Aztec Land and Cattle Company, Limited

Financial Statements

December 31, 2024 and 2023

Wallace Plese + Dreher
CERTIFIED PUBLIC ACCOUNTANTS + CONSULTANTS

Aztec Land and Cattle Company, Limited

Contents

December 31, 2024 and 2023

Independent Auditor's Report

Board of Directors and Stockholders
Aztec Land and Cattle Company, Limited
4647 North 32nd Street, No. 240
Phoenix, AZ 85018

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aztec Land and Cattle Company, Limited, which comprise the statements of assets, liabilities, and changes in stockholders' equity—tax basis as of December 31, 2024 and 2023, and the related statements of revenues and expenses—tax basis and of changes in stockholders' equity—tax basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and stockholders' equity of Aztec Land and Cattle Company, Limited, as of December 31, 2024 and 2023, and its revenues and expenses and changes in stockholders' equity for the years then ended in accordance with the basis of accounting Aztec Land and Cattle Company, Limited uses for income tax purposes described in *Note 1*.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Aztec Land and Cattle Company, Limited, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter — Basis of Accounting

We draw attention to *Note 1* of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting Aztec Land and Cattle Company, Limited uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting Aztec Land and Cattle Company, Limited uses for income tax purposes, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Aztec Land and Cattle Company, Limited's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Aztec Land and Cattle Company, Limited's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Wallace, Plese + Dreher, L.L.P.
Chandler, Arizona
January 27, 2025

Aztec Land and Cattle Company, Limited

Statements of Assets, Liabilities, and Stockholders' Equity - Tax Basis

December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 990,566	$ 63,931
Livestock inventory	721,525	-
Land	3,027,140	3,027,140
Investment in The Apache Railroad Company, LLC	3,632,623	3,672,559
Investment in Aztec Minerals, LLC	67,060	6,943
U.S. Treasury bills	973,468	998,928
Project advances (*Note 4*)	143,100	143,100
Other assets	27,444	2,436
Notes receivable, related parties (*Note 5*)	6,183,380	5,569,064
	$ 15,766,306	$ 13,484,101
Liabilities and Stockholders' Equity		
Liabilities		
Deferred gains on sales of land and membership interest (*Note 6*)	$ 2,448,503	$ 2,456,652
Cattle sale proceeds due to others	407,537	-
	2,856,040	2,456,652
Contingencies (*Note 10*)		
Stockholders' equity		
Common stock, $0.25 par value; 500,000 shares authorized; 149,732 shares issued and outstanding (*Note 11*)	37,502	37,502
Preferred stock, $0.000001 par value; 1,000,000 shares authorized; 0 shares issued and outstanding	-	-
Additional paid-in capital	7,567,516	7,818,820
Retained earnings	5,305,248	3,171,127
	12,910,266	11,027,449
	$ 15,766,306	$ 13,484,101

See Notes to Financial Statements

Aztec Land and Cattle Company, Limited

Statements of Revenues and Expenses - Tax Basis

Years Ended December 31, 2024 and 2023

	2024	2023
Revenues collected		
Rentals (*Note 12*)	$ 3,656,540	$ 2,259,277
Management fees	-	425,500
Dry Lake Farm revenue (*Note 15*)	216,041	478,633
Other revenue	403,149	103,817
	4,275,730	3,267,227
Expenses paid		
Compensation expenses (*Note 7*)	255,040	147,222
Professional fees (*Note 13)*	320,315	291,097
Rent	50,623	49,569
Insurance	77,352	15,134
Travel	18,282	26,543
Office expenses	16,974	20,470
Real estate and mineral taxes	8,786	8,531
Amortization	39,936	39,937
Dry Lake Farm expenses (*Note 15*)	588,737	514,589
Other expenses paid	47,978	25,797
	1,424,023	1,138,889
Excess of revenues collected over expenses paid before income taxes	2,851,707	2,128,338
Income taxes paid	717,586	819,996
Excess of revenues collected over expenses paid	$ 2,134,121	$ 1,308,342

See Notes to Financial Statements

Aztec Land and Cattle Company, Limited
Statements of Changes in Stockholders' Equity - Tax Basis
Years Ended December 31, 2024 and 2023

	Common stock	Additional paid-in capital	Retained earnings	Total
Balances, December 31, 2022	$ 37,502	$ 7,818,820	$ 1,862,785	$ 9,719,107
Excess of revenues collected over expenses paid	-	-	1,308,342	1,308,342
Balances, December 31, 2023	37,502	7,818,820	3,171,127	11,027,449
Repurchase of shares (*Note 11*)	-	(251,304)	-	(251,304)
Excess of revenues collected over expenses paid	-	-	2,134,121	2,134,121
Balances, December 31, 2024	$ 37,502	$ 7,567,516	$ 5,305,248	$ 12,910,266

See Notes to Financial Statements

Note 1 – Nature of Business and Significant Accounting Policies

Nature of operations:
Aztec Land and Cattle Company, Limited (the "Corporation") was incorporated in New York in 1885 to own land in Navajo County, Arizona. Since the 1960s, the Corporation's business strategy has focused primarily on acquiring land to consolidate its holdings and, over time, develop them. The Corporation manages several related entities – Aztec Land Company, LLC (the "Company"), Aztec East Jeffers, LLC ("East Jeffers, LLC") Aztec Despain Ranch, LLC ("Despain, LLC") and Aztec Minerals, LLC ("Minerals"). Combined, the Corporation and its related entities own approximately 239,000 acres of surface land and 318,000 acres of mineral rights. Revenues are derived primarily from various leases of its land, including solar and wind renewable energy development leases, grazing leases, and mineral leases. In 2023, the Corporation was re-domesticated from New York to Delaware.

A summary of the Corporation's significant accounting policies follows:

Basis of accounting:
The Corporation prepares its financial statements on the cash basis of accounting used by the Corporation for federal income tax purposes (hereafter, "the income tax basis of accounting"). The income tax basis of accounting is a special purpose financial reporting framework that differs from accounting principles generally accepted in the United States of America (GAAP). Consequently, certain revenues and expenses are recognized in the determination of excess (deficient) revenues over expenses collected in different reporting periods than they would be if the financial statements were prepared in conformity with GAAP. The income tax basis of accounting differs from GAAP for the Corporation primarily due to recognition of revenues when collected and recognition of expenses when paid. Additionally, the Corporation uses the installment method to recognize gains on sales of land and membership interests to related parties. This treatment differs from GAAP, whereby any related party gains would be deferred until the land or membership interest was sold to unrelated third parties. The Corporation recognizes pension contribution expense when contributions are paid. This treatment differs from GAAP, whereby actuarial and other data is used to determine a pension liability and related expense. Finally, the Corporation capitalized certain costs related to its acquisition of The Apache Railroad Company, LLC, and is amortizing those costs over fifteen years. This treatment differs from GAAP, whereby costs to acquire a business are generally expensed when incurred.

Although income tax rules are used to determine timing of the reporting of revenues and expenses, nontaxable revenues, and nondeductible expenses, if any, are included in the determination of excess revenues collected over expenses paid. The Corporation did not have any nontaxable revenues during the years ended December 31, 2024 and 2023.

Use of estimates:
The preparation of financial statements in conformity with the cash basis of accounting used for federal income tax reporting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Many types of transactions are susceptible to varying interpretations under federal and state income tax laws and regulations. As such, the amounts reported in the accompanying financial statements may be subject to change upon final determination by the taxing authorities.

Cash and cash equivalents:
The Corporation considers all cash investments with original or purchased maturities of three months or less to be cash equivalents.

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Livestock inventory:
Livestock inventory, consisting of cattle held for resale, is stated at the lower of cost or net realizable value. Cost is determined on a specific identification basis, which includes purchase price, transportation costs, and other direct costs incurred to bring the inventory to its current location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs to sell the cattle.

Investment in The Apache Railroad Company, LLC:
The Corporation has a membership interest in The Apache Railroad Company, LLC ("ARC"), the sole shareholder of The Apache Railway Company (the "Railway"). As a limited liability company, ARC's excess (deficient) revenues over expenses are taxable proportionately to its unit holders for federal and state income tax reporting purposes. The Corporation's share of ARC's net income (loss) is recognized as a gain (loss) in the Corporation's Statement of Revenues and Expenses – Tax Basis, and is added to (deducted from) the investment account. Capital contributions to ARC are treated as additions to the investment account, and distributions received from ARC are treated as reductions. See *Note 3*.

Investment in Aztec Minerals, LLC:
In August 2023, the Corporation and the Company transferred their respective interests in oil and gas resources to Minerals, a newly created subsidiary formed for the purposes of holding and developing those interests. The Corporation's share of Minerals' net income (loss) is recognized as a gain (loss) in the Corporation's Statement of Revenues and Expenses – Tax Basis, and is added to (deducted from) the investment account. Capital contributions to Minerals are treated as additions to the investment account, and distributions received from Minerals are treated as reductions. Under the operating agreement for Minerals, the Corporation is a member and entitled to a preferred return of the of distributions, if any, by Minerals. No value has been assigned to mineral rights that Minerals obtained from the Corporation.

Grazing land:
The land is recorded at average cost for income tax purposes.

Deferred gains on sales of land and membership interest:
The Corporation uses the installment method to recognize revenues from the sales of land and membership interests. The installment method recognizes gains on a sale as payments are received. The unrecognized gain appears as a liability in the Statements of Assets, Liabilities, and Stockholders' Equity—Tax Basis. See *Note 6.*

Recognition of revenue:
The Corporation recognizes revenue when received.

Income taxes:
Income taxes paid as shown on the Statements of Revenues and Expenses—Tax Basis consist of all amounts paid for prior years and current year estimated payments. If assessed, the Corporation would classify any interest and penalties associated with a tax position as other expenses paid.

Subsequent events:
Management has evaluated subsequent events through January 27, 2025, which is the date the financial statements were available to be issued.

Note 2 – Concentrations of Risk

The Corporation maintains its cash in bank deposit accounts which at times may exceed federally insured limits.

The majority of the Corporation's revenue for the years ended December 31, 2024 and 2023, respectively, was provided by renewable energy leases (see *Note 12*).

Note 3 – Investment in The Apache Railroad Company, LLC

In February 2017, the Corporation and the Company each made a capital contribution to ARC, for a total of $1,250,000. ARC, in turn, contributed the proceeds to the Railway to reduce the principal balance of the Railway's $2,500,000 in third-party loans by a like amount. The Railway's third-party loans were paid in full during 2024.

In December 2017, the third-party member of ARC made a $1,250,000 capital contribution to ARC. A portion of the proceeds was contributed to the Railway and used to reduce the principal balance of the Railway's third-party loans and for working capital. In March 2019, the Corporation converted $279,068 of principal on its revolving credit note with the Railway (see *Note 5*) into a capital contribution to ARC. Additionally, the third-party member of ARC extended a loan of $279,068 to the Railway in 2020 which was also converted into a capital contribution to ARC. The Corporation's investment activity in ARC was as follows for the years ended December 31:

	2024	2023
Balance, beginning of year	$ 3,672,559	$ 3,712,496
Amortization of acquisition costs	(39,936)	(39,937)
Balance, end of year	$ 3,632,623	$ 3,672,559

Note 4 – Project Advances

In April 2013, the Corporation advanced cash to the Little Colorado Water Conservation District ("LCWCD") in furtherance of the establishment of irrigation and electrical services for the benefit of the Corporation's land. LCWCD's purpose is to provide reasonably priced water and electrical services to land within LCWCD's boundaries, the majority of which belongs to either the Corporation or the Company. No advances have been made since 2017. As of December 31, 2024, the Corporation had advanced LCWCD $143,100 in cash.

Note 5 – Notes Receivable, Related Parties

Aztec Land Company, LLC and Subsidiaries:
In December 2009, a note payable to the Corporation was executed by Despain, LLC in exchange for 6,443 acres. The note bears interest at 4.25% and matures on December 11, 2034. The principal balance on the note was $1,116,369 and $1,120,806 on December 31, 2024 and 2023, respectively. In 2024 and 2023, the Corporation received $43,589 and $50,392 of interest income, respectively. The Company may prepay the note without penalty.

Note 5 – Notes Receivable, Related Parties (Continued)

In October 2011, the Corporation sold its entire membership interest in East Jeffers, LLC to the Company for $1,939,000 (see *Note 6*). The Company paid $193,900 and executed a 3% promissory note for the remainder of the purchase price due October 1, 2031. The principal balance on the note was $1,383,500 and $1,389,383 on December 31, 2024 and 2023, respectively. In 2024 and 2023, the Corporation received $38,141 and $44,091 of interest income, respectively. The Company may prepay the note without penalty.

The Apache Railway Company:
In April 2014, the Corporation executed an unsecured revolving credit note with the Railway. The president of the Railway is an officer, stockholder, and director of the Corporation. The note allows a maximum advance of $4,000,000 and bears interest at 7.5%. The note is due on demand, or if repayment is not demanded, the note will mature on December 31, 2025. In 2024, the Corporation advanced $697,636 and collected $75,000 on the note. In 2023, the Corporation advanced $914,375 to the Railway. The principal balance on the note was $3,681,511 and $3,058,875 on December 31, 2024 and 2023, respectively. The Corporation did not receive interest income on the note in 2024 or 2023.

Note 6 – Deferred Gains on Sales of Land and Membership Interest

In December 2009, the Corporation sold 6,443 acres of land to Despain, LLC. The resulting deferred gain was $1,097,468 and $1,101,830 on December 31, 2024 and 2023, respectively.

In June 2011, the Corporation contributed 14,143 acres of land to form East Jeffers, LLC. In October 2011, the Corporation sold its membership interest in East Jeffers, LLC to the Company. The resulting deferred gain was $1,351,035 and $1,354,822 on December 31, 2024 and 2023, respectively.

Note 7 – Employee Pension Plan

The Corporation established a money purchase pension plan effective January 1, 1991. The plan covers all employees age 21 and older on completion of one year of service. The plan provides for the Corporation to contribute 15% of each participant's covered compensation for the plan year. The Corporation uses the cash method for income tax reporting, and therefore does not recognize pension liabilities. Pension contributions are charged to expense when paid and totaled $31,500 and $18,000 for the years ended December 31, 2024 and 2023, respectively.

Note 8 – Income Taxes

During the year ended December 31, 2024, the Corporation paid federal and state income taxes of $743,795, all of which was related to the 2024 tax year. A federal refund of $26,209 was received related to the 2023 tax year. During the year ended December 31, 2023, the Corporation paid federal and state income taxes of $819,996, of which $556,000 was related to the 2023 tax year and $263,996 to the 2022 tax year.

Note 9 – Formation of Aztec Land Company, LLC

In 2002, the Corporation formed the Company. Upon formation of the Company, the Corporation simultaneously declared a dividend of all the units of interest in the Company to the Corporation's stockholders. The dividend equaled one unit of interest in the Company for each share of the Corporation's regular capital stock. Each unit of interest in the Company is in book entry form only (meaning there are no certificates) and each unit is "stapled" to its respective share of the Corporation's regular capital stock. As such, a unit in the Company can only be transferred by transferring the share of capital stock to which it is "stapled".

Note 10 – Contingencies

The Corporation's groundwater rights have been subject to pending litigation for over 40 years. The case is *In Re the General Adjudication of All Rights to Use Water in the Little Colorado River System and Source*, Case No. CV-6417. The litigation involves a determination of the relative rights of water users in the Little Colorado River basin. The more significant issues in the litigation involve Native American claims of water rights, primarily those of the Hopi and Navajo Tribes and the United States on behalf of the Tribes. All water rights claims in the Little Colorado River basin are subject to this adjudication. The adjudication is an extremely complex matter and involves thousands of parties.

In 2024, the primary parties in the litigation, excepting the United States, entered into a settlement agreement (the "Settlement Agreement") resolving the litigation as to claims of the Tribes and the United States on behalf of the Tribes. The enforceability of the Settlement Agreement is subject to, among other things, the enactment of Federal legislation authorizing and funding its terms. The United States has withheld its approval of the Settlement Agreement pending enactment of the legislation, which Congress has yet to pass.

Even if the Settlement Agreement is approved and funded, , management expects the adjudication to continue for a substantial period, if only to adjudicate non-Tribal claims. No monetary damages are being claimed by any party. The Corporation is responding to this litigation through active participation in the adjudication's numerous legal and settlement proceedings and through its financial support of LCWCD, which itself is involved in the litigation for the same reasons.

In managing the litigation and attempting to control costs, the Corporation and LCWCD entered into a joint defense agreement with several northern Arizona municipalities, irrigation districts, and water companies with similar, if not identical, legal interests. Because the Corporation and the Company own the majority of land within LCWCD's service area, they together pay 85% of the expenses allocated to LCWCD via the joint defense agreement. The 15% balance is borne by an unrelated third party and the Railway, both of which receive water deliveries from LCWCD. Litigation costs are expected to be significant beyond 2024, depending on, among other factors, the disposition of the Settlement Agreement.

Note 11 – Common Stock

The Corporation offers a single class of common stock. The ticker symbol is AZLCZ. The transfer agent is Transfer Online, Inc., located at 512 SE Salmon St. Portland, OR 97214. In October 2024, management was authorized to implement a share buyback program for up to $1,000,000 of the Corporation's shares (together with the Company's stapled units). The 2024 buyback program replaces the 2023 program that was authorized but not effectuated. The shares are to be purchased on the open market through a broker or directly from interested shareholders. The buyback program resulted as of year-end in the repurchase and retirement of 278 shares of the Corporation's shares.

Note 12 – Operating Leases (as Lessor)

Grazing leases:
The Corporation leases its land for grazing to multiple tenants. The grazing leases are written for five-year terms and have staggered expirations. They are generally expected to be renewed as they expire and are classified as operating leases.

Access agreements:
The Corporation has several road use agreements allowing the Railway and various third parties access over the Corporation's land. Management has included one year of future minimum payments due under the agreements in the schedule below; but estimates that the agreements will continue for 5 to 20 years.

Note 12 – Operating Leases (as Lessor) (Continued)

A schedule of the approximate annual minimum rental income provided for by non-cancellable grazing leases and access agreements that were in effect as of December 31, 2024 follows. The amounts shown for 2025 and subsequent years do not reflect the Corporation's belief as to amounts which will be realized, as actual results are dependent on the amounts the Corporation is able to charge for its grazing leases.

Approximate minimum future rental income for the years ending December 31:

2025	$ 182,000
2026	246,000
2027	171,000
2028	14,000
	$ 613,000

Renewable energy leases:
The Corporation and the Company have entered into multiple solar and wind leases. The leases have development term lengths of five to eight years and operations term lengths of 25 to 35 years. During the development term for all leases, the lessee may cancel at any time but without refund of prior payments.

In 2024, one wind project commenced its construction term and one solar project commenced its operations term. Both leases are terminable by the lessee at any time, subject to the payment of a termination fee. The remainder of the renewable energy leases remain in their development terms.

Mineral development leases:
In August 2020, the Corporation executed a letter agreement with a third party establishing the framework for an exploratory drilling program to locate and develop the Corporation's and the Company's oil, gas and helium resources, if any. Pursuant to the letter agreement, as amended, the third party has land under lease; and the option to lease more pending certain performance requirements. Should oil, gas, or helium be produced, the Corporation will receive a royalty based on the market value of the resource.

As of December 31, 2024, the third party conducting the exploratory drilling program had drilled four wells (two in 2023, the other two prior to 2023) and was evaluating the production potential, if any, of the wells and future wells in surrounding areas. Aside from lease payments, neither Minerals nor the Corporation nor the Company have received additional revenue from the third party.

Note 13 – Related Party Transactions Not Disclosed Elsewhere

During 2024 and 2023, the Corporation paid $504,086 and $387,906, respectively, to Page Land & Cattle Co. ("Page") for contract services and expenses incurred in connection with the documentation, organization, and management of the Corporation's land and financial records, preservation of its water rights, and reimbursement of expenses paid by Page on behalf of the Corporation for expenses arising from its 3,000-acre farm ("Dry Lake Farm", or "Farm") (see *Note 15*).

In 2023, the Corporation leased the Dry Lake Farm to Page for five (5) years for a lease payment of $5,000 per year. Page has installed sprinkler irrigation systems on the Farm with funds it obtained from a federal grant and intends to operate the Farm to accommodate its use by the Corporation for farming purposes in the same manner as in prior years. The president of Page is an officer, director and stockholder of the Corporation.

Note 13 – Related Party Transactions Not Disclosed Elsewhere (Continued)

The Corporation paid an individual who is an officer, director and stockholder of the Corporation, $9,800 and $14,448 in 2024 and 2023, respectively, for reimbursement of office rent, office expenses, and travel.

The Corporation paid a law firm $24,582 and $77,402 for legal services in 2024 and 2023, respectively. Some of these legal services were performed by a relative of the president of the Corporation.

In 2024 and 2023, the Corporation paid $115,000 and $60,000, respectively, for consulting services to a company owned by a relative of the president of the Corporation. The Corporation also paid this company $10,428 and $2,208 in 2024 and 2023, respectively, as reimbursement for travel expenses incurred while providing these consulting services.

In 2024 and 2023, the Corporation paid the Railway $169,981 and $25,351, respectively, for services undertaken by the Corporation to further develop Dry Lake Farm.

Note 14 – Aztec Area Land Plan

In May 2011, Navajo County, Arizona approved and adopted the Aztec Area Plan (the “Plan”), a comprehensive planning document for the Corporation’s and Company’s land. The Plan is posted in its entirety on the Corporation’s website: www.azteclandco.com.

Note 15 – Water and Related Development

North Well Field:
In 2012, in furtherance of the Plan, the Company executed a 100-year lease for its well field near Holbrook (the “North Well Field”) with LCWCD, a municipality that provides water and power to land within its service area, the majority of which is owned by the Corporation and the Company. In 2013, Arizona Department of Water Resources approved LCWCD’s application for it to provide 10,184 acre feet of water per year from the North Well Field to its service area through 2035. No water was delivered from the North Well Field in 2024 or 2023.

South Well Field:
In 2017, the Corporation acquired a well field with a long-term water production history of 15,000 acre feet per year, of which the Corporation is entitled to 13,490 acre feet per year (the “South Well Field”). The Corporation then conveyed the South Well Field’s well sites and related supporting infrastructure to LCWCD. At the same time, the Corporation and the Company entered into a water service contract with LCWCD obliging the Corporation and the Company to pay LCWCD’s district base costs and, depending on water usage, a portion of LCWCD’s operating costs based on an assessment that is determined annually by LCWCD.

Dry Lake Farm:
The operating costs assessed to the Corporation by LCWCD for water usage arose from Dry Lake Farm. Costs associated with Dry Lake Farm are shown in the Statements of Revenues and Expenses—Tax Basis as Dry Lake Farm expenses. Further activity relating to Dry Lake Farm awaits the Corporation’s assessment of the farm’s profitability and sustainability.

Note 16 – Company Insiders

Officers:
Ian H. Fraser – Chairman
Stephen M. Brophy – President
Tricia Crichton – Secretary/Treasurer

Directors:
Nathaniel C.T. Walsh – Class A
William E. Mitchell – Class A
Clare Brophy Bellendir – Class A
Hugh C. Fraser – Class B
Holly C. Evarts – Class B
Michael J. Brewer – Class B
Stephen M. Brophy – Class C
Ian H. Fraser – Class C
Peter E. Converse – Class C

10% or Greater Stockholders (as of December 31, 2024):
Mitchell Partners, L.P.