft	Pending	\$44,240	\$20,000	
73-1201	1934	Underground Water Well	1.00 Ac-Ft	Pending	\$18,000	\$18,000	
73-1969	1931	Underground Water Well	64.90 Ac-Ft	Pending	\$1,398,250	\$21,545	
73-112	1931	Underground Water Well	170.00 Ac-Ft	Pending	\$2,975,000	\$17,500	
73-4320	1930	Underground Water Well	3.00 Ac-Ft	10/15/2025	\$60,000	\$20,000	
73-999	1934	Underground Water Well	1.00 Ac-Ft	9/29/2025	\$18,000	\$18,000	
73-4790	1934	Underground Water Well	1.00 Ac-Ft	9/25/2025	\$22,000	\$22,000	
73-181	1934	Underground Water Well	1.00 Ac-Ft	9/5/2025	\$10,000	\$10,000	
73-3911	1933	Underground Water Well	1.00 Ac-Ft	7/22/2025	\$19,800	\$19,800	
73-31	1931	Underground Water Well	16.00 Ac-Ft	7/8/2025	\$352,000	\$22,000	
73-2274	1929	Underground Water Well	1.00 Ac-Ft	4/7/2025	\$22,000	\$22,000	
73-2274	1929	Underground Water Well	1.00 Ac-Ft	12/9/2024	\$20,000	\$20,000	
73-2868	1928	Underground Water Well	1.00 Ac-Ft	7/26/2024	\$17,000	\$17,000	
						Average	\$18,917
						Median	\$19,900



In addition to the sales provided since October 31, 2022, I have included the listings and pending sales as of the effective date of 1934 or senior water rights in the table above. As of the effective date, there were nine active listings and five pending sales. The listings and pendings indicate a price that is consistent with the sales noted in the sales table.

Water Right Conclusion

In the tables above, the majority of the water rights are located north of Highway 56. I have included only the most recent sales because of the adoption of the Cedar Valley Groundway Management Plan as of January 11, 2021. Because there are relatively few water rights that transfer over any given year, I have relied on the data in the tables above, my interviews with market participants, real estate professionals, developers, and municipal and water officials in determining a baseline for the 1934 or senior water rights. Most often water rights in basin 73 sell on a divisible of 1.0 acre-foot.

Historically water rights south of Highway 56 have sold for more than water rights north of Highway 56. However, recently water rights that have sold north of Highway 56 have increased to a price point near south Highway 56 water rights. Further, my interview with several real estate professionals and market participants indicated that water rights south of Highway 56 have a similar market and price point as water rights north of Highway 56. Thus, my conclusion of water rights in basin 73 does not reflect any difference in market value if the water right is north of south of Highway 56. As an interesting note, many of the water rights located south of Highway 56 are 1935 or younger and therefore recently have indicated a rate less than water rights located north of Highway 56.

Water Right Conclusion of 1934 or Senior Water

Based on the most recent sales, pending sales, active listings, and my interviews with real estate professionals, market participants, and developers active in water rights in the market area, market value conclusion for 1934 or senior water as of October 17, 2025 is **\$19,000 per acre-foot**.

Bulk Discount Associated with 1934 or Senior Water Rights

I have concluded that 1934 or senior water that sales in bulk with 10 or more acre-feet has an associated discount of 15% and water rights. Deducting 15% from the conclusion of the 1934 or senior water rights indicates a bulk value of 10 or more water rights of $(\$19,000/\text{ac-ft} \times 0.85)$ **\$16,150 per acre-foot**. This is based on the market data derived in the tables above and my interview with real estate professionals and market participants. Additionally, it is noted that the more junior water rights will have a larger associated bulk discount, which is to be expected due to the potential of complete curtailment.



Water Rights Sales Within Basin 73 Since May 2021 and a Priority Date of 1935 or Younger

Water Right	Priority Date	Source	Amount	Sales Date	Sales Price	Price/Ac-Ft
73-4576	1935	Underground water well	1.00 Ac-Ft	10/9/2025	\$15,000	\$15,000
73-4576	1935	Underground water well	80.00 Ac-Ft	4/18/2025	\$1,040,000	\$13,000
73-149	1935	Underground water well	1.00 Ac-Ft	11/15/2024	\$16,500	\$16,500
73-154	1935	Underground water well	220.00 Ac-Ft	11/9/2023	\$890,400	\$4,047
73-154	1935	Underground water well	10.00 Ac-Ft	9/11/2023	\$160,000	\$16,000
73-2855	1951	Underground water well	2.00 Ac-Ft	5/22/2025	\$16,000	\$8,000
73-4350	1944	Underground water well	2.75 Ac-Ft	8/2/2024	\$25,000	\$9,091
73-3195	1944	Underground water well	0.50 Ac-Ft	4/26/2024	\$6,000	\$12,000
73-2480	1937	Underground water well	1.00 Ac-Ft	10/5/2023	\$9,500	\$9,500
73-3758	1937	Underground water well	4.00 Ac-Ft	7/7/2023	\$37,600	\$9,400
73-2282	1944	Underground water well	18.00 Ac-Ft	5/15/2023	\$283,500	\$15,750
73-3549	1944	Underground water well	10.00 Ac-Ft	1/13/2023	\$90,000	\$9,000
73-2282	1944	Underground water well	1.00 Ac-Ft	7/5/2022	\$9,700	\$9,700
73-2282	1944	Underground water well	2.00 Ac-Ft	7/5/2022	\$19,400	\$9,700
73-2282	1944	Underground water well	1.00 Ac-Ft	4/25/2022	\$9,700	\$9,700
73-2282	1944	Underground water well	1.00 Ac-Ft	4/22/2022	\$9,700	\$9,700
73-3001	1944	Underground water well	1.00 Ac-Ft	4/12/2022	\$8,700	\$8,700
73-3195	1944	Underground water well	2.00 Ac-Ft	3/21/2022	\$19,000	\$9,500
73-2182	1944	Underground water well	5.00 Ac-Ft	3/4/2022	\$50,000	\$10,000
73-4493	1952	Underground water well	2.00 Ac-Ft	10/31/2024	\$16,000	\$8,000
73-1788, 1815, 663	1952	Underground water well	9.27 Ac-Ft	8/22/2022	\$78,795	\$8,500
73-2897	1956	Underground water well	1.00 Ac-Ft	9/15/2025	\$12,000	\$12,000
73-2889	1956	Underground water well	9.00 Ac-Ft	3/25/2022	\$56,000	\$6,222
Average						\$10,182
Median						\$9,600

I have included only the most recent sales because of the adoption of the Cedar Valley Groundwater Management Plan as of January 11, 2021. I have color coated the indicated priority date schedule of the comparable water rights in the table above to correlate with the Cedar City Valley Groundwater Management Plan. The table above includes both small number of water rights per sale and larger number of water rights per sale. Although historically, there appears to be some discount associated with larger water right sales than smaller water right sales, most recently a larger discount is being realized, especially for the younger water right dates. Because there are relatively few water rights that transfer over any given year, I have relied on the data in the tables above, my interviews with market participants, real estate professionals, developers, and municipal and water officials in determining a baseline for the 1934 or senior water rights. Most often water rights in basin 73 sell on a divisible of 1.0 acre-foot.

Historically water rights south of Highway 56 have sold for more than water rights north of Highway 56. However, recently water rights that have sold north of Highway 56 have increased to a price point near south Highway 56 water rights. Further, my interview with several real estate professionals and market participants indicated that water rights south of Highway 56 have a similar market and price point as water rights north of Highway 56. Thus, my conclusion of water rights in basin 73 does not reflect any difference in market value if the water right is north of south of Highway 56. As an interesting note, many of the water rights located south of Highway 56 are 1935 or younger and therefore recently have indicated a rate less than water rights located north of Highway 56.

Based on the most recent sales, pending sales, active listings, and my interviews with real estate professionals, market participants, and developers active in water rights in the market area, market value conclusion for 1934 or senior water as of October 17, 2025 was **\$19,000 per acre-foot**, for ten or less acre-



feet. Additionally, data indicates no discount or only a small discount associated with bulk water right sales. I have concluded that 1934 or senior water rights have a maximum discount of 15% when sold in bulk.

Based on the scatter graph and polynomial line, the recent increase in water right sale prices, current market demand, and the adoption of the Cedar City Valley Groundwater Management Plan, water rights that are 1934 or senior are likely to have continued demand but pricing is very much more sensitive now that many developers are not consistently and actively seeking water rights. The current economic changes in the market, namely increasing interest rates, have impacted the market for water rights. This is because developers are no longer as consistently and actively seeking water rights like they once were. From 2021 through mid-2022 developers were the largest and most active purchasers of water rights but are no longer driving the market for water rights. Although the developers are no longer driving the water right market, they established new market norms for water rights, which likely will not change in the foreseeable future.

Discount Associated with July 26, 1934 and Younger Water Rights

The State Engineer stated that the Cedar Valley basin is a critical management area and has adopted the Cedar Valley Groundwater Management Plan as of January 2021. Initially many market participants and real estate professionals did not know the full impact the Cedar Valley Groundwater Management Plan would have on water rights within basin 73, although most recently it appears that most real estate professionals and market participants have realized and become more versed on the intricacies of the water right market. Real estate professionals interviewed have stated that they will not purchase or sale water rights to their clients because of the uncertainty, while others go through great lengths to ensure their client understands the potential that the water right could be completely curtailed by the State. Additionally, some have indicated that they have represented individuals who have purchased one or two acre-feet of water that is 1935 and younger because they need one-acre foot and the price point is worth the "risk". Clearly, there are individuals and real estate professionals on both sides of this discussion, which is primarily due to the uncertainty that is becoming more certain with time.

Some of the most damning evidence that 1935 and younger water has limited marketability is that both Cedar City Corporation and Enoch City will not purchase or accept water that is 1935 or younger. The negative impact of Cedar City Corporation and Enoch City not purchasing 1935 or younger water is most realized by the fact that developers are not able to turn 1935 or younger water over to the municipalities for the potential of development. This essentially limits the 1935 or younger water to individuals who only need the water for a set amount of time or are willing to accept the potential of losing the water right at a future date noted on the Cedar City Valley Groundwater Management Plan that was adopted January 11, 2021. Although this is public information and becoming much more well known, many citizens and real estate professionals still do not know that Cedar City and Enoch City will not purchase or accept 1935 or younger water rights. I would expect this information to continue to become more known over the next several years. As knowledge that Cedar City and Enoch City will not accept 1935 or younger water become more known, it will most likely continue to negatively impact the pricing and marketability of 1935 or younger water rights. Further, the recent decision of the Iron County Board of Commissioners to follow suit of Cedar City and Enoch City regarding a water right that is 1934 or younger in order to obtain a building permit will continue to place downward pressure on the more junior water rights.

Because of the adoption of the Cedar City Valley Groundwater Management Plan, the water right market is in a state of fluctuation. As the adoption occurred in January 2021, enough time has passed that most real estate professionals and market participants have gained enough knowledge regarding water rights that some reasonable expectations are realized and some balance has started to be established. While there appears to be a relatively strong market for 1934 and senior water rights, there have been relatively few sales of 1935 and younger water rights because of the great concern regarding the water rights potential of being completely curtailed.

As citizens, market participants, municipalities, real estate professionals, and developers become more knowledgeable concerning water rights within the Cedar Valley basin, water rights within the Cedar Valley basin should become much more stable and predictable. Additionally, as more time passes since the adoption of the Cedar City Valley management plan, it is reasonable to assume that there will be a larger gap in value from the baseline established by 1934 and senior water rights. Although water rights of 1935 and younger are in a state of fluctuation, there appears to remain a market associated with the water rights,



albeit smaller and at a discount. My interviews have indicated that the strong majority will not currently purchase 1935 or younger water rights, but there has been several who indicated that if the water rights are discounted enough it may be worth the "risk" to purchase and see if the aquifer recharges, if other water sources are made available, or if the end user understands that there is an end time frame that they require the water. Ultimately, there still appears to be a market for 1935 or younger water, regardless of their specific reasoning such as ignorance, willing to accept the risk, only needs a small amount, only requires for a specific time, etc.

As developed in the table on page 29, I have included all sales I was able to verify since March 2022 that had a priority date of 1935 or junior. Additionally, I have color coded the water sales based on their priority date that corresponds to the Cedar City Valley Groundwater Management Plan. Concluding a baseline value of each date range noted within the Cedar City Valley Groundwater Management Plan is critical to ensure the most accurate analysis of the subject water rights. However, this is difficult because there have been relatively few sales of water rights with 1935 or younger water over the past several years and this market is very volatile and unstable because of a significant amount of uncertainty and risk. Given the time that has occurred since the adoption of the Cedar City Valley Groundwater Management Plan, it is likely that the market will become more balanced moving forward. Additionally, because there is a significant lack of data in which to derive a definitive market based discount, I have relied on my interviews with market participants, municipalities, real estate professionals, developers, and the noted sales in the table above in concluding an appropriate discount. The table below indicates the priority dates, number of sales within the priority date range, market value of 1 acre-foot of water within the priority date range and the percent of change from the baseline. The baseline for Cedar Valley basin (basin 73) is established in the analysis above and is **\$19,000 per acre-foot**. The noted percent of change in the table below is based off the specific priority date range and the baseline rate.

Water Right Sales Since March 2022			
Priority Date	Number of Sales	Market Value Per Acre Foot	%/Change from Base
Senior to 1934	56	\$19,000	
January 1, 1935 to December 31, 1935	5	\$15,000	-21%
January 1, 1936 to December 31, 1951	14	\$10,000	-47%
January 1, 1952 to December 31, 1954	2	\$8,000	-58%
January 1, 1955 to December 31, 1957	2	\$7,500	-61%
January 1, 1958 to Present	0	\$2,500	-87%

The indicated percentage of change is rather significant from the baseline of \$19,000 per acre-foot. The first initial decrease is somewhat minimal with a decrease of -21%. After the initial decrease from the base of -21%, the second tier appears to have a significant discount from the baseline of -47%. Tier three has a discount of -58%, tier four has a discount of -61%, and the final tier has a discount of -87% from the baseline. It is noted that no sales of water rights with a priority date of 1958 or junior have sold and to determine an associated discount, I relied on my interviews which are tempered with 4A water (way high water) within the irrigation companies conclusions below. The above discount chart is based off the most reliable market data and interviews as of the effective date tempered by the fact that both Cedar City, Enoch City, and Iron County will not purchase or accept any water rights with a priority date of 1935 or younger. Both Cedar City and Enoch City are major market participants in obtaining water rights because they require water rights from developers for development to occur. Therefore, the fact that neither municipality will purchase or accept 1935 or younger water rights and Iron County also will not accept 1935 or younger water rights is a major limiting marketability factor. Based off the data and conclusions within this appraisal report, my interviews with market participants, and other relevant factors, the concluded discount associated with a bulk purchase of any water right with a priority date of July 26, 1934 or younger will vary depending on the phase within the Cedar Valley Groundwater Management Plan and the number of acre-feet. Further, as additional time passes, it is reasonable to assume that the associated discounts will increase as the potential for complete curtailment is closer.



Cedar Valley Irrigation Companies

There are multiple irrigation companies that receive nearly all their water from Coal Creek but seven of the companies are discussed in this appraisal report. The water rights for these companies are defined in the Coal Creek Decree and outlined on the Division of Water Rights website. The water rights for each of these companies vary by priority, amount of water delivered, and length and time of irrigation.

The shares of water stock in these seven companies usually sell with the land, which is in stark contrast to water rights, and consequently it is very difficult to find sales of just the water shares. Since the water from Coal Creek is used primarily for agriculture irrigation, the highest and best use is for agriculture, and the value therefore will be based on its contribution to the agriculture value of the land. Although recently this may be changing somewhat as the State Engineer is allowing for conversion of the surface water into underground water in some instances.

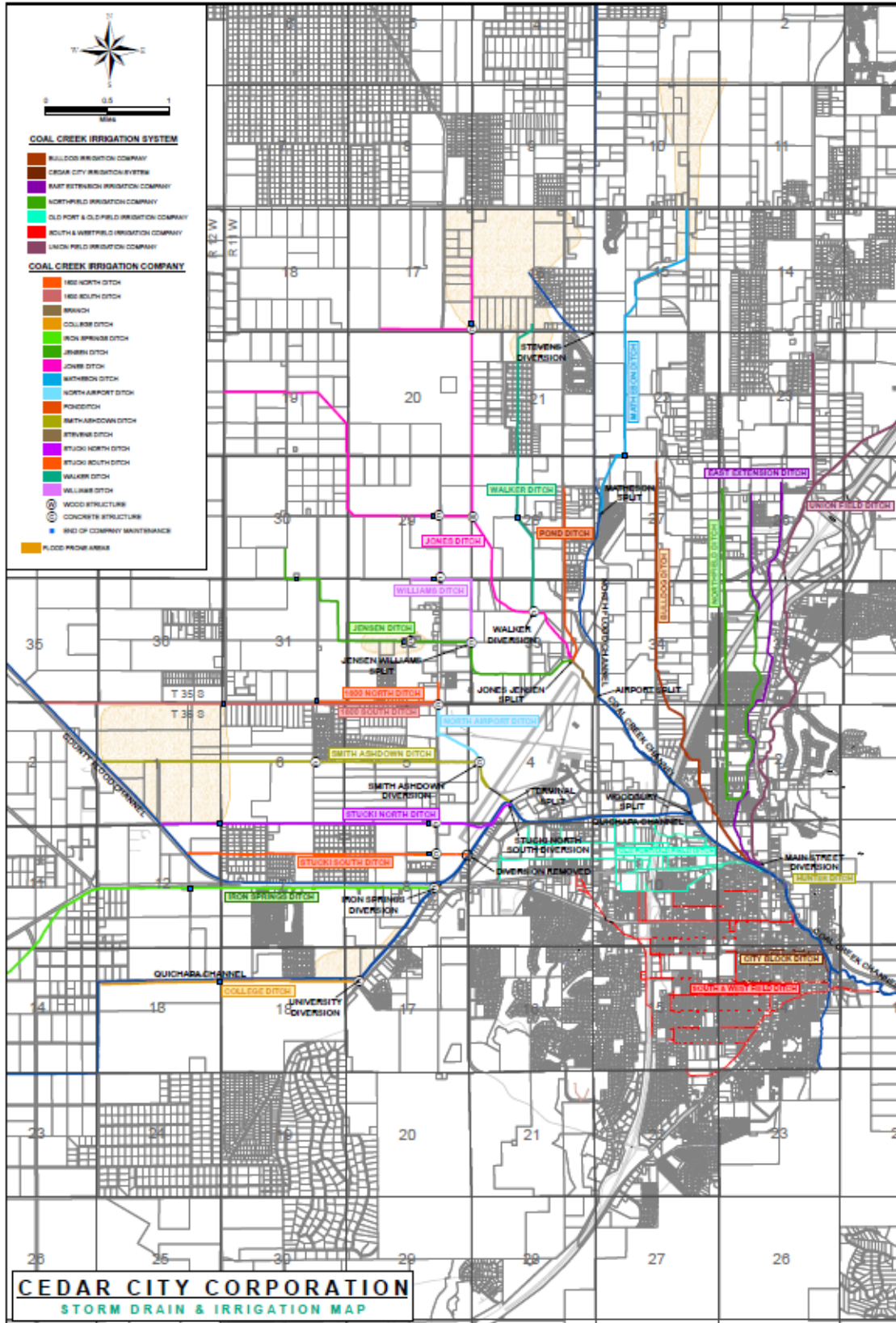
The value of irrigated cropland under each of these irrigation companies should reflect the difference in dependability, amount of water delivered, and its season. In a pure agricultural situation, a study of land sales would be a good method of verifying the water value in each of these irrigation companies. However, the population in the Cedar Valley has been significant enough that the land sales reflect the demand for development enough that the pure agriculture value has become obscure. Therefore, the irrigated land sale approach to conclude water value is not considered viable.

Based on the information available, I have ranked the irrigation companies in order, with the best and most reliable water supply noted first and the lease dependable ranked last. This ranking assists in determine credible results. Below are the companies within Coal Creek ranked in order followed by a Coal Creek Irrigation Company map as to the specific location of each irrigation company:

- 1) South and West Field Irrigation Company;
- 2) Union Field Irrigation Company;
- 3) East Extension Irrigation Company;
- 4) Northfield Irrigation Company;
- 5) Old Fort and Old Field Reservoir Irrigation Company;
- 6) Northwest Field Irrigation Company; and,
- 7) Coal Creek Irrigation Company



Cedar Valley Irrigation Companies Location Map





South and West Field Irrigation Company

President:	Mr. Paul Bittmenn
Total Shares of Stock:	742.7 shares per Division of Water Rights.
Source:	Coal Creek, unnamed springs, Woods Pond, Jim Urie Spring, and Springs
Storage:	South and West Field Irrigation Company does not have any storage reservoirs.
Method of Delivery:	Ditches including curb and gutter and some pipelines. Much of the water is applied by flood irrigation.
Typical Shares Per Acre:	One
Delivery Area:	The ditch system delivers water to the downtown Cedar City area. The south ditch irrigates the south part of downtown and the west ditch irrigates the north part of downtown.
Delivery Per Share:	Water delivery through the summer months is the most consistent of all irrigation companies in Coal Creek. The stockholders get one turn per week and the length of the turn is based on the number of shares owned. The water is divided among the ditches so that the stockholders get similar amounts of water delivered for each share of stock.
Water Share Sales:	I interviewed Mr. Tyler Romeril regarding water shares Leavitt Land has purchased. Mr. Romeril stated that within 2025, Leavitt Land has purchased 96 shares within the South and West Field Irrigation Company at \$28,000 per share. As Leavitt Land has purchased so many water shares in 2025, the market price point has been established.
Conclusion of Market Value:	Based on my interviews and water share sales, market value for stock in the South and West Field Irrigation Company as of October 17, 2025 is \$28,000 per share.



Union Field Irrigation Company

President:	Mr. Paul Nelson
Total Shares of Stock:	Unknown
Source:	Coal Creek and a well.
Method of Delivery:	Open ditch.
Typical Shares Per Acre:	0.5 to 0.75
Delivery Area:	Farmland north and east of Cedar City and on the east side of Enoch.
Delivery Per Share:	Union Field Irrigation delivery is high in the spring but declines throughout the middle and late summer, although historically there has been some delivery throughout the summer. This company also has an underground water right (73-2056) for 5.0 cfs or 800 acre-feet with a priority date of 1963. The underground water right is used to supplement the stream flow during the middle and late summer as needed. Although this water is available for supplemental, the young priority date decreases its market value.
Water Share Sales:	I interviewed Mr. Paul Nelson, President, regarding historical water share sales. Mr. Nelson stated that he is aware of a couple of water shares that have transferred over the past several years but would not provide any information regarding pricing, grantor, or grantee. Further, Mr. Nelson stated, "It is none of my or anyone else's business as to the value within the irrigation company." Due to the lack of information available, I have relied on my experience and judgement, a previous appraisal reports, and my interview with multiple other adjacent users.
Conclusion of Market Value:	<p>Union Field has underground water rights in a well that are supplement to the irrigation. Since pre-1934 underground water rights are selling between \$19,000 per acre-foot which is more than surface irrigation water and because the well provides mid and late season irrigation the shares in this irrigation are more valuable. However, the water right has a priority date of 1963 and based off the Cedar City Valley Groundwater Management Plan that was adopted January 11, 2021, a priority date of 1963 is in the first tier to lose water rights due to depletion of the aquifer. Thus, the supplemental water does not significantly impact the value.</p> <p>Considering my interviews and familiarity within the market, surface water right value is around \$4,000 per share. Additional value is created by the underground water rights in the well but the young priority data limits its marketability and value. As developed in the prior section of this appraisal report, market value of 1963 priority date underground water is \$2,500 per acre foot. Therefore, given the fact that surface water is available in spring and summer and only supplemented by the 1963 underground water, the shares have a higher concluded price point than 1963 water rights. Concluded market value for stock in the Union Field Irrigation Company as of October 17, 2025 is \$4,000 per share.</p>



East Extension Irrigation Company

President:	Mr. Samuel Bauer – Water Master
Total Shares of Stock:	
Class 1 & 2 (Primary):	Unknown
Class 3 & 4 (Secondary):	Unknown
Class 4A:	Unknown
Source:	Coal Creek
Storage:	East Extension Irrigation Company does not have any storage reservoirs.
Method of Delivery:	Irrigation ditches
Delivery Area:	The ditch system delivers water to the northern periphery of Cedar City and terminates near 3000 North and 100 East.
Delivery Per Share:	The amount of water delivered to this company is highest during spring and early summer with reduced flow during mid-summer, albeit Class 1 and 2 water continues throughout fall.
Water Share Sales:	I interviewed Mr. Samuel Bauer, President, regarding historical water share sales. Mr. Bauer stated that there have been several sales within the past several years but he is unaware of the sales price. Mr. Bauer indicated that the sales that have occurred have been asked to remain confidential. Additionally, I interviewed several adjacent individuals and that are aware of sales comparable to the East Extension around \$10,000 per share for class 1 and 2 water. Additionally, most of East Extension water have priority dates of 1934 or senior, which would indicate a higher value.
Conclusion of Market Value:	Based on my interviews, adjacent water share sales, and that the majority of the water rights within the East Extension are 1934 or senior, market value for stock in the East Extension Irrigation Company as of October 17, 2025 is as follows: Class 1 & 2: \$10,000/share Class 3 & 4: \$5,000/share Class 4A \$2,000/share



Northfield Irrigation Company

President: Mr. Lloyd LeFever

Total Shares of Stock:
Class 1 & 2 (Primary): Unknown
Class 3 & 4 (Secondary): Unknown
Class 4A: Unknown

Source: Coal Creek

Storage: Northfield Irrigation Company does not have any storage reservoirs.

Method of Delivery: Ditches with water applied by flood irrigation.

Delivery Area: The ditch system delivers water to the northern periphery of Cedar City and terminates near 3000 North and 400 West.

Delivery Per Share: Water for irrigation is permitted from March 15th to November 30th each year, albeit livestock water is allowed all year but is not always available.

Water Share Sales: I interviewed Mr. Lloyd LeFevre, President, regarding historical water share sales. Mr. LeFevre was unaware of any specific water share transfers. However, Mr. LeFevre as I provided some of the exchange with adjacent companies, Mr. LeFevre implied that they sounded reasonable. Mr. LeFevre did state that Northfield Irrigation does assess each share at an equivalent rate of \$1/share for primary, \$0.69/share for secondary, and \$0.545/share for way high water. Based on the assessment indicated, it appears that the secondary and way high water is assessed at a higher rate than market data supports. Lastly, most of Northfield water have priority dates of 1934 or senior, which would indicate a higher value.

Conclusion of Market Value: Based on my interviews, adjacent water share sales, and that the majority of the water rights within the Northfield Irrigation Company are 1934 or senior, market value for stock in the Northfield Irrigation Company as of October 17, 2025 is as follows:

Class 1 & 2:	\$10,000/share
Class 3 & 4:	\$5,000/share
Class 4A	\$2,000/share



Old Fort and Old Field Reservoir Irrigation Company

President:	Mr. Jason Dodds
Total Shares of Stock:	Unknown
Source:	Coal Creek Springs
Storage:	Old Fort and Old Field Reservoir Irrigation Company does not have any storage reservoirs.
Method of Delivery:	Open ditches.
Delivery Area:	The ditch system delivers water to land north of Industrial Road and south of Cedar City Airport and from Main Street to Aviation Way.
Delivery Per Share:	Most of the water delivered to Old Fort and Old Field Reservoir Irrigation Company is from spring to early summer with limited to no water available in mid-to-late summer.
Water Share Sales:	I interviewed Mr. Jason Dodds, President, and Ms. Sage Platt regarding historical water share sales. Mr. Dodds and Ms. Platt stated that there have been few water shares that have transferred over the past several years. Mr. Dodds and Ms. Platt stated that they are aware of the following: 2021 – “Several” shares sold for \$500/share 2023 – 10 shares sold for \$5,000 or \$500/share 2023 – 5 shares sold for \$2,500 or \$500/share
Conclusion of Market Value:	Based on my interviews and historical water share sales, market value for stock in the Old Fort and Old Field Reservoir Irrigation Company as of October 17, 2025 is \$500 per share .



Northwest Field Irrigation Company (Bulldog Ditch Association)

President:	Mr. Brent Hunter
Total Shares of Stock:	520
Source:	High water runoff from Coal Creek
Storage:	Northwest Field Irrigation Company does not have any storage reservoirs.
Method of Delivery:	Open ditches
Typical Shares Per Acre:	One
Delivery Area:	The ditch system delivers water to land north of Coal Creek and around Bulldog Road.
Delivery Per Share:	Most water delivered is during April, May, and June. Due to being high water rights only makes the water unreliable and difficult to predict. Many of the stockholders own wells and underground water rights to supplement this right during dry years and late seasons.
Water Share Sales:	I interviewed Mr. Brent Hunter, President, regarding historical water share sales. Mr. Hunter stated that he is unaware of any water shares that have occurred over the past three to five years.
Conclusion of Market Value:	Based on my interviews and that Northwest Field Irrigation is high water runoff, market value for stock in the Northwest Field Irrigation Company as of October 17, 2025 is \$500 per share .



Coal Creek Irrigation Company

President:	Mr. Ramon Prestwich
Total Shares of Stock:	11,000 Shares according to the Division of Water Rights
Source:	Coal Creek remaining after diversions
Storage:	Coal Creek Irrigation Company does not have any storage reservoirs.
Method of Delivery:	Ditches with water applied by flood irrigation.
Delivery Area:	The water is delivered to farmland located in the northwest valley.
Delivery Per Share:	Water delivery is high water only, meaning that all irrigation have a priority before Coal Creek Irrigation. According to Mr. Prestwich, over the past decade there has been several years with insufficient water to provide a single shareholder any water. Further, so many shares are within Coal Creek Irrigation, that even in good years most share holders only receive one watering annually.
Water Share Sales:	I interviewed Mr. Ramon Prestwich, President, regarding historical water share sales. Mr. Prestwich stated that he is aware of one transaction in 2025 of 307 shares that sold for \$30,700, or \$100/share. Additionally, I interviewed another individual who purchased 300 shares in 2024 for \$15,000, or \$50/share.
Conclusion of Market Value:	Based on my interviews, historical water share sales, and that Coal Creek Irrigation water is high water with years of no water availability, market value for stock in Coal Creek Irrigation Company as of October 17, 2025 is \$100 per share for class 4A and \$75 per share for class 4B.
Class 4A	\$100/share
Class 4B	\$75/share



Addenda

Glossary of Terms

Appraisal – (noun) The act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.*

Appraisal Practice – Valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.*

Appraisal Review – (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment; (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.*

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

Comment: Such expectation occurs when individuals, either by choice or by requirement placed upon them or upon the service they provide by law, regulation, or agreement with the client or intended users, represent that they comply.

Assessed Value – The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.

Assignment – A valuation service that is provided by an appraiser as a consequence of an agreement with a client.*

Cash-Equivalent Price – The sale price of a property that is equivalent to what a cash buyer would pay.

Client – The party or parties (i.e., individual, group, or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.*

Cost – The actual or estimated amount required to create, reproduce, replace, or obtain a property.*

Effective Date – The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value.*

Effective Rent – Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.

Expert Witness – (1) A person qualified to give expert testimony. (2) A witness qualified by knowledge, skill, experience, training, or education to provide a scientific, technical, or other specialized opinion about the evidence or a fact issue. Also termed *skilled witness*.

Exposure Time – An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.*

Extraordinary Assumption – An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.*

Feasibility Analysis – A study of the cost-benefit relationship of an economic endeavor.*



Fee Simple Estate – 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.

Floor Area Ratio: (FAR) The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Full Service Lease (Gross Lease) – A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.

Gross Building Area (GBA) – 1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

2. Gross leasable area plus all common areas.

3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.

Highest and Best Use – 1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

4. [For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E)

Hypothetical Condition – A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.*

Insurable Value – A type of value for insurance purposes.

Intended Use – The use(s) of an appraiser's reported appraisal and appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.*

Intended User – The client and any other part as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.*

Investment Value – 1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)



Jurisdictional Exception – An assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.*

Leased Fee Interest - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Estate (Leasehold Interest) – The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Conditions – An element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the points in the real estate cycle at which the transactions occur. Sometimes called a time adjustment because the differences in dates of sale are often compared, although that usage can be misleading because property values do not change merely as the result of the passage of time.

Market Rent – The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs).

Market Value – A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.*

Market Value of the Going Concern – The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.

Marketing Time – An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.)

Modified Gross Lease – A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.

Net Lease – A lease in which the landlord passes on all expenses to the tenant.

Personal Inspection – (for an appraisal assignment) the appraiser's in-person observation of the subject property performed as part of the scope of work; (for an appraisal review assignment) the reviewer's in-person observation of the subject of the work under review, performed as part of the scope of work.*

Comment: An appraiser's personal inspection is typically limited to those things readily observable without the use of special testing or equipment. Appraisals of some types of property, such as gems and jewelry, may require the use of specialized equipment. An personal inspection is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, home inspector, or art conservator).

Physical Characteristics – Attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgment.*



Price – The amount asked, offered, or paid for a property.*

Prospective Opinion of Value – A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Real Estate – An identified parcel or tract of land, including improvements, if any.*

Real Property – The interests, benefits, and rights inherent in the ownership of real estate.*

Rentable Area – For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

Report – Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.*

Scope of Work – The type and extent of research and analyses in an appraisal or appraisal review assignment.*

Usable Area – 1. For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of the corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area.

2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

Use Value – The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.

Value – The monetary relationship between properties and those who buy, sell, or use those properties, expressed as an opinion of the worth of a property at a given time.*

Workfile – Documentation necessary to support an appraiser's analyses, opinions, and conclusions.*

* *Uniform Standards of Appraisal Practice (USPAP).*



Qualifications and Resume

Cody Hymas, MAI, SRA

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Cedar City, Utah 84720
(435) 313-1444
cody@hymasappraisal.com

Experience

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Hymas & Associates/Owner
General Certified Appraiser
Cedar City, Utah | 2018-Present |
| <ul style="list-style-type: none">▪ Routinely complete appraisal reports including: easement, sale, lease, condemnation on various residential, commercial, industrial, retail, subdivision, vacant land and agriculture land▪ Completed and prepared hundreds of economic and market analyses for the Southern Utah and Nevada areas, to denote the highest and best uses of the land basis on changing market and economic climates▪ Performed hundreds of complex commercial appraisal assignments with analyzation of operating and financial statements▪ Managed and maintained demanding deadlines and diverse clients in a positive, professional, and time sensitive manner▪ Provided expert advice and guidance to staff and appraisers about USPAP and best appraisal practices | |
| Morley and McConkie Appraisals and Consulting
General Certified Appraiser
Cedar City, Utah | 2014-2018 |
| <ul style="list-style-type: none">▪ Perform hundreds of highly complex and controversial commercial real estate appraisals▪ Perform detailed reviews of appraisals to determine whether appraisal principles techniques and procedures are used properly, and if appraisals conform to federal laws and regulations▪ Consistently engage with local and state governments concerning land laws, regulations, zoning requirements, and ordinances, in order to complete assignments most accurately and reliably▪ Frequently utilize automated statistical and analytic analysis to complete appraisal reports | |
| Valbridge Property Advisors / Auble, Jolicoeur & Gentry, Inc.
General Certified Appraiser | 2012-2014 |
| Spokane, Washington | |
| Morley & McConkie Appraisal and Consulting
General Certified Appraiser
St. George, Utah | 2009-2012 |

Education

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Over 500 total hours of Real Estate Appraisal Education including: | 2001-Present |
| <ul style="list-style-type: none">▪ National USPAP Update 2024▪ The Valuation of Partial Acquisitions▪ Artificial Intelligence, Blockchain, and the Metaverse: Implications for Valuation▪ Utah Water Rights – The History, The Law and What Realtors Need to Know▪ Eminent Domain and Condemnation▪ Complex Litigation Appraisal Case Studies▪ Unconscious Bias Virtual Session for the Appraisal Profession▪ St. George Symposium 2020▪ The Appraiser as an Expert Witness: Preparation & Testimony▪ Condemnation Appraising: Principles & Applications▪ Using Spreadsheet Programs in Real Estate Appraisals▪ Introduction to Green Buildings: Principles & Concepts▪ Online Forecasting Revenue▪ County Board of Equalization Hearing Officer Training | |



- Residential and Commercial Valuation of Solar
- Nevada Appraisal Law
- Supervisory Appraiser / Appraiser Trainee Course
- General Demonstration Report Writing
- Advanced Concepts and Case Studies
- Advanced Market Analysis & Highest and Best Use
- Advanced Income Capitalization
- General Appraiser Site Valuation and Cost Approach
- New Residential Market Conditions
- Statistics Modeling and Finance
- General Appraiser Market Analysis & Highest and Best Use
- General Appraiser Report Writing and Case Studies
- General Appraiser Sales Comparison Approach
- General Appraiser Income Approach Part 1 and Part 2
- Business Practices and Ethics
- Scope of Work

Qualifications

- Certified General Appraiser – State of Utah Department of Commerce – License #5504978-CG00
- Hearing Officer – Washington, Iron, Garfield, Sevier Counties

Membership / Affiliations

- MAI Designated Member Appraisal Institute
- SRA Designated Member Appraisal Institute
- Appraisal Institute Utah Chapter Education Committee Member - 2015

Expert Witness Testimony

- Qualified as Expert Witness in Utah District Court
- Retained on Numerous Disputed Cases that Settled Prior to Court

Property Types Appraised:

Apartments, Churches, condominiums, dormitories, easements, flex industrial, golf and country clubs, hotels, land development, agriculture, leasehold interest, medical clinics, offices, office/warehouse, recreational clubs, residential subdivisions, resorts, restaurants, retail, special purpose properties, vacant industrial, commercial and residential land, veterinary clinics, warehouses, water rights.

Assignments also include arbitration, environmental contamination, feasibility and market studies, litigation, partial interests/easements and special benefit studies.

License

