

February 14, 2022

S&P LLC

Scott & Kathryn Pancost/Pancost Angus & Lynn Shanahan/Shanahan Ranch

PH: [REDACTED]

www.pancostangus.com

OSMP

2520 55th St. Boulder, CO 80301

OSMPAgLeasing@bouldercolorado.gov www.bouldercolorado.gov

This Proposal is for the Autrey Property

8263 Arapahoe Road, Boulder, CO 80303

1. Pancost Angus proposes to produce hay at the Autrey Property off Arapahoe Road as well as graze some of the fields after hay season and work toward our goal of becoming an organic operation. Pancost Angus will hay the grounds as well as continue to hay at other properties nearby that Pancost Angus currently leases. Pancost Angus has lots of experience in irrigation and haying especially in the Boulder area and with the City of Boulder Open Space. We strive to leave land better than we found it and take great care in maintaining properties leased. We will work alongside OSMP with their goals in protecting the Class B Bobolink.

Pancost will irrigate the fields using the correct amount of water shares from the South Boulder Canon Ditch that are provided with the lease (62 shares). We will check and irrigate the fields at least twice a day paying close attention to the amount of water being irrigated to the fields to make sure water is not wasted and soil remains intact.

Pancost Angus will use the most efficient way to irrigate ground to prevent water waste. We will maintain the ditches and make sure they are in good shape to help prevent water waste from irrigation. In some fields, we would like to install a gated pipe to irrigate. We feel that this system helps control the water where we can easily change the sections of the field being irrigated. This also can prevent soil erosion and water waste.

Pancost Angus knows the importance of soil health and plans on focusing our efforts towards conservation. Pancost Angus will follow the Soil and Water Conservation Plans approved by the Natural Resources Conservation Service. Pancost Angus wants to work with Open Space to make sure that soil fertility is up to par with practices discussed and approved.

Healthy soil is the foundation of truly healthy, environmentally friendly organic produce that we want to offer to the public. When you combine the increased health benefits with the fact that organic



February 14, 2022

produce is better for the environment, it makes us want to become an organic operation and that starts with good soil health.

We have stockpiles of cattle manure on our different properties that we plan on spreading on the Autrey property to help with the organic fertilizer.

Pancost Angus wants to take a section of the hay property and plant certain grains for forage for the cattle (oatgrass, barley, etc) that is approved by Open Space. Our goal is to have a no-till area (approx. 25 acres) on the property. We want to implement this into the program and find the best section to produce these grains.

For the other areas, we will cut the hay just once a year during the hay season following aftermath grazing. The type of hay we want to cut on the property is a grass/alfalfa mix which is great for livestock feeding purposes. The grass is a high protein grass which gives the best nutrients for livestock. We will cut and bale hay. We produce large round bales that help protect hay from different elements. By using the round bale system we do not have to use large plastic tarps to cover the hay. The way the hay is baled is a natural water barrier to prevent moisture getting into the hay. We will store hay in the proposed hay storage area, where Pancost Angus will maintain all fences including this storage area.

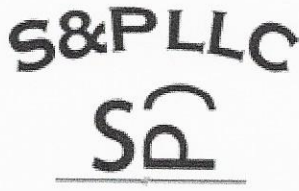
Pancost Angus wants to put together a plan to graze areas of the Autrey Property after hay season. We would like to use the Autrey property to graze for 30-60 days for natural fertilization purposes and to help aerate the property. Short term grazing would be approximately 50-60 head or longer term 30-40 head, depending on the length of time livestock is allowed on the property for Fall/Winter grazing. Pancost Angus plans to bring stock water from a water tanker trailer that holds approximately 10,000 gallons of water. We have water access from a family property on Valmont Rd. where we can load our trucks with water there. The trucks will be parked at a location with tanks and there will be a float system to control the flow of water. We have used this system in the past and it works really well with keeping stock water in front of the livestock at all times.

Pancost Angus plans on working towards becoming completely organic when it comes to our ranching practices and raising grass for our animals. When conventional pesticides are used in farming practices, these chemicals stop pests, but they also affect the microbiology of the soil. Pesticides kill fungi and bacteria in plant soil, and this microbiology provides a lot when it comes to the vitamins and minerals found in organic plants. Studies show that organic plants do contain more vitamins and minerals like Vitamin C, iron, magnesium, and phosphorus, as well as increased levels of antioxidants than plants raised via conventional farming techniques.

Healthy soil produces grass with higher levels of vitamins and minerals and therefore the cattle that eat organic grass are healthier and provide healthier beef. Our goal is to be pesticide free and use natural fertilizer which we have started working with OSMP on. We have started to do some test fields at the ERTYL property regarding the natural fertilizer.

Pancost Angus wants our beef to be all natural, local, and organic to promote more healthy beef products. Our goal from the very start is to sell our beef locally which we have already begun in the past few years.

Pancost Angus will maintain all fencing on the Autrey Property. Having property with OSMP on other leases one of the struggles we have noticed is getting help with fixing fences from Open Space. To



February 14, 2022

help alleviate some pressure if we get this lease, we will handle all fencing of the property, and we will keep the fencing up to City standards. This includes any damage done by natural causes.

2. Pancost Angus has an extensive background in hay operations, irrigation, and cattle. Pancost Angus takes great pride in keeping their leases in great condition and has the opportunity to check properties daily. Being so close to the Autrey Lease (less than 10 minutes away) Pancost Angus can continually check the property and keep a close eye on it. Whether that be fixing fences, or etc. Pancost Angus has cut hay in the Boulder area for years and takes pride in keeping the fields in excellent condition. We try to limit the areas we drive to keep the grass and soil intact. Pancost Angus currently has leases at the storage tech property, in Jefferson county, and in Boulder County.

We already have an established record with the City of Boulder working together in maintaining and fixing fences, and infrastructure as needed, as we do on all our properties. We will also add our maintenance program to this property as well to ensure the property is checked regularly, all irrigation ditches are pulled regularly, and any eroded areas are repaired. We have maintained the soil, water, and forage health on other properties.

3. Pancost Angus proposes working with a 3rd party to test the soils on the Autrey Property. We work with Agfinity and Weld Labs in Weld County to process yearly soil samples and testing. We utilize these soil samples before the growing season to find out the composition of the soils so we can adjust our practices accordingly. On this property specifically there will be no need to use any GMOs or pesticides as we are wanting to become completely organic.

We understand how important it is to test soil to check the percent of organic matter, soil salts, pesticide residue, and the degree of soil erosion to know the health of the current soil.

After testing the soil, Pancost Angus will work alongside Boulder Open Space to come up with a manageable plan to either improve or maintain the soil health depending on the results of tests.

4. By being able to lease the Autrey Property this would help with our production along with soil and forage conservation among different leases.

A few struggles we have had from other leases in the area are the Eagles that nest, fields that have to rest, and an upcoming rehabilitation project on our leased properties around Boulder. Because of this we are limited to what we can do on these certain properties. Two of our major properties have Eagle nesting in two different areas on each property. Because of this we lose production of this property. On the west side of town, we have to let some of our fields "rest". The last struggle has to do with a rehabilitation project in the upcoming months on one of our leases that will limit a large amount of our leased property. The few circumstances discussed above leaves us with not enough ground to graze and produce enough hay for our production. This also forces us to leave cattle to graze in certain fields longer than we like which in turn can hurt the ground and leave it overgrazed. By getting the Autrey Property we will have the opportunity to keep all fields in better conditions and continue our operation.



February 14, 2022

We also currently cut hay in properties located on Baseline Rd. and Valmont Rd. This would make it easy for tractors to be able to get to different fields quicker and use less fuel to do so.

Lastly, by us wanting to go organic, we will have less hay production from other properties. The Autrey property will provide us with enough land to produce a good amount of hay that can feed our current herd.

5. Pancost Angus is financed by itself and its current operations through its cattle, farming, and hay production. If needed we are backed by Brush State Bank in Brush, Colorado that deals with agriculture type loans and finances.

Financially our company is quite strong, Scott Pancost's FICO score is 8.9 as well as his business score is in the high 8's. This allows us to borrow money if needed for our financial operation. All our equipment and cattle are paid for and have no money borrowed against them.

At this time we donate beef to the Raleigh house for abused children, as well as approximately donate 8,000 lbs of beef to families in the Boulder and Jefferson county areas. We have a website where we sell beef, as well as market our cattle through Superior Livestock Auctions. We also work word of mouth in the Boulder Community. Locally we sell approximately 20,000 lbs of beef a year to locals in Boulder County.

6. Improvements Pancost Angus will bring to the Autrey Property include but are not limited to soil health, protecting the bobolink and their habitat, and possibly cross-fencing. These will be temporary two wire electric fencing for paddock grazing. We will re-work ditches, add gated pipe systems for irrigation, re-work areas where soil erosion is evident and re-plant grasses in poor areas.

7. Machinery and Equipment

Pancost Angus will use its own equipment for the operations of the Autrey Property. All equipment is owned and The majority of equipment used is less than five years old :

- 3 John Deere tractors (less than 5 years old)
- John Deere round baler
- New Holland Rake
- Caterpillar loader
- Case loader
- Load king flatbed trailer
- Kenworth Semi
- Polaris
- Two wire electric fencing
- Automatic post pounder
- All necessary fencing equipment
- Plow
- Harrow
- Drill for planting grains



February 14, 2022

- John Deere Self propelled swather
- New Holland Pull behind swather
- Kunes hay fluffer
- Heston small baler
- Service and fuel truck for servicing equipment
- Rawhide Portable corrals (hold up to 170 head of animals)
- Portable cattle chute
- 4 large livestock trailers
- All necessary hand tools.

We have more of the same equipment if needed on this property.

8. Pancost Angus is a full-time agricultural enterprise. Along with hay production, Pancost Angus has a cow-calf production that is full time.

9. Historically underserved producer:

Pancost Angus is a small family business that are Boulder natives, our ancestors homesteaded on Valmont Road since the 1840s. Pancost Angus is owned by Edward S Pancost and daughter Kathryn Pancost who just recently graduated from Colorado State University. Kathryn is a majority owner and started this year full-time making her to be considered a beginning farmer. Pancost Angus has two full time employees. A veteran Derek Munoz, who spent 7 years as a marine and 4 years at the academy. We also employ Brad Suits who is also a three-generation agriculture family from the Boulder area.

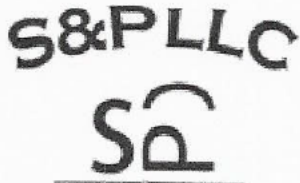
10. Proposed per acre bid:

- i. \$65 per acre
- ii. \$25 per acre
- iii. \$10 per acre

11. Pay and Employment Practices:

Pancost Angus pays bi-weekly and hourly to our employees. They average 40-50 hours per week with 3 week's vacation and 1 week sick pay. Along with housing for our employees. We have provided our goods to the Raleigh house, as well as other charities in the past, and local families in Boulder County. We have also donated hay to ranchers in Kansas that have been affected from past fires and drought in Texas.

Also, we help local ranchers by sending employees to help on a weekly basis at no charge. Every summer we try to hire two high school to college aged kids who are interested in learning about farming and ranching. Over the years it has been great to see kids be able to get involved with agriculture when coming from different backgrounds.



February 14, 2022

References:

| Name - Email & Phone Number | Relationship |
|---|--------------------------------|
| Mike Capello - [REDACTED] [REDACTED] | Lessor of Property in Golder |
| Ed Brooks - [REDACTED] [REDACTED] | Lessor of Phillips 66 Property |
| Babe Hogan - | Lessor and Ranch Manager |
| Dwayne Nelson - [REDACTED] | Lessor and Ranch Manager |
| Mike & Austin Bollinger - [REDACTED] | Superior Livestock |
| John Hill - [REDACTED] | Lessor of Hay Property |

PROPOSAL FORM- REQUIRED

Failure to complete, sign and return this signature page with your proposal may be cause for rejection.

| Contact Information | Response |
|---|------------------------------------|
| Company Name including DBA | S&P |
| Type of Organization | LLC |
| Name & Title of Person Authorized to Contact with City of Boulder | Edward S Pancost/ Managing Partner |
| Name and Title of Person Submitting Bid | Kathryn & Scott Pancost |
| Email Address for Person Submitting Bid | [REDACTED] |
| Company Address | [REDACTED] |
| Company Phone Number | [REDACTED] |
| Company Website | www.pancostangus.com |



February 14, 2022

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|--------------------|-----|
| Company Fax Number | N/A |
|--------------------|-----|

By signing below I certify that:

I am authorized to bid on my company's behalf.

I am not currently an employee of the City of Boulder.

None of my employees or agents is currently an employee of City of Boulder. I am not related to any City of Boulder employee or Elected Official.

I am not a Public Employees' Retirement Association (PERA) retiree.

Signature of Person Authorized to Bid on Company's Behalf
2022

Date February 14,

Note: If you cannot certify the above statements, please describe in a statement of explanation.

February 14, 2022

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| AD-2035 (07-29-04) | U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency | Form Approved - OMB No. 0560-0231 |
| USDA MINORITY FARM REGISTER | | |
| <p>The Register is a tool to promote equal access to USDA farm programs and services for minority farmland owners, farmers, ranchers, tenants, and other individuals with an agricultural interest. Participants may receive information or personal contact through USDA outreach efforts. USDA programs may include farm or ranch ownership and operating loans and loan guarantees, price and income support, conservation, and others.</p> | | |
| <p><small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is section 1070f of Public Law 107-171 (7 U.S.C. 2278). The information will be used to assist in special minority farm outreach and assistance efforts. Furnishing the requested information is voluntary. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, to a court magistrate or administrative tribunal, community-based and other non-USA outreach organizations. The provisions of criminal and civil fraud statutes, including 18 USC 238, 267, 371, 641, 651, 1001; 18 USC 714m; and 31 USC 3729, may be applicable to the information provided.</small></p> <p><small>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0231. The time required to complete this information collection is estimated to average 1 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO MINORITY FARM REGISTER, USDA STOP CODE 8893, 1400 INDEPENDENCE AVE., SW, WASHINGTON, DC 20250-0903.</small></p> | | |
| <p>I certify that I am voluntarily granting permission to be listed on the USDA Minority Farm Register. I fully understand and agree that my name and the other information provided on this form may be released to organizations other than USDA.</p> | | |
| <p><small>*Instructions: Items 1 through 4, 5C, 5D, 7A and 7B are optional. You must complete items 5A, 5B, 6A and 6B.</small></p> | | |
| <p>1. Ethnicity: Are you Hispanic or Latino? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> | | |
| <p>2. Race: Check the race or races that describe you best.</p> <div style="display: flex; align-items: flex-start;"> <div style="flex: 1;"> <p><input type="checkbox"/> American Indian or Alaska Native</p> <p><input type="checkbox"/> Asian</p> <p><input type="checkbox"/> Black or African American</p> <p><input checked="" type="checkbox"/> White</p> <p><input type="checkbox"/> Native Hawaiian or Other Pacific Islander</p> <p><input type="checkbox"/> Other race (specify): _____</p> </div> <div style="flex: 1; text-align: center; border: 1px solid black; padding: 5px; margin-left: 10px;"> <p>RECEIVED</p> <p>MAR 18 2021</p> <p>LARIMER COUNTY FFA</p> <p>FORE CO. CO. CO. CO.</p> </div> </div> <p style="text-align: right; font-size: small;">(Do not enter Hispanic or Latino here)</p> | | |
| <p>3. Gender: <input type="checkbox"/> Male <input checked="" type="checkbox"/> Female</p> | | |
| <p>4. Check one of the following: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input checked="" type="checkbox"/> Ms.</p> | | |
| <p>5A. Name (Last, First, Middle Initial)</p> <p>_____</p> | | |
| <p>5B. Address (include City/State/Zip Code)</p> <p>_____</p> | | <p>5C. Telephone Number (include Area Code) (For Government Use Only)</p> <p>_____</p> |
| | | <p>5D. E-mail Address: _____</p> |
| <p>6A. Signature of Individual</p> <p></p> | | <p>6B. Date (MM-DD-YYYY)</p> <p>03-18-2021</p> |
| <p>Farm or Ranch Location (If applicable):</p> | | |
| <p>7A. State _____</p> | | <p>7B. County _____</p> |
| | | |

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