JES Farms

Confidential preliminary family-office investment memorandum
Central South Dakota | Missouri River irrigation | Institutional agricultural scale

PREPARED JULY 29, 2026

$172M CURRENT ASKING PRICE	**16,398.7±** TOTAL ACRES	**12,458±** IRRIGATED ACRES	**2,333±** DRYLAND CROPLAND
84 CENTER PIVOTS	**55,000** PERMITTED ACRE-FEET	**13 miles** GRAVITY-FED CANAL	**2.0M bu** GRAIN STORAGE

INVESTMENT THESIS
JES Farms is a rare, difficult-to-replicate water-and-agriculture platform. Its scale, legislatively authorized Missouri River water, integrated delivery system, grain infrastructure, drainage investment and operating continuity create a strategic real asset better matched with patient family capital than with conventional yield-first farmland buyers.

IMPORTANT NOTICE
This preliminary material is intended solely to support direct, confidential discussions concerning a real-estate acquisition. It is not an appraisal, fairness opinion, securities offering, tax opinion, or promise of investment performance. All acreage, water, infrastructure, production, lease, development, and valuation information must be independently verified in diligence.

Prepared from the current public offering, JES internal operating information, pivot-level production records, 2024-2025 soil analysis, and preliminary rent planning. All figures remain subject to independent verification.

Executive summary

The opportunity. Acquire one of the largest privately held irrigated operating farms in central South Dakota, located north of Pierre in Hughes and Sully Counties. The offering combines approximately 16,398.7 acres, roughly 12,458 irrigated acres, 84 center pivots, substantial water rights and delivery infrastructure, 2.0 million bushels of storage, dryland cropland and other improvements.

The reason a family office should care. The asset allows a family to deploy significant capital into one tangible platform tied to food production, scarce water access and long-duration land ownership. The opportunity is not simply acreage; it is the ability to own a functioning irrigated system that would require extraordinary time, permitting, engineering and capital to reproduce.

The underwriting reality. At the $172 million asking price, preliminary irrigated rent assumptions produce a low initial gross yield. JES therefore should not be promoted to offices requiring immediate 5%-6% cash returns. The strongest buyer pool is patient strategic capital that values water, scale, appreciation, inflation protection, operating improvement and generational ownership.

Investment highlights

- Institutional scale in one acquisition rather than a multi-year aggregation program.
- Missouri River irrigation supported by public permits reported at 55,000 acre-feet.
- 84 Valley center pivots, including 13 corner systems, served by a 13-mile gravity-fed canal and extensive underground distribution.
- Approximately 2.0 million bushels of grain storage and reported drainage tile investment exceeding 250 miles.
- Pivot-level historical production records and a growing field-level soil data set available for underwriting.
- Experienced local management reported to be available for continuity following a sale.
- Optionality from infrastructure modernization, precision fertility, lease optimization, strategic livestock/dairy relationships, potential energy relationships and Lake Oahe development rights subject to confirmation.

Key diligence questions

- What are the exact transferable water permits, priority dates, pumping limitations, historical withdrawals and compliance obligations?
- What portion of the irrigation, grain and drainage system requires near-term capital replacement?
- What lease structure is executable, with which tenant, at what rent, and with what guarantee or credit support?
- What is normalized pivot-level production after reconciling crop insurance, field mapping and duplicate or combined acreage records?
- What value can be independently supported for the Lake Oahe development plan and other non-farm optionality?

Asset overview

CATEGORY	PRELIMINARY DESCRIPTION
Location	North of Pierre, South Dakota, principally in Hughes and Sully Counties.
Current asking price	$172,000,000.
Total acreage	Approximately 16,398.7 acres per the current public offering.
Irrigated acreage	Approximately 12,458 acres.
Dryland cropland	Approximately 2,333 acres.
Leased acreage	Approximately 175 acres reported; assignability must be confirmed.
Irrigation	84 Valley center pivots, including 13 corner systems.
Water permits	Public offering reports 55,000 acre-feet of irrigation water.
Canal	Approximately 13 miles, gravity-fed with a reported 125-foot elevation drop.
Grain storage	Approximately 2,000,000 bushels.
Drainage	More than 250 miles of drainage tile reported, with substantial installation completed in 2017.
Operations	Large-scale corn and soybean production with field-level crop insurance and historical production records.

Public listing facts were verified July 29, 2026. Exact legal acreage, lease acres, FSA acres and improvement ownership must be reconciled in the data room.

Why scale matters

- A family can establish a meaningful agricultural allocation through one transaction, one local management platform and one primary operating relationship.
- The integrated system creates assemblage value that is not captured by comparing JES only with smaller dryland or single-pivot sales.
- Scale supports professional data collection, centralized maintenance, crop marketing, insurance administration and capital planning.

- The property may provide multiple future exit choices: sale as a whole, recapitalization, strategic partnership, or division into logical operating units subject to title and water constraints.

Water and irrigation infrastructure

THE STRATEGIC FOUNDATION
Land can be purchased elsewhere. A large, functioning Missouri River irrigation system with permits, intake capacity, canal elevation, underground distribution and 84 pivots is far more difficult to recreate. Family-office diligence should treat water and delivery infrastructure as the primary strategic asset, not as a secondary land improvement.

Publicly described system

- Permits reported for 55,000 acre-feet of irrigation water.
- 13-mile gravity-fed canal system with approximately 125 feet of elevation drop.
- 84 Valley center pivots, including 13 corner systems.
- Extensive underground piping supporting approximately 12,458 irrigated acres.
- Ability to irrigate at institutional scale despite a region with approximately 19 inches of average annual rainfall.

Operating information reported by management

- Approximately 72,500 gallons per minute of system capacity has been reported.
- Three gates are used to manage canal flow, with an operating pond providing additional flexibility.
- All pivots are electrically monitored; soil-moisture sensors are used on selected fields.
- A full pass has been reported at approximately 0.80 inch over roughly 2.5 days, subject to field and system conditions.
- Annual pumping or irrigation power cost has been reported near $400,000, but lease allocation and historical invoices must be verified.

DILIGENCE REQUIREMENT
Obtain the complete permit file, legislative authorization, priority dates, point-of-diversion records, annual use reports, pump curves, electrical records, canal engineering, easements, maintenance logs and a third-party condition assessment before assigning standalone water or infrastructure value.

Production and agronomic platform

Production data. The available pivot-level workbook contains multi-year actual and APH yield records across numerous pivots. The data are useful but require normalization by crop, year, acreage and mapping. The investment case should rely on verified weighted averages and downside years, not isolated best-year yields.

2024-2025 soil evidence

METRIC	PRELIMINARY RESULT	INVESTMENT IMPLICATION
Sampling coverage	153 samples across 65 field IDs	Approximately 77% of 84 pivots by field-ID count; exact acreage weighting remains unavailable.
Olsen phosphorus	Median 8 ppm	44% low or very low; precision P building is the primary broad fertility opportunity.
Potassium	Median 281 ppm	Generally adequate; no economic case for blanket potash based solely on current samples.

METRIC	PRELIMINARY RESULT	INVESTMENT IMPLICATION
Organic matter	Median 3.2%	Respectable base with lower zones benefiting from residue retention and living roots.
Soil pH	7.4 surface / 8.1 subsoil	Alkaline profile favors banded phosphorus and targeted micronutrients.
Zinc	Median 0.94 ppm	Target low zones rather than applying a blanket treatment.
Salinity	Localized hot spots	Requires targeted resampling, water analysis and drainage diagnosis rather than farmwide amendments.

Five-year operating opportunity

- Complete acreage-weighted baseline sampling and connect soil zones to yield maps, irrigation records and drainage maps.
- Build phosphorus selectively while maintaining potassium, sulfur and zinc based on response evidence.
- Use split nitrogen and fertigation guided by current spring tests, sensors and tissue analysis.
- Retain residue, reduce unnecessary tillage, protect drainage function and rotate 5%-10% of acres through soil-building crops where economics support it.
- Reset rent after three years using verified APH, input costs, soil progress and capital obligations.

Soil analysis is based on the JES Farms Soil, Crop & Rent Strategy - 2025 Update. It is a management framework, not a field prescription or independent agronomic opinion.

JES FARMS | LEASE & INCOME **CENTRAL SOUTH DAKOTA**

Lease and income framework

DO NOT HIDE THE YIELD PROFILE
A sophisticated family office will calculate the current yield immediately. The correct response is to present a transparent lease model, identify every other income source, quantify owner capital expenditures, and target investors who underwrite long-duration total return rather than immediate income alone.

ILLUSTRATIVE IRRIGATED RENT	ANNUAL IRRIGATED RENT	GROSS RENT / $172M
$260/ac	$3,239,080	1.88%
$275/ac	$3,425,950	1.99%
$285/ac	$3,550,530	2.06%
$300/ac	$3,737,400	2.17%
$325/ac	$4,048,850	2.35%

Based solely on 12,458 irrigated acres. This is gross rent, not NOI. It excludes dryland rent, storage, hunting, development, other income, taxes, insurance, management, owner repairs, capital reserves, transaction costs and vacancy.

Preliminary recommended lease structure

LEASE ELEMENT	PRELIMINARY POSITION
Base rent	$285 per irrigated acre is the current planning case; confirm by competitive tenant process and credit analysis.
Term	Three years, creating time to implement a soil plan while preserving the ability to reprice.
Flex component	Up to $35 per irrigated acre based on transparent crop-price and yield hurdles.

LEASE ELEMENT	PRELIMINARY POSITION
Routine costs	Tenant pays crop inputs, pumping/power, ordinary repairs and recordkeeping.
Major capital	Owner funds canal, mainline, major pivot replacement and structural drainage unless specifically negotiated.
Soil covenant	Mandatory zone sampling, application records, yield maps, residue protection and no nutrient mining.
Credit support	Require financial statements, insurance, crop-insurance cooperation, deposit or prepaid rent, and suitable guaranty/security.

Income work still required

- Finalize tenant LOI and obtain evidence of tenant liquidity, equipment, labor and working-capital capacity.
- Verify dryland rent, storage revenue, hunting or recreation income, utility or easement payments and any development-related revenue.
- Build a ten-year owner capital plan for pivots, grain facilities, canal, pumps, electrical systems, drainage and roads.
- Convert gross rent into normalized NOI before presenting projected returns.

Valuation framework and the $113 million reference

THE RIGHT ARGUMENT
The strongest response to a low valuation is not simply that JES is "special." It is a reconciled valuation showing what the land, water, infrastructure, income, assemblage and optionality are worth under separate, supportable methods.

REFERENCE VALUE	VALUE / TOTAL ACRE	VALUE / IRRIGATED ACRE
$113M	$6,891	$9,070
$172M	$10,489	$13,806

Per-acre calculations are simple allocation metrics only. They do not allocate value among dryland, improvements, water, storage or other assets and are not appraisal conclusions.

Potential reasons a conventional analysis may understate JES

- Using smaller dryland or single-pivot sales without adequate scale, water and infrastructure adjustments.
- Treating irrigation improvements as depreciated equipment without recognizing the value and cost of the integrated delivery network.
- Failing to measure water-permit scarcity, legislative authorization, replacement time and regulatory risk.
- Underweighting the assemblage benefit of deploying more than $100 million into one managed platform.
- Capitalizing current rent without separating below-market rent, tenant credit, future rent reset and capital obligations.
- Ignoring grain, tile, roads, electrical, monitoring and other improvements or applying unsupported depreciation.
- Assigning no value to development or strategic optionality without first determining whether it is transferable and economically viable.

Work product needed to support value

1. Independent appraisal review identifying the exact scope, comparables, adjustments, income assumptions and treatment of water and improvements.
2. Current engineering-based replacement-cost inventory with physical condition, useful life and required near-term capital.
3. Water-rights memorandum prepared by qualified South Dakota water counsel or consultant.
4. Normalized income approach based on executed lease economics and verified owner expenses.
5. Strategic or assemblage-value analysis using comparable institutional-scale transactions where available.
6. Separate feasibility and valuation of Lake Oahe development rights and other optional uses.

Family-office transaction structures

STRUCTURE	DESCRIPTION	PRIMARY CONSIDERATION
Direct acquisition	One family buys the real estate and improvements directly.	Cleanest structure; strongest control; requires a family comfortable with concentration and low initial yield.
Lead-family club	A lead family controls the acquisition with a small number of aligned co-investors.	Broadens the check-size pool; requires governance discipline, securities counsel and careful solicitation.
Strategic owner-operator	Family owns the asset; qualified operator signs a long-term lease or aligned joint venture.	Can improve operating confidence and credit support; counterparty selection is critical.
Phased recapitalization	One buyer closes, stabilizes lease/capital plan, then admits aligned capital later.	Avoids marketing an unstructured syndication before closing; later recap remains subject to securities law.

Recommended path

START WITH DIRECT OWNERSHIP

Market the property first as a direct real-estate acquisition to a lead family office. Allow the family to decide whether it wants one or more co-investors. This preserves a clean brokerage process and avoids prematurely presenting a securities offering.

Role for local management and AgTeam

- Transaction coordination and farm-specific diligence support.
- Tenant sourcing, lease negotiation support and annual operating review.
- Capital-project tracking for pivots, canal, grain, drainage and roads.
- Annual budget, crop plan, yield, water and soil reporting to the owner.
- Local representation for inspections, insurance events, vendors and strategic opportunities.
- A written scope, authority matrix, fee schedule, insurance and conflicts policy should be established before closing.

Principal risks and mitigants

RISK	WHY IT MATTERS	MITIGATION
Low initial yield	Asking price materially exceeds preliminary gross rent capitalization.	Target patient strategic capital; finalize lease; identify all income; build total-return and downside cases.
Water/regulatory	Transferability, priority, use limits or infrastructure condition may differ from preliminary understanding.	Water counsel, permit audit, use history, engineering inspection and compliance confirmation.
Capital intensity	Pivots, grain assets, pumps, canal and drainage require ongoing investment.	Ten-year condition-based capital plan, reserve policy and seller/tenant responsibility matrix.
Tenant/operating	Scale requires capable labor, equipment, liquidity and management.	Competitive tenant diligence, guaranty/security, manager retention and operating covenants.
Commodity volatility	Rent capacity and tenant credit can weaken with crop prices and costs.	Conservative fixed rent, flex upside, crop insurance cooperation, liquidity covenants and shorter repricing cycle.
Agronomic variability	Fertility and salinity vary materially by zone.	Precision sampling, P-build plan, drainage diagnostics, yield-map accountability and no-mining lease covenant.

RISK	WHY IT MATTERS	MITIGATION
Exit liquidity	A $100M+ farm has a narrow resale market.	Long hold period, logical tract planning, strategic-buyer development and optional recapitalization.
Optionality overreach	Development, carbon, energy or dairy value may be speculative.	Keep optionality outside base value until independently documented and monetizable.

JES FARMS | FAMILY OFFICE OUTREACH **CENTRAL SOUTH DAKOTA**

Family-office outreach strategy

THE CAMPAIGN OBJECTIVE
Find one credible lead family with the mandate, balance sheet and patience to own JES. Do not begin with a mass email. Begin with a highly filtered direct-investment list and warm introductions from trusted advisers.

Target profile

- Single- or multi-family office with at least several hundred million dollars of investable capital and authority to make direct investments.
- Wealth created in agriculture, food, dairy, energy, infrastructure, logistics, construction, manufacturing or real estate.
- History of owning farmland, ranches, timber, water, infrastructure or operating real estate.
- Long holding period and willingness to accept a low initial yield for strategic scarcity and appreciation.
- Ability to write or lead a substantial equity check without depending on high leverage.

Who should receive the first call

CONTACT	REASON
Family principal	Where the family remains directly involved in real assets or agriculture.
Chief investment officer	Where the office has an established private-markets or real-assets allocation.
Head of real assets	For offices with dedicated farmland, infrastructure, water or natural-resources mandates.
Trusted gatekeeper	Private banker, tax adviser, estate lawyer, investment consultant or operating executive with direct family access.
Strategic family enterprise	Food, dairy, grain, ethanol, livestock or energy families with operating synergy.

30-day launch sequence

1. Finalize teaser, memorandum, lease status, data-room index and management-retention story.
2. Build 40 priority targets: 20 direct family offices, 10 strategic family enterprises and 10 trusted gatekeepers.
3. Map warm introductions and request specific introductions, not generic referrals.
4. Release only the two-page teaser before NDA; reserve detailed financials, water records and production data for qualified parties.
5. Conduct qualification calls, then move credible prospects to NDA, management call, data room and site visit.
6. Seek a written indication of interest from one lead family before spending time assembling co-investors.

Qualification questions for the first call

- Does the office make direct real-estate or real-asset investments, or only invest through funds?
- What equity check range can the office lead without a lengthy syndication?
- Does the family prioritize current income, total return, strategic use, legacy ownership or inflation protection?
- Has the office owned agricultural, water, infrastructure or operating real estate?
- Would the office consider a long-term lease with local asset oversight?
- Who besides the current contact must approve an NDA, site visit and indication of interest?

JES FARMS | OUTREACH COPY — CENTRAL SOUTH DAKOTA

Initial outreach language

Warm introduction request

MESSAGE TO A TRUSTED INTERMEDIARY

I am representing a privately owned, institutional-scale irrigated farm north of Pierre, South Dakota. JES Farms includes approximately 16,399 acres, roughly 12,458 irrigated acres, 84 pivots, Missouri River water, a large canal and underground delivery system, drainage infrastructure and approximately 2 million bushels of grain storage. We are looking for one patient family office or strategic family enterprise that understands direct real assets and can consider a $172 million acquisition. Which two or three families you know have the mandate, balance sheet and long-term outlook to evaluate an asset like this?

Direct family-office email

SUBJECT: CONFIDENTIAL SOUTH DAKOTA WATER AND AGRICULTURE PLATFORM

I am reaching out regarding JES Farms, a privately owned, institutional-scale agricultural asset north of Pierre, South Dakota. The offering combines approximately 16,399 acres, 12,458 irrigated acres, 84 center pivots, Missouri River water permits, a 13-mile gravity-fed canal, substantial underground distribution and drainage infrastructure, and approximately 2 million bushels of grain storage.

This is best suited to a family seeking long-duration ownership of a scarce U.S. water-and-food-production asset rather than a high first-year cash yield. The current asking price is $172 million. I would value a brief confidential call to determine whether the opportunity fits your direct real-assets mandate. Upon confirmation of fit, I can provide a concise investment overview and arrange access to the operating and diligence materials.

JES FARMS | DATA ROOM — CENTRAL SOUTH DAKOTA

Data-room index

FOLDER	REQUIRED CONTENTS	STATUS
01. Transaction	Offering terms, title entities, brokerage disclosures, purchase agreement framework, tax and closing information.	Build
02. Title & acreage	Deeds, legal descriptions, surveys, easements, leased acreage, FSA maps and reconciled acre schedule.	Build
03. Water	Permits, legislation, transferability, priority, annual reports, pump records, intake rights, easements and legal memorandum.	Priority
04. Irrigation	Pivot inventory, age, ownership, service logs, condition, pump curves, electrical, underground pipe, canal and pond.	Priority

FOLDER	REQUIRED CONTENTS	STATUS
05. Drainage	Tile maps, installation invoices, outlets, maintenance, performance and engineering reports.	Build
06. Production	Pivot-level APH, actual yields, crop insurance, planting, harvest, irrigation and field maps.	Reconcile
07. Soils & agronomy	2024-2025 soil tests, zone maps, nutrient applications, salinity diagnostics and five-year soil plan.	Partial
08. Lease & tenant	LOI, draft lease, financial statements, equipment/labor plan, credit support and operating covenants.	Priority
09. Grain & improvements	Storage inventory, dryer, scales, electrical, environmental, insurance, repairs and modernization plan.	Build
10. Financial	Taxes, insurance, utilities, pumping, repairs, labor allocations, capital expenditures, rent and other income.	Priority
11. Management	Manager agreement, duties, compensation, retention, reporting and succession.	Priority
12. Optionality	Lake Oahe development approvals, utilities, energy, carbon, dairy/livestock and other strategic studies.	Verify
13. Valuation	Appraisals, appraisal review, replacement-cost study, comparable sales and income model.	Priority
14. Environmental	Phase I as appropriate, fuel/chemical storage, wetlands, cultural resources, drainage and compliance.	Build

Status labels are a working checklist, not a representation that diligence is complete. “Partial” reflects materials already identified in the JES project files.

Immediate decision points

WHAT IS READY NOW
The core investment story, preliminary rent framework, soil narrative, valuation challenge framework, outreach process, initial messaging and data-room architecture are now assembled. The package can be used to begin confidential qualification conversations while the priority diligence items are completed.

Items that must be completed before broad family-office distribution

1. Executed tenant LOI or a highly credible draft lease, including rent, term, capital responsibilities and credit support.
2. Manager-retention plan and written scope for post-closing local oversight.
3. Water-permit and infrastructure diligence summary that a non-agricultural investment committee can understand.
4. Normalized owner NOI and ten-year capital plan with base, downside and upside cases.
5. Independent appraisal review and replacement-cost support addressing the $113 million reference.
6. Controlled data room with reconciled acreage, title, production, water, improvement and financial records.

Recommended campaign standard

- No mass blast and no generic “farm for sale” language.
- Every target must be screened for direct investment authority, check size, time horizon and real-asset experience.
- The two-page teaser goes out first; the full memorandum and data room follow only after qualification and NDA.

- All optional value is clearly separated from base underwriting until independently supported.
- One lead family is the primary objective; co-investment is a structure the lead may elect, not the opening pitch.

Source status

SOURCE	USE AND LIMITATION
Current public offering	Used for asking price, total acres, irrigated acres, dryland acres, pivot count, corner systems, canal description, permit volume, grain storage and public property description.
JES soil and rent workbook	Used for 153-sample soil summary, preliminary $285 rent position and five-year soil-management framework.
Pivot production workbook	Used to confirm the existence of pivot-level historical actual and APH records; normalized portfolio statistics remain to be completed.
Management-provided information	Used selectively for reported system capacity, operating practices, local management, irrigation costs, replacement needs and strategic optionality. All require diligence.
Valuation discussion	$113 million is treated as a reference requiring formal appraisal review, not as a verified appraisal conclusion within this memorandum.

Confidentiality and legal notice

This memorandum is preliminary and confidential. It has been prepared to facilitate discussion concerning a potential acquisition of real estate and related improvements. It is not an appraisal, valuation opinion, engineering report, environmental report, legal opinion, tax advice, securities offering, investment recommendation or guarantee of future performance.

No reliance. Prospective purchasers must conduct their own independent investigation of title, acreage, water rights, permits, transferability, soils, production, improvements, condition, income, expenses, lease terms, environmental matters, development rights, taxes and all other material facts. Information may have been supplied by sellers, operators, public listings or third parties and may contain errors or omissions.

Transaction structures. A direct purchase of real estate differs from the sale of LLC, partnership or other investment interests. Any co-investment, syndication or fractional ownership program must be structured and marketed with qualified legal, tax and securities counsel before solicitation.

NICK ZERR | AGTEAM LAND BROKERS

785-673-6424 | agteamland.com