PROPOSED MT. EMMONS LAND EXCHANGE
NON-FEDERAL PROPERTY - PARCELS A, B, C, AND D

625.18 Total Acres that is Privately Owned by Mt. Emmons Mining Company
Parcel A is 160.00 Acres at the Gunnison National Forest (Three Peaks Ranch)
Parcel B is 159.69 Acres at Gunnison National Forest (Monchego Creek Ranch)
Parcel C is 147.50 Acres at the Rio Grande National Forest (Sheep Creek Ranch)
Parcel D is 157.99 Acres at the Rio Grande National Forest (Spanish Creek Ranch)
Located North or South of Gunnison, within Gunnison or Saguache County, Colorado

As of
November 21, 2022

Prepared For
Charles Brown, MAI, Regional Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard
Lakewood, Colorado 80401

Prepared By
Kevin A. Chandler, MAI
Chandler Consulting, Inc.
979 Kite Court
Grand Junction, Colorado 81505
November 30, 2022

Charles Brown, MAI, Regional Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard, Lakewood, Colorado 80401

Re: Appraisal of Non-Federal Parcels for Proposed Mt. Emmons Land Exchange

Mr. Brown:

The subject property is identified as Non-Federal Parcels A, B, C, and D for the Mt. Emmons Land Exchange, which comprise 625.18 total acres within Gunnison and Saguache Counties, Colorado. The parcels are privately owned by the proponent (Mt. Emmons Mining Company), and proposed for conveyance to the United States of America (USA) in exchange for Federal Parcels 1, 2 and 3, which comprise 550.48 acres on the Gunnison National Forest within Gunnison County, Colorado. Parcel A (Three Peaks Ranch) is a 160.00-acre inholding on the Gunnison National Forest, which is located 24 miles northwest of the City of Gunnison, within Gunnison County. It has direct but seasonal access to Forest System Road 737, creek frontage, meadow, timber, and very good views. The other parcels are approximately mid-distance between Gunnison and Saguache, south or north of the State Highway 114 corridor, within Saguache County. Parcel B (Monchego Creek Ranch) comprises 159.69 acres that is mostly surrounded by the Gunnison National Forest, with direct but seasonal access to Forest System Road 787, minor creek, grassland, some timber, and good views. Parcel C (Sheep Creek Ranch) comprises 147.50 acres with creek frontage, meadows, timber, good views, but just pedestrian ingress/egress from Forest System Trail 769. Parcel D (Spanish Creek Ranch) comprises 157.99 acres with minor creek, grassland, timber, and good views. It is situated near Forest System Roads 810 and 999, but has potential for seasonal access from either roadway with legal authorization and new driveway. Parcels C and D are both inholdings on the Rio Grande National Forest that are situated one mile apart. The subject property was determined to comprise four larger parcels for analysis that were appraised as separate units (i.e., Parcels A, B, C, and D).

The purpose of this appraisal is to provide an opinion of market value for the fee simple estate in the appraised property, subject to outstanding rights and reservations. No adjudicated water rights will be included, but any portion of the mineral estate owned by the proponent will be conveyed. Moreover, the valuation of Parcel A excludes any water rights as well as existing improvements. The client is identified as the Forest Supervisor for the Grand Mesa, Uncompahgre, and Gunnison National Forests. The only intended users of this appraisal report are the client, Charles Brown as Regional Appraiser for the Rocky Mountain Region, Lands/Realty personnel attached to the Grand Mesa, Uncompahgre, and Gunnison National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Council personnel, representatives of the Western Land Group, Inc., and representatives of Mt. Emmons Mining Company. The intended use of this appraisal report is to provide a value basis for the potential and voluntary land exchange between Mt. Emmons Mining Company, as represented by Western Land Group, Inc., and the USA, as represented by the USDA Forest Service, of the property identified in Exhibits A and B of the Agreement to Initiate, “as if” the federal lands were in private ownership, zoned consistent with other non-federal properties in the area, and available for sale in the open market.
I personally inspected the subject property with some of the intended users on September 12, 2022 as well as September 13, 2022, and a representative of the landowner was given ten days advance notice to join us. However, the report must be delivered to the client for review within thirty days of inspection, and all appraisals must be effective as of the same date of value. Thus, I confirmed on November 21, 2022 with knowledgeable parties that the physical condition of the Non-Federal Parcels had not materially changed since my inspections, which is the effective date of value.

The valuation analysis and conclusion is contingent upon certain definitions, assumptions, limiting conditions, appraisal instructions, as well as certification, which are set forth in the attached report. As instructed in writing by the client, and clearly identified in the Statement of Work, this appraisal was made pursuant to one extraordinary assumption that is stated below (which presume as fact otherwise uncertain information about the subject property that could alter the appraiser’s opinions or conclusions if found to be false), but no hypothetical conditions (which are contrary to what existed as of the effective date of the appraisal, but supposed for the purpose of analysis). It is also subject to a Jurisdictional Exception regarding development of a reasonable exposure time opinion.

**Extraordinary Assumption**

The appraisal is pursuant to an extraordinary assumption that the subject parcels are unaffected by recognized environmental conditions (the use of which may have affected the assignment results).

The Sales Comparison Approach was the only technique employed to value the subject property, as the Cost Approach and Income Capitalization Approach were not appropriate in this instance. Based on my inspection of the subject as well as surrounding environs, analysis of relevant data, and preparation of the following analyses, it is my opinion that the market value of the fee simple interest in all four Non-Federal Parcels, which is effective as of November 21, 2022, is $1,940,000. This total value is the sum of Parcel A ($900,000 at $5,625 per acre), Parcel B ($400,000 at $2,500 per acre), Parcel C ($245,000 at $1,675 per acre), and Parcel D ($395,000 at $2,500 per acre). It was determined there is no impact on value (i.e. discount or premium) for all Non-Federal Parcels as one package in a single transaction. The total value of $3,103 per acre is applicable to potential configurations of the holding, as well as each larger parcel, at a size range of 80.00 to 640.00 acres.

This appraisal report complies with the *General Exchange Act of March 20, 1992*, the *Federal Land Policy and Management Act of October 21, 1976* as amended by the *Federal Exchange Facilitation Act of August 20, 1988*, 36 CFR 24 (Subpart A), the current edition of the *Uniform Appraisal Standards for Federal Land Acquisitions* (a/k/a UASFLA or “Yellow Book”), and the current edition of the *Uniform Standards of Professional Appraisal Practice* (a/k/a “USPAP”). The report has also been prepared in compliance with written instructions or Statement of Work that was provided by the client, with a copy found in the addenda.

Respectfully submitted,

Kevin A. Chandler, MAI
# Table of Contents

Part I – Introduction  
- Title Page: 1  
- Letter of Transmittal: 2  
- Table of Contents: 4  
- Appraiser’s Certification: 5  
- Executive Summary: 6  
- Photographs of Subject Property: 7  
- Statement of Assumptions and Limiting Conditions: 15  
- Description of Scope of Work: 16

Part II - Factual Data  
- Area and Neighborhood Data: 21  
- Property Data: 25

Part III - Analysis and Conclusions  
- Highest and Best Use and Larger Parcel: 45  
- Appraisal Methodology: 48  
- Sales Comparison Approach: 49  
- Reconciliation and Final Value Opinion: 96

Part IV - Addenda  
- Qualifications of the Appraiser  
- State General Appraiser License  
- Statement of Work (instructions)  
- Title Insurance Commitments
APPRAISER’S 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, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraiser.
- the appraiser has no present or prospective interest in the property appraised, and no personal interest or bias with respect to the parties involved.
- the compensation received by the appraiser for the appraisal is not contingent on the analyses, opinions, and conclusions reached or reported.
- the appraisal was developed, and the appraisal report was prepared in conformity with, the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA).
- the appraisal was developed, and the appraisal report was prepared in conformance with, the Appraisal Standards Board’s *Uniform Standards of Professional Appraisal Practice* (USPAP), and complies with USPAP’s Jurisdictional Exception Rule when invoked by Section 1.2.7.2 of the *Uniform Appraisal Standards for Federal Land Acquisitions*.
- the appraiser has made a physical inspection of the property appraised, and the property owner, or their designated representative, was given an opportunity to accompany the appraiser on the property inspection. I inspected the sites on September 12 and 13, 2022 with Chris Franks and Todd Robertson (representatives of the proponent), as well as Charles Brown and Corey Wong (representatives of U.S. Forest Service). I confirmed on November 21, 2022 that the physical condition was materially unchanged since my inspection, which is the effective date of value.
- no one provided significant professional assistance to the appraiser signing this report.
- 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 report, I have completed the continuing education program of the Appraisal Institute, and have never been charged with any ethics violations.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.

In my opinion, and effective as of November 21, 2022, the market value of the subject property (i.e., Non-Federal Parcels A, B, C, and D for the Mt. Emmons Land Exchange) is $1,940,000.

Certified by,

Kevin A. Chandler, MAI
Certified General Appraiser
State of Colorado, #CG40022860
EXECUTIVE SUMMARY

Property Ownership: Mt. Emmons Mining Company (privately by the proponent)

Location and Access: Parcel A (Three Peaks Ranch) is a 160.00-acre inholding on the Gunnison National Forest, which is located 24 miles northwest of the City of Gunnison, within Gunnison County. It has direct but seasonal access to Forest System Road 737. Parcel B (Monchego Creek Ranch) comprises 159.69 acres that is mostly surrounded by the Gunnison National Forest, with direct but seasonal access to Forest System Road 787. Parcel C (Sheep Creek Ranch) comprises 147.50 acres with pedestrian ingress/egress only from Forest System Trail 769. Parcel D (Spanish Creek Ranch) is 157.99 acres with indirect but seasonal access from Forest System Roads 810 and 999. Parcels C and D are inholdings on the Rio Grande National Forest. Parcels B, C, and D are located a few miles south or north of State Highway 114, and all are in Saguache County.

Property Description: The subject is four high-elevation properties with grassland, mountain shrubs, montane forest, creek frontage, and good or very good views. Each tract has rolling to moderate terrain at an elevation of about 9,050 to 9,600 feet above sea level.

Improvements/Utilities: Each parcel is appraised as vacant land in a mostly natural state, with electric/telephone service available to Parcel A.

Estate Appraised: Fee simple title, subject to reservations and encumbrances as referenced in the Statement of Work (copy in the addenda)

Zoning/Land Use: No formal zoning in Gunnison or Saguache County, but land use regulations allow one home per 35 acres as use by right

Highest and Best Use: Rural residential homesites with seasonal vehicular access at Parcels A and B, as well as Parcel D (requires new driveway) Parcel C is limited to grazing/recreation due to trail access

Larger Parcel: Each subject is a separate larger parcel (i.e., A, B, C, and D)

Effective Date of Value: November 21, 2022 (no material changes to sites confirmed since my physical inspections on September 12 or 13, 2022)

Date of Appraisal Report: November 30, 2022 (preparation and transmittal to client)

Opinion of Market Value: $1,940,000 for all four parcels (average of $3,103 per acre)  
Parcels A = $900,000 (based on $5,625 per acre as if vacant) 
Parcels B = $400,000 (based on $2,500 per acre as if vacant) 
Parcels C = $245,000 (based on $1,675 per acre as rounded) 
Parcels D = $395,000 (based on $2,500 per acre as rounded)
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 12, 2022

Parcel A Looking North from Forest System Road 737 at South Boundary

Southern Portion of Parcel A Looking Southwest (towards Carbon Creek)
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 12, 2022

Northern Portion of Parcel A Looking Northwest (towards Mt. Axtell)

Existing Buildings at Parcel A Looking South (to be removed and excluded)
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 13, 2022

West Portion of Parcel B Looking Southwest from Forest System Road 787

Eastern Portion of Parcel B Looking East from Forest System Road 787
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 13, 2022

Parcel B Looking Northwest from East Portion (towards Cochetopa Dome)

Typical View of Monchego Creek at East Portion of Parcel B Looking East
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 13, 2022

Forest System Trail 769 Looking East towards Parcel C (in background)

Parcel C (along bottomland) Looking Southeast from Northwest Boundary
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 13, 2022

Dilapidated Ranch House at Central Portion of Parcel C Looking Southeast

Typical View of Sheep Creek at Central Portion of Parcel C Looking South
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 13, 2022

Parcel D (at center right) Looking Northeast from Forest System Road 810

Parcel D (beyond fence on left) Looking South from Forest System Road 999
PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on September 13, 2022

Western Portion of Parcel B Looking South from Forest System Road 999

Eastern Portion of Parcel D Looking South from near the Northeast Corner
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal report is made pursuant to the following assumptions and limiting conditions:

1. The valuation analysis is not made pursuant to any hypothetical conditions, but is subject to the extraordinary assumption that the Non-Federal Parcels are unaffected by recognized environmental conditions (the use of which may have affected the assignment results).

2. The appraiser assumes no responsibility for legal matters affecting title to the property, which is assumed to be good and marketable, and held by the current ownership of record. The property is appraised subject to any outstanding rights and/or proposed reservations that have been identified by the intended users in Exhibit A of the Agreement to Initiate.

3. The legal descriptions and parcel sizes provided to the appraiser by the intended users are assumed to be accurate, with the subject parcels comprising 625.18 total acres of land area. The appraiser has made no boundary survey of the subject property, and is not responsible for questions in regards to title, survey, easements, encroachments, and/or boundaries.

4. The maps and sketches included in this report are meant to assist the reader in visualizing the property, with no responsibility assumed for their accuracy. This information was provided by the intended users, local governmental entities, and my personal inspection.

5. Opinions, estimates and other data furnished by third parties are assumed to be correct, and the appraiser professes no legal expertise in regards to access to the subject property.

6. Possession of this report or any copy does not carry with it the right of publication, nor may it be used for any other purpose than the stated intended use. I acknowledge that all appraisal reports submitted to the U.S. Forest Service for review become the property of the United States of America, and may be used for any legal and proper purpose.

7. During the inspections of the appraised property, the appraiser has noted no indications of hazardous material and/or wastes, pollutants, leaking underground storage tanks, or other toxic and hazardous conditions. The detection of hazardous material is not part of the scope of this appraisal, and the appraiser is not qualified to detect such substances or conditions. The presence of hazardous substances and/or other potentially hazardous materials may adversely affect market value of the subject property. The value opinions reported herein are predicated on the assumption that there are no such materials, substances, or conditions on the subject property, or in proximity thereto, that would cause a loss in market value.

8. The appraiser reserves the right to alter statements, analysis, conclusions, or any value opinion in the appraisal if facts become known to the undersigned that are pertinent to the appraisal process, and were unknown at the time of report preparation.

9. Upon the request of the United States Attorney or the Department of Justice, the contract appraiser agrees to testify regarding the appraisal. However, a supplemental contract will be negotiated as necessary, with no liability assumed by the appraiser for legal matters.
The scope of work identifies the appraisal problem to be solved, determines the necessary work to develop a credible assignment result, and discloses this process adequately in a written report.

The subject property is identified as Non-Federal Parcels A, B, C, and D for the Mt. Emmons Land Exchange, which comprise 625.18 total acres in Gunnison and Saguache Counties, Colorado. These ranches are identified as 160.00-acre Three Peaks (Parcel A), 159.69-acre Monchego Creek, (Parcel B), 147.50-acre Sheep Creek (Parcel C), as well as 157.99-acre Spanish Creek (Parcel D). The parcels are privately owned by the proponent (Mt. Emmons Mining Company), and proposed for conveyance to the United States of America (USA) in exchange for Federal Parcels 1, 2 and 3, which comprise 550.48 acres on the Gunnison National Forest within Gunnison County, Colorado.

The purpose of this appraisal is to provide an opinion of market value for the fee simple estate in the appraised property, subject to outstanding rights and reservations. No adjudicated water rights will be included, but any portion of the mineral estate owned by the proponent will be conveyed. Moreover, the valuation of Parcel A excludes any water rights as well as existing improvements. The intended use of the appraisal is to provide a value basis for the potential and voluntary land exchange between Mt. Emmons Mining Company, as represented by Western Land Group, Inc., and the USA, as represented by USDA Forest Service, of the property identified in Exhibits A and B of the Agreement to Initiate, “as if” the federal lands were in private ownership, zoned consistent with other non-federal properties in the area, and available for sale in the open market.

The client is identified as the Forest Supervisor for the Grand Mesa, Uncompahgre, and Gunnison National Forests. The only intended users of this appraisal report are the client, Charles Brown as Regional Appraiser for the Rocky Mountain Region, Lands/Realty personnel attached to the Grand Mesa, Uncompahgre, and Gunnison National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Council personnel, representatives of the Western Land Group, Inc., and representatives of Mt. Emmons Mining Company.

The date of value is November 21, 2022, which must be the same for all parcels in the exchange. Although I personally inspected the subjects on September 12, 2022 as well as September 13, 2022 with some of the intended users, the report must be delivered to the client for review within thirty days of inspection. Thus, I confirmed on November 21, 2022 with knowledgeable parties that the physical condition of the subject parcels had not materially changed since my previous inspection.

The Statement of Work directs the appraiser to use the following definition of market value:

“Market Value means the most probable price in cash, or terms equivalent to cash, which lands or interests in lands should bring in a competitive and open market under all conditions requisite to a fair sale, where buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence.” (36 CFR 254, Subpart A, 254.2)

The Uniform Appraisal Standards for Federal Land Acquisitions provide that the appraiser shall not link an opinion of market value to a specific exposure time. This is contrary to Standards Rule 1-2(c) of the most current edition of the Uniform Standards of Professional Appraisal Practice (USPAP), and thus is considered a Jurisdictional Exception (which has been invoked regarding the development of an opinion of reasonable exposure time for the subject property).

In regards to assignment conditions, the valuation analysis and concluded opinion of market value is not made pursuant to any hypothetical conditions, but is subject to the extraordinary assumption (as instructed) that the appraised property is unaffected by recognized environmental conditions.
DESCRIPTION OF SCOPE OF WORK

The property rights appraised is the fee simple interest in each subject parcel, which is defined as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

[The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2010)]

Per the Statement of Work, the estate to be appraised consists of all rights, title, and interests subject to any outstanding rights and reservations, which are identified in Exhibits A and B of the Agreement to Initiate. Although there are no proposed reservations for the Non-Federal Parcels, legal descriptions and outstanding rights from Exhibit A are presented on the following pages. Thus, the Non-Federal Parcels are appraised subject to permitted exceptions listed in title insurance commitments that were prepared during December 2021 (copy in addenda). As discussed in the Property Data section of this report, most of these outstanding rights are typical for rural properties, and do not have an adverse impact on market value. However, Parcel D requires a new driveway (with legal authorization) from nearby roads to have physical access for rural residential homesites. Moreover, Parcel C only has pedestrian ingress/egress, which limits the potential uses to recreation and/or grazing. The analysis considers the adverse impact on market value due to existing access.

The appraisal process reflects the concluded highest and best use for Parcels A and B of rural residential homesites with seasonal use vehicular access, and complementary recreation or grazing. Parcel D has the same highest and best use if legal and physical access is obtained, but the lack of vehicular access to Parcel C results in a concluded highest and best use of just recreation or grazing. Each subject parcel was determined to comprise a separate larger parcel for valuation purposes.

The appraisal process reflects the highest and best use conclusion for each subject larger parcel, and considered application of the Cost, Sales Comparison, and Income Capitalization Approaches. The Cost Approach is not relevant for the assignment since the subject is appraised as vacant land. The Income Capitalization Approach is unnecessary for this analysis since the Non-Federal Parcels do not generate major income from just agricultural and/or recreational uses, and it is impossible to extract capitalization rates from current sales of rural properties in the local market (since the prices paid reflect much more than agricultural production value). The Subdivision Development Approach was not employed since parceling the subject property into smaller tracts is inconsistent with the highest and best use conclusion. This technique is also rather speculative due to the many required variables, and typically only relied upon if adequate comparable sales are not available.

The Sales Comparison Approach was the only valuation method employed, and thus was given all weight in the final reconciliation. This technique entailed a search for listings, contracts, and closed sales of comparable properties in the local market. Each is inspected to the extent possible, with details confirmed by knowledgeable parties to the sale and public records. The most relevant transactions were compared to each larger parcel on a price per acre basis, and one value is reported for all of the Non-Federal Parcels as a whole (with unit values per acre and applicable size range).

This Appraisal Report has been prepared in accordance and compliance with the most current versions of the Uniform Appraisal Standards for Federal Land Acquisitions (the “Yellow Book”) and the Uniform Standards of Professional Appraisal Practice (“USPAP”), as well as the written appraisal instructions or Statement of Work that were prepared by the client (copy in the addenda). No limitations restricted the use of applicable appraisal methodology, and I meet the competency requirements as defined by USPAP for this type of valuation assignment (federal land exchange). The date of report preparation and transmittal to the client is November 30, 2022.
EXHIBIT A

Non-Federal Lands

Property that the Non-Federal Party will consider exchanging:

Sixth Principal Meridian, Gunnison County, Colorado

Non-Federal Parcel A — Three Peaks Ranch:

Township 14 South, Range 86 West
   Section 28: SW1/4NW1/4, NW1/4SW1/4,
   Section 29: SE1/4NE1/4, NE1/4SE1/4.

Totaling approximately 160.00 acres, more or less.

Land reservations of the Non-Federal Party, and exceptions to title pertaining to Non-Federal Parcel A:

Reservations by the Non-Federal Party: None.

Outstanding rights/encumbrances: (see Land Title Guarantee Company title commitment, Order Number GUC880004135-2 with an effective date of December 22, 2021, Schedule B, Part II)

Exception 8 - Right of the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, and a right of way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded March 12, 1907 in Book 101 at Page 393.


Exception 10 - Easements granted to Gunnison County Electric Association, Inc. for utilities and incidental purposes, by instrument recorded October 4, 2001, under Reception No. 514796 and 514825.

Exception 11 - Any rights or interests of third parties which exist or are claimed to exist in and over the present and past bed, banks or waters of Carbon Creek.

Other:

1. The Forest Service has determined that the existing improvements on the parcel, including the ranch house, shed, access road, fencing, headgates and other miscellaneous structural improvements are not needed once the parcel is in Federal ownership. The domestic well will remain. The Non-Federal Party has agreed to remove these improvements at its expense under guidelines contained in a removal and rehabilitation plan including a map of all improvements and timeline for removal that
will be prepared by the Non-Federal Party and approved by the Forest Service. The appraisal shall assign no value to improvements as they are not included in the estate to be appraised.

New Mexico Principal Meridian, Saguache County, Colorado

Non-Federal Parcel B – Moncheego Creek:

Township 45 North, Range 3 East
Section 19: lots 3 and 4, SE1/4SW1/4, SW1/4SE1/4.

Totaling 159.690 acres, more or less.

Non-Federal Parcel C – Sheep Creek:

Township 46 North, Range 4 East
Section 12: S1/2SE1/4SE1/4SW1/4, SE1/4SW1/4SE1/4SW1/4,
Section 13: W1/2NW1/4NE1/4, SW1/4NE1/4, E1/2NE1/4NW1/4,
E1/2NW1/4NE1/4NW1/4, W1/2NE1/4SE1/4, E1/2NW1/4SE1/4,
NW1/4SE1/4SE1/4, N1/2SW1/4SE1/4SE1/4.

Totaling approximately 147.50 acres, more or less.

Non-Federal Parcel D – Spanish Creek:

Township 46 North, Range 4 East
Homestead Entry Survey No. 63, embracing a portion of Sections 23, 24, 25, and 26, more particularly bounded and described as follows:

Beginning at corner No. 1 from which the corner to said Sections 23, 24, 25, and 26 bears North 87° 22’ West 4.82 chains distant;
Thence South 29° 4’ West 9.8 chains to corner No. 2;
Thence South 29° 4’ West 6.9 chains to corner No. 3;
Thence North 60° 55’ West 19.96 chains to corner No. 4;
Thence North 29° 4’ East 6.27 chains to corner No. 5;
Thence North 29° 4’ East 13.69 chains to corner No. 6;
Thence North 60° 26’ West 39.55 chains to corner No. 7;
Thence North 28° 44’ East 19.8 chains to corner No. 8;
Thence South 60° 35’ East 41.75 chains to corner No. 9;
Thence South 60° 35’ East 17.79 chains to corner No. 10;
Thence South 28° 56’ West 19.82 acres to corner No. 11;
Thence South 29° 4’ West 3.22 chains to corner No. 1, the place of beginning.

Totaling 157.99 acres, more or less.

Land reservations of the Non-Federal Party, and exceptions to title pertaining to Non-Federal Parcels B, C, and D:
Reservations by the Non-Federal Party: None.

Outstanding rights/encumbrances: (see Southwest Title Co., LLC title commitment, Order Number 20947-Second Amended, with an effective date of December 7, 2021, Schedule B. Part II)

Special Exception 2 – Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and reservation of a right of way thereon for ditches or canals constructed by the authority of the United States in Patent dated June 19, 1911 and recorded July 15, 1911 in Book 110 at Page 83 of the Saguache County, Colorado, records (Affects Parcel No. 1, a/k/a Non-Federal Parcel B).

Special Exception 3 – Easement dated April 18, 1984, and recorded April 20, 1984, in Book 416 at Page 453 of the Saguache County, Colorado records, to maintain, use, repair and replace a buried two-inch plastic waterline as it is presently located and in place over and across a portion of the NW¼SW¼ of Section 19, Township 45 North, Range 3 East, N.M.P.M. (Affects Parcel No. 1, a/k/a Non-Federal Parcel B).

Special Exception 4 – Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and reservation of a right of way thereon for ditches or canals constructed by the authority of the United States in Patent dated July 22, 1918 and recorded October 17, 1918 in Book 110 at Page 280 of the Saguache County, Colorado, records (Affects Parcel No. 2, a/k/a Non-Federal Parcel C).

Special Exception 5 – Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and reservation of a right of way thereon for ditches or canals constructed by the authority of the United States in Patent dated January 4, 1918 and recorded May 31, 1921 in Book 159 at Page 162 and under Reception No. 74592 of the Saguache County, Colorado, records (Affects Parcel No. 3, a/k/a Non-Federal Parcel D).

Other: None.
The subject parcels are situated within Gunnison or Saguache County, on the Western Slope of the Continental Divide in Central Colorado. The City of Gunnison is located on the U.S. Highway 50 corridor, about 200 miles southwest of Denver metro area, and 130 miles east of Grand Junction. The Gunnison National Forest comprises 1.67 million acres in five counties that is administratively combined with the Grand Mesa and Uncompahgre National Forests (the “GMUG”). It borders the Rio Grande National Forest to the south, which encompasses 1.8 million acres around the San Luis Valley, near the Town of Saguache at intersection of U.S. Highway 285 and State Highway 114.

**Demographic Profile**

According to the U.S. Census, Gunnison County reports a 2020 population of 16,918 residents, which is a 10% increase from the 2010 population of 15,324 people. Saguache County reports a 2020 population of 6,368 residents, which is 4% higher than the 2010 census of 6,108 people. Both counties grew at a slower rate during this time period than 15% for the State of Colorado. While the only incorporated city is Gunnison (6,560 residents as of 2020), towns include Center (1,869), Crested Butte (1,787), Mount Crested Butte (890), Saguache (464), and Marble (140). Gunnison County reports 6,824 total households during 2020, with an average size of 2.38 people and owner-occupancy rate of 65.4%. Saguache County reports 2,803 total households as of 2020, with an average size of 2.39 people, owner-occupancy rate of 72.8%, and median age of 44.9 years. As of 2020, the per capita personal income of $51,025 for Gunnison County, as well as $40,032 for Saguache County, is 20% and 37% less (respectively) than the statewide average of $63,776.

**Economic Conditions**

The local economy remains heavily dependent upon agriculture (farming and ranching), with the communities of Gunnison and Saguache being the centers of commerce. While timber and mineral extraction were historically dominant uses in mountain areas, they are much less prevalent now. However, tourism and recreation have emerged as important industries since most land is publicly owned, and the area offers many amenities and natural attractions. Crested Butte is the only major ski area on the Gunnison National Forest, with some of the steepest lift-served terrain in the state. As of September 2022, the unemployment rate was 2.0% for Gunnison County, as well as 3.6% for Saguache County, which bracket the statewide average 3.4%. Most businesses are dependent upon both visitors and local residents, with significant employment in various government sectors.

**Transportation and Services**

The major east/west arterial in the area is U.S. Highway 50, which originates in Grand Junction, travels east through Delta, Montrose, and Gunnison, summit Continental Divide at Monarch Pass on its way to Salida and Canon City, and connects with I-25 at Pueblo. State Highway 135 travels north from Gunnison for about 28 miles to its terminus at Crested Butte. State Highways 114 and 149 originate at U.S. Highway 50, a few miles west and east of the City of Gunnison, respectively. The former travels south to Lake City, while the latter heads southeast to the Town of Saguache. State Highway 133 just traverses the northwest portion as it connects Carbondale with Hotchkiss. A network of county and/or forest system roads provides secondary access to outlying areas. The City of Gunnison offers variety of medical, educational, cultural, religious, and shopping facilities, and is also the home of Western Colorado University (four-year college) as well as regional airport. Crested Butte is an eclectic mountain resort town that caters to visitors and second homeowners, while Saguache and Center are agricultural communities that only offer neighborhood services.
Land Uses and Recreation

Most land uses are rural in nature, with typical homesites of at least 35 acres within unincorporated areas. Platted lots in residential subdivisions are common within the city or town limits, while the highest density of housing is represented by condominium projects at the Crested Butte Ski Resort. The region offers four seasons of recreational opportunities for both locals and tourists, including hiking, cycling, riding, camping, hunting, fishing, boating, jeeping, skiing, golfing, and winter sports. It has cold winters and a diverse landscape, as elevations range from 8,000 to 12,000 feet. The Gunnison and Rio Grande National Forests are very popular for public recreation, and include several designated wilderness areas. There is also ample public lands managed by BLM or CPW. The Taylor River (and reservoir) is located northeast of Gunnison, and this excellent trout fishery is a tributary of the Gunnison River. It flows west within a basin along U.S. Highway 50, and fills Blue Mesa Reservoir before it enters the Curecanti National Recreation Area closer to Montrose. Crested Butte Mountain Resort is world-famous for alpine skiing and snowboarding, with 1,547 acres of terrain served by fifteen lifts, while a smaller ski area is also available on Monarch Pass. The western portion of Saguache County encompasses the Continental Divide, with the headwaters for many creeks, numerous high-altitude parks, and the natural landmark of Cochetopa Dome.

Real Estate Market Conditions

According to the local MLS, Gunnison County reports 374 single-family home sales during 2021 at an average price of $1,144,876, with 380 transactions of this type in 2020 at an average price of $892,358. As of October 31, 2022, there have been 162 single-family home sales year-to-date at an average price of $1,247,919. Thus, average home prices in Gunnison County have increased by 40% since 2020 (with fewer sales), as the area benefited from impacts of the global pandemic. Saguache County reports 39 single-family home sales during 2021 at an average price of $247,321, with 24 transactions of this type in 2020 at an average price of $230,440. As of October 31, 2022, there have been 87 single-family home sales at average price of $312,487, or 36% more than 2020. Although the Crested Butte submarket reports an average sale price of $1,500,000 to $2,500,000 due to the ski resort, rural areas of Gunnison and Saguache Counties offer more affordable housing.

Neighborhood Description

Parcel A is located in the Ohio Creek Valley neighborhood of northwest Gunnison County, which is a few miles northwest of the City of Gunnison and traversed by County Road 730. Private land includes working ranches and rural homesites (with some upscale homes in platted subdivisions) that is surrounded by public domain on the Gunnison National Forest. Crested Butte is accessible from Kebler Pass Road during summer, with the Irwin Townsite situated a few miles west of town. Parcels B, C, and D are located in a more remote area of northwest Saguache County, about forty miles south of U.S. Highway 50 between Gunnison and Sargents, or forty miles west of Saguache. The limited amount of private land is working livestock ranches or retreats, but the neighborhood is primarily federal domain managed by the BLM, and Gunnison or Rio Grande National Forests. The population density is very low, and the area is popular for ranching and mountain recreation.

Area and Neighborhood Summary

In conclusion, the subject parcels are located within either Gunnison County or Saguache County. This rural area mostly comprises public domain on the Gunnison or Rio Grande National Forests that are popular for recreation, with most housing in the City of Gunnison and Town of Saguache.
The subject property is identified as Non-Federal Parcels A, B, C, and D for the Mt. Emmons Land Exchange, which comprise 625.18 total acres within Gunnison and Saguache Counties, Colorado. These ranches are identified as 160.00-acre Three Peaks (Parcel A), 159.69-acre Monchego Creek, (Parcel B), 147.50-acre Sheep Creek (Parcel C), as well as 157.99-acre Spanish Creek (Parcel D). These parcels are appraised as if vacant land, and further discussed in the following paragraphs.

**Description of Parcel A**

Parcel A (Three Peaks Ranch) is located 24 road miles northwest of the City of Gunnison, as well as 24 miles south of Crested Butte, near the Ohio Creek Valley of northwest Gunnison County. According to a Land Description Verification that was prepared in March 2022 by a Forest Service Surveyor, Parcel A comprises 160.00 acres within Sections 28 and 29, of Township 14 South and Range 86 West, Sixth P.M. This true inholding is surrounded by public domain on the Gunnison National Forest, and is situated between the West Elk Mountains and State Highway 135 corridor. It has vehicular access from Forest System Road 737 as it terminates at the south central boundary, which connects with County Roads 727 and 730. However, there is no public winter maintenance for the final three miles (past a trailhead), and Parcel A has seasonal use access from public roads. This scenic property within the Carbon Creek Valley has rolling to moderately sloping topography at an elevation of about 9,200 to 9,600 feet above sea level, and situated between natural landmarks of Carbon Peak, Whetstone Mountain, and Mt. Axtell. Carbon Creek is a tributary of Ohio Creek that traverses the southeast portion for about one-quarter mile, and fed by two drainages from the north that also fill several ponds. Thus, Parcel A has a live water amenity that offers some fishing for smaller native trout, and also provides prime wildlife habitat with very good big-game hunting. Vegetation includes mountain meadows with grasses and shrubs, lush riparian areas, aspen stands, and conifer forest. Parcel A offers very good views of the surrounding valley and mountain peaks.

**Description of Parcel B**

Parcel B (Monchego Creek Ranch) is located forty road miles southeast of the City of Gunnison, and 45 miles west of the Town of Saguache, near Cochetopa Dome in northwest Saguache County. It is situated ten miles south of State Highway 114, and 2.5 miles west of the Continental Divide. According to a Land Description Verification that was prepared in March 2022 by a Forest Service Surveyor, Parcel B comprises 159.69 acres in Section 19, of Township 45 North and Range 3 East, N.M.P.M. It mostly borders federal domain on the Gunnison National Forest, with a public BLM tract to the southwest, and private property at the northeast boundary (owned by Strid or Coleman). Forest System Road 787 originates at County Road 17-FF one-half mile north, and provides direct vehicular access as it traverses the site from north to south. However, these roadways are seasonal use in the vicinity, as the closest winter maintenance is three miles north at County Road NN-14. An unauthorized trail road crosses the eastern portion, which leads to a cabin on the national forest. Parcel B is situated at the edge of Cochetopa Park, with rolling terrain and some moderate slopes at an elevation of about 9,300 to 9,600 feet above sea level. Monchego Creek is a minor stream that bisects center of the tract, but has low flows and does not offer a live water amenity or fishing. Vegetation is primarily grasses and shrubs, with riparian areas and some aspen along the creek, as well as dense conifer forest at the western edge. Parcel B offers prime wildlife habitat with good big-game hunting, and offers good views of the surrounding valley and distant mountain ranges.
Description of Parcel C

Parcel C (Sheep Creek Ranch) is located fifty road miles southeast of the City of Gunnison, and forty miles northwest of Town of Saguache, near Cochetopa Pass in northwest Saguache County. According to a Land Description Verification that was prepared in March 2022 by a Forest Service Surveyor, Parcel C comprises 147.50 acres in Sections 12 and 13, of Township 46 North and Range 4 East, N.M.P.M. This inholding is surrounded by public lands on the Rio Grande National Forest, and situated three air miles north of State Highway 114. Forest System Road 810 travels north from the highway as it winds through the national forest, connects with Forest System Road 999 as it forms a loop further east, and both two-track roads are within one mile of Parcel C. However, a roadway segment that formerly accessed the property has been decommissioned, and the subject currently has pedestrian ingress/egress only via Forest System Trail 769 to the northwest boundary. Sheep Creek is a major stream that traverses the center of Parcel C for about one mile, while Spruce Creek flows across the east central portion for one-quarter mile to its confluence with Sheep Creek. Terrain is rolling at the bottomland, with moderate to steep slopes on hillsides above to the east or west, at an elevation of about 9,100 to 9,600 feet above sea level. Both creeks offer a live water amenity and some fishing for smaller native trout, and the subject has very good big-game hunting. Vegetation is primarily grasses and shrubs, with lush riparian areas along the creeks, and scattered conifer forest. Parcel C is very secluded, with good views of the valley and distant mountains.

Description of Parcel D

Parcel D (Spanish Creek Ranch) is one mile southwest of Parcel C, in northwest Saguache County. According to a Land Description Verification that was prepared in March 2022 by a Forest Service Surveyor, Parcel D comprises 157.99 acres in Sections 23, 24, 25, and 26, of Township 46 North and Range 4 East, N.M.P.M. (a/k/a Homestead Entry Survey No. 63). It is surrounded by public domain on the Rio Grande National Forest, and situated two air miles north of State Highway 114. Forest System Road 810 travels west of Parcel D, and connects with Forest System Road 999 at the northwest corner, which continues east along the north boundary. However, these public roads do not touch the subject, and former access road to the southwest corner has been decommissioned. Thus, Parcel D would require legal authorization to install new driveway from these nearby roads. Spanish Creek traverses the center of Parcel D for about three-quarter mile, which offers a live water amenity but reportedly nominal fishing for smaller native trout. This bottomland property has rolling terrain with gradual slopes at an elevation of about 9,050 to 9,200 feet above sea level. Vegetation is primarily grasses and shrubs, with lush riparian areas along the creek, and conifer forest above. Parcel D has good views of the area, and also offers very good big-game hunting.

Utilities and Drainage

The subject parcels are outside of municipal water or sewer service areas, but rural homesites often utilize domestic wells for potable water, and individual septic disposal systems for sanitary sewer. Parcel A has an existing well and septic system, which could be installed at Parcels B, C, and D. Public dry utilities include electric and telephone service by local providers, which are available to Parcel A. Because distribution lines would have to be extended to Parcels B, C, and D for some distance at considerable cost, a more viable alternative is “off-the-grid” power by solar panels with batteries, or generators. Propane gas is typically stored in tanks for heating and cooking purposes. These high-elevation parcels receive substantial snowfall, with heavy runoff experienced during spring, but surface drainage appears to be adequate. Floodplain and/or wetlands in riparian areas are not likely buildable, but each subject parcel has ample uplands for rural residential homesites.
PROPERTY DATA

Soil Conditions
I was not provided with a soil or geotechnical report for the subject property, but assume that soils are typical for the surrounding area. There are some steep slopes that may be prone to erosion, but the parcels have reportedly not been disturbed by mining activity, with no major issues observed. My analysis assumes the subject soils are suitable for rural residential development if professional guidelines are followed, but I am not an expert in this field and further certification is advised.

Environmental Hazards
I was not provided with an environmental site assessment (i.e., Phase I) for the subject property, which is currently being prepared for the proposed land exchange, but has not yet been completed. However, initial findings conveyed by letter on September 30, 2022 do not identify any recognized environmental conditions at the subject parcels or adjacent properties. Thus, the valuation analysis is contingent upon an extraordinary assumption that the subject is unaffected by such conditions.

Water Rights
Although the proponent owns water rights at Parcel A, the U.S. Forest Service has elected to not acquire them. There are also no adjudicated water rights at Parcels B, C, and D. Thus, each subject parcel is appraised without any water rights, although they are eligible for domestic well permits.

Mineral Rights
All mineral rights held by the surface owner will be conveyed, with no reservations in title noted. I reviewed a draft Mineral Potential Report that includes all parcels in the proposed land exchange, which was prepared by Rare Earth Science, LLC, and is being reviewed by the U.S. Forest Service. According to this document, the Non-Federal Parcels have low development potential for metallic minerals, critical and strategic minerals, oil and gas, geothermal, sodium and potassium, as well as mineral materials (i.e. sand, gravel, stone, etc.). Although otherwise rated as low at the subject, development potential is considered to be moderate at Parcel A for coal, as well as for industrial minerals (namely pumice and perlite) at Parcel B, due to presence of known reserves in the vicinity. Thus, the analysis assumes there are no known mineral resources at the property with commercial value, and mineral rights would be given negligible contributory value if sold on the open market.

Rights and Reservations
As previously discussed, the parcels are appraised subject to reservations and outstanding rights that are listed in title insurance commitments provided. Most permitted exceptions are considered typical for this type of property, and deemed administratively acceptable for the land exchange. Via patents, the United States has reserved rights-of-way for ditches or canals constructed by their authority at each parcel. They also reserved right for the proprietor of a vein or lode to extract and remove his ore at Parcel A, as well as any vested or accrued water rights at Parcels B, C, and D. In regards to Parcel A, exceptions are noted for ditches and ditch rights, public utility easement for electric service, any rights or interests of third parties which exists over the present and past bed, banks, or waters of Carbon Creek, as well as no insurance for any lack of access rights to the land. Parcel B is subject to an easement for a buried plastic waterline that traverses the northwest portion, while Parcels C and D apparently lack access to and from the property from public or private road. While there are no rights or reservations that have an adverse impact on value at Parcels A and B, the lack of legal vehicular access to Parcels C and D will be considered in the valuation analysis.
**PROPERTY DATA**

**Gunnison County Land Use**

Non-Federal Parcel A is within the jurisdiction of Gunnison County, which does not have official zoning districts or designations. Instead, land uses are dictated by a public review process, with performance standards per the Gunnison County Land Use Resolution that was adopted in 1978. Any changes to a private parcel in an unincorporated area must obtain a Land Use Change Permit, which approves a specific use based on its ability to mitigate the impacts it may create (based on location, design, infrastructure, and resource protection standards). Projects are classified as either Administrative Review, Minor Impact, Major Impact, or Special Development, depending on the level of impact the proposed use will have on its neighbors and the overall community. The project application is reviewed by the Planning Commission, with the Board of County Commissioners making the final decision, but uses that only require Administrative Review are approved by staff. Consistent with state statute, a parcel of land 35 acres or larger in size can legally be created by recordation of a deed with the County Clerk, but smaller homesites require subdivision approval. Effective as of September 22, 2021, one residence plus outbuildings is allowed per each legal lot with Administrative Review, at maximum size of 7,000 square feet (home is limited to 5,000 SF). This is a change from prior regulations that allowed one residence and outbuildings of up to 12,500 square feet (the home was limited to 10,000 SF), which is now reviewed as a Minor Impact Project.

**Saguache County Land Use**

Parcels B, C, and D are within the jurisdiction of Saguache County, which does not have official zoning districts. Similar to Gunnison County, land use is dictated by a public review process, with performance standards per Saguache County Land Development Code that was adopted in 1988. Almost all private land in the county is in a designated Agricultural district, and permitted uses by right include farming, ranching, forestry, agriculture, single-family dwellings, accessory buildings, and non-commercial recreational facilities. However, a formal change in land use is required for conditional land uses, such as commercial facilities, schools, churches, kennels, utilities, airports, campgrounds, extractive industries, sawmills, mobile home parks, industrial development, etc. The application for any conditional use is reviewed by the Planning Commission, with the Board of County Commissioners making the final decision (the process typically requires ninety days). Consistent with state statute, a parcel of land of 35 acres or larger in size can legally be created by recordation of a deed with the County Clerk, but smaller homesites require subdivision approval. There is no maximum home size, but any accessory dwelling unit is limited to 1,400 square feet.

**Development Standards**

Both jurisdictions have similar standards regarding development of rural homesites as use by right. Construction of new residential housing must provide adequate water supply, sewage disposal, fire protection, vehicular access, as well as utilities, with consideration given to physical constraints (i.e., steep slopes, geology, soils, wildlife habitat, wetlands, floodplain, avalanche hazards, etc.). At least one acre of land is required for installation of an individual septic disposal system, and the minimum separation between the leach field and water supply (usually domestic well) is 100 feet. Minimum building setbacks are typically ten feet from property lines or 25 feet from public roads. Vehicular ingress/egress to the rural homesite must meet County Road and Bridge standards, with a driveway allowed for one residence, but an improved road typically required for more homesites. However, the type of housing permitted (i.e., seasonal use versus year-round) is heavily influenced by U.S. Forest Service policy or recommendations in regards to access along forest system roads, which often require special authorization for winter maintenance with no guarantee of approval.
PROPERTY DATA

Existing Improvements

There are no existing building improvements at Parcels B and D, which are vacant undeveloped land in a generally natural and native state. Parcel C has old structures (probably a house and barn of 1940’s vintage) that are dilapidated, certainly not habitable, and thus have no contributory value. Site improvements at these properties include access roads, boundary fencing, and/or a waterline. Parcel A is currently improved with a ranch house, shed, access road, fencing, headgates, and other miscellaneous structural improvements, which will be removed prior to conveyance to the USA. However, the domestic well will remain. Thus, the subject parcels are appraised as if vacant land.

Assessment and Taxes

Private property in Colorado is re-appraised every odd year, with values changing after May 1. Real estate taxes are assessed at 29% of actual value for vacant land and non-residential properties, and 7.15% of actual for residential use. By the end of each year, the County Assessor determines actual values, and the County Commissioners set the mill levy (by district) to calculate the tax bill. The County Treasurer acts as the tax collector, with current taxes paid in the following year in two equal payments that are due by February 28 and June 15, or via one full payment due by April 30. The subject parcels are assessed for real estate taxes by either Gunnison or Saguache County, with details for each account summarized below. While Parcels B, C, and D are vacant land, only the land value for Parcel D is presented below (existing improvements have actual value of $253,800). However, land is assessed for agricultural use via statewide formula at just $23 to $689 per acre, which is far less than its market value. Current (2021) taxes were paid when due in Spring 2022.

<table>
<thead>
<tr>
<th>Subject Parcel</th>
<th>County</th>
<th>Account #</th>
<th>Parcel Number</th>
<th>Acres</th>
<th>2022 Actual Value</th>
<th>2022 Assessed</th>
<th>2021 Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A (Three Peaks)</td>
<td>Gunnison</td>
<td>R013086</td>
<td>3255-000-00-031</td>
<td>160.00</td>
<td>$110,250 (for land)</td>
<td>$9,870</td>
<td>$510.38</td>
</tr>
<tr>
<td>B (Manchego Cr.)</td>
<td>Saguache</td>
<td>R002998</td>
<td>4327-194-00-010</td>
<td>160.00</td>
<td>$32,000 (all land)</td>
<td>$9,280</td>
<td>$526.76</td>
</tr>
<tr>
<td>C (Sheep Creek)</td>
<td>Saguache</td>
<td>R002915</td>
<td>4231-123-00-003</td>
<td>148.00</td>
<td>$5,549 (all land)</td>
<td>$1,609</td>
<td>$130.12</td>
</tr>
<tr>
<td>D (Spanish Creek)</td>
<td>Saguache</td>
<td>R002916</td>
<td>4231-231-00-005</td>
<td>158.00</td>
<td>$3,613 (all land)</td>
<td>$1,048</td>
<td>$84.76</td>
</tr>
</tbody>
</table>

Sales, Rental, and Use History

The subject parcels are currently owned by Mt. Emmons Mining Company (Delaware corporation) with mailing address of 333 North Central Avenue, Phoenix, Arizona, 85004. This entity acquired title to Parcel A from U.S. Energy Corp. on February 11, 2016 for no consideration (as recorded via Special Warranty Deed at Reception #637940). The previous owner purchased Parcel A from Covada Highlands 1, LLC on January 6, 2009 for a sale price of $4,000,000 (Reception #588422). Parcels B, C, and D were acquired together by the current owner from Coleman Ranches, Inc. on August 4, 1981 for a sale price of $437,800 (recorded at Reception #243037 of Saguache County). There have been no arms-length ownership transfers during the past ten years, and the parcels are not currently listed for sale or under purchase contract. The subject has been used for grazing and private recreation during the past ten years, but has not been leased for the previous three years.

Property Data Summary

The subject property is four identified Non-Federal Parcels for the Mt. Emmons Land Exchange, which comprise 625.18 total acres of vacant land within Gunnison or Saguache County, Colorado. They are fully or mostly surrounded by the national forest, with seasonal vehicular or pedestrian access. Please refer to various maps and exhibits on the following pages for visual edification.
LAND DESCRIPTION VERIFICATION FOR PARCEL A

USDA - Forest Service
5400 Landownership
5500 Landownership Title Management

LAND DESCRIPTION VERIFICATION
NON FEDERAL LAND

Purchase/Exchange Name: Mt. Emmons LEX

Forest Name: Gunnison National Forest

Assessor's Parcel Number: 325500000031

County, Town, or Borough: Gunnison
State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
   Township 14 South, Range 86 West, 6th Principal Meridian, Gunnison County, Colorado. Section 28: SWNW, NWSW, Section 29: SENE, NESE.

   Address: 5277 County Road 737, Ohio Creek Valley

2. Area:
   (acres)
   Official (Public Land Survey) 160.00
   Record (title/deed/county) 160.00
   Actual (land survey, infor.) 160.00
   Tax Assessor's (taxing authority) 160.00


4. Comments: Other references made to this parcel, Three Peaks Ranch and Non-Fed Parcel A. Pending title commitment

The legal description for the above described lands, proposed for acquisition by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for acquisition purposes and practicability for locating boundary lines.

Acquisition of the above described lands is recommended based on the legal description referenced thereto, or in Preliminary Title Report / Policy of Title Insurance No. _____________, dated _____________, and issued by ____________________.

For purposes of acquisition, the acreage is 160.00 acres.

Preparing Land Surveyor signature: GENE DOLLARHIDE
Date: 2022.03.04 15:03:48 -07'00'

Reviewing Land Surveyor signature: DAVID TOMASCHOW
Date: 2022.03.09 13:05:57 -07'00'
# LAND DESCRIPTION VERIFICATION FOR PARCEL B

<table>
<thead>
<tr>
<th>USDA - Forest Service</th>
<th>FS-5400-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>5400 Landownership</td>
<td></td>
</tr>
<tr>
<td>5500 Landownership</td>
<td></td>
</tr>
<tr>
<td>Title Management</td>
<td></td>
</tr>
</tbody>
</table>

**LAND DESCRIPTION VERIFICATION**  
**NON FEDERAL LAND**

**Purchase/Exchange Name:** Mt. Emmons LEX  
**Forest Name:** Gunnison National Forest  
**Assessor's Parcel Number:** 432719400010  
**County, Town, or Borough:** Saguache  
**State:** Colorado

<table>
<thead>
<tr>
<th>1. Legal Description:</th>
<th>(Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Township 45 North, Range 3 East, New Mexico Principal Meridian, Saguache County, Colorado. Section 19; Government Lots 3 and 4, SE¼ SW¼, SW¼ SE¼.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Area:</th>
<th>Official</th>
<th>Record</th>
<th>Actual</th>
<th>Tax Assessor's</th>
</tr>
</thead>
<tbody>
<tr>
<td>(acres)</td>
<td>Public Land Survey</td>
<td>(title/deed/county)</td>
<td>(land survey info.)</td>
<td>(taxing authority)</td>
</tr>
<tr>
<td>159.69</td>
<td></td>
<td></td>
<td></td>
<td>160.00</td>
</tr>
</tbody>
</table>


| 4. Comments: | Other references made to this parcel, Monchego Creek Ranch and Non-Fed Parcel B. Pending title commitment. |

The legal description for the above described lands, proposed for acquisition by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for acquisition purposes and practicability for locating boundary lines.

Acquisition of the above described lands is recommended based on the legal description referenced thereto, or in Preliminary Title Report / Policy of Title insurance No. ________________, dated ________________, and issued by ________________.

For purposes of acquisition, the acreage is __159.69__ acres.

<table>
<thead>
<tr>
<th>Preparing Land Surveyor signature:</th>
<th>Reviewing Land Surveyor signature:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name:</strong> GENE DOLLARHIDE</td>
<td><strong>Name:</strong> DAVID TOMASCHOW</td>
</tr>
<tr>
<td><strong>Date:</strong></td>
<td><strong>Date:</strong></td>
</tr>
<tr>
<td>DOLLARHIDE [Digitally signed by GENE DOLLARHIDE Date: 2022/03/04 14:05:55 -07'00']</td>
<td>TOMASCHOW [Digitally signed by DAVID TOMASCHOW Date: 2022/03/09 13:07:01 -07'00']</td>
</tr>
</tbody>
</table>
LAND DESCRIPTION VERIFICATION FOR PARCEL C

USDA - Forest Service  
5400 Landownership  
5500 Landownership Title Management

LAND DESCRIPTION VERIFICATION  
NON FEDERAL LAND

Purchase/Exchange Name: Mt. Emmons LEX

Forest Name: Rio Grande National Forest

Assessor’s Parcel Number: 423112300003

County, Town, or Borough: Saguache  
State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian, or lot, block, warrant, parcel, grant, etc., as appropriate.)

S1/2SE1/4SE1/4SW1/4,SE1/4SW1/4SE1/4SW1/4 12-46-4

E1/2NW1/4NE1/4NW1/4,E1/2NE1/4NW1/4,W1/2NW1/4NW1/4,SW1/4NE1/4,E1/2NW1/4SE1/4,W1/2NE1/4SE1/4,N1/2SW1/4SE1/4 13-46-4

B401 P269

2. Area:  
   Official (Public Land Survey) 147.50  
   Record (title deed/copy)     
   Actual (land survey, inform.) 148.00  
   Tax Assessor’s (taxing authority)


4. Comments: Other references made to this parcel, Sheep Creek Ranch and Non-Fed Parcel C. Pending title commitment.

The legal description for the above described lands, proposed for acquisition by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for acquisition purposes and practicability for locating boundary lines.

Acquisition of the above described lands is recommended based on the legal description referenced above, or in Preliminary Title Report / Policy of Title Insurance
No. ___________________ , dated _____________ , and issued by ___________________.

For purposes of acquisition, the acreage is 147.50 acres.

Preparation Land Surveyor signature: GENE DOLLARHIDE  
Date: 2022.03.04 14:02:18 -07'00'  
Digitally signed by GENE DOLLARHIDE Date: 2022.03.04 14:02:18 -07'00'

Reviewing Land Surveyor signature: DAVID TOMASCHOW  
Date: 2022.03.09 13:08:11 -07'00'  
Digitally signed by DAVID TOMASCHOW Date: 2022.03.09 13:08:11 -07'00'
**LAND DESCRIPTION VERIFICATION FOR PARCEL D**

**USDA - Forest Service**  
5400 Landownership  
5500 Landownership Title Management  

**LAND DESCRIPTION VERIFICATION**  
**NON FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name:</th>
<th>Mt. Emmons LEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name:</td>
<td>Rio Grande National Forest</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td>423123100005</td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Saguache</td>
</tr>
<tr>
<td>State:</td>
<td>Colorado</td>
</tr>
</tbody>
</table>

1. **Legal Description:** (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)  
   Township 46 North, Range 4 East, New Mexico Principal Meridian, Saguache County, Colorado. H.E.S. No. 63, in portions of Sections 23, 24, 25, and 26.

2. **Area:**  
   - **Official Area** (Public Land Survey): 157.99 acres  
   - **Record Area** (title/deed/county): 158.00 acres


4. **Comments:** Other references made to this parcel, Spanish Creek Ranch and Non-Fed Parcel D. Pending title commitment.

The legal description for the above described lands, proposed for acquisition by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for acquisition purposes and practicability for locating boundary lines.

Acquisition of the above described lands is recommended based on the legal description referenced thereto, or in Preliminary Title Report / Policy of Title Insurance No. __________________, dated ______________, and issued by ______________.

For purposes of acquisition, the acreage is __157.99____ acres.

<table>
<thead>
<tr>
<th>Preparing Land Surveyor signature:</th>
<th>Reviewing Land Surveyor signature:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: GENE DOLLARHIDE</td>
<td>Name: DAVID TOMASCHOW</td>
</tr>
<tr>
<td>Date: Digitally signed by GENE DOLLARHIDE Date: 2022.03.04 13:49:54-0700</td>
<td>Date: Digitally signed by DAVID TOMASCHOW Date: 2022.03.09 13:09:01 -0700</td>
</tr>
</tbody>
</table>

---

**MT. EMMONS LAND EXCHANGE NON-FEDERAL PARCELS**

33
ACCESS MAP FOR PARCEL A

ACCESS MAP FOR PARCEL B
ACCESS MAP FOR PARCEL C

ACCESS MAP FOR PARCEL D
AERIAL MAP FOR PARCELS C AND D
TOPOGRAPHIC MAP FOR PARCEL A
TOPOGRAPHIC MAP FOR PARCEL B
Highest and best use is defined for this assignment in the Statement of Work as “An appraiser’s supported opinion of the most probable and legal use of the property, based on market evidence, as of the date of valuation” (per 36 CFR 254, Subpart A, 254.2). The Dictionary of Real Estate Appraisal defines highest and best use as “the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity”. Moreover, the concluded highest and best use must be clearly supported by market evidence, with the burden of proof on the appraiser if this differs from the existing use of the property. Sale or exchange to the USA or a public entity is not acceptable, and a “non-economic” highest and best use (such as conservation, natural lands, or preservation) is also invalid. Current market conditions and zoning are analyzed, and reasonable probability for any change in land use must have a factual foundation. Thus, market value cannot be predicated upon potential uses that are speculative or conjectural. Since the subjects are valued as if unimproved, only the highest and best use as vacant is relevant.

Legally Permissible

Legally permissible uses depend on zoning requirements, encumbrances, and other restrictions. As discussed in the Property Data section of this report, the subject parcels are not officially zoned by Gunnison or Saguache County. However, land use regulations allow a single-family residence on at least 35 acres, which is only limited by Gunnison County to 5,000 square feet of floor area. Since the subjects range in size from 147.50 to 160.00 acres, each could be parceled into four rural homesites as a use by right, which can be improved with a residence. Consistent with state statute, they can be created by deed or survey only, which does not require formal subdivision approval. However, in order to obtain a building permit the applicant must meet certain standards in regards to road access, water supply, sewage disposal, fire protection, utilities, physical constraints, etc. While agriculture and private recreation are also permitted uses by right, more intensive activities will require rather speculative approvals, such as mining, a campground, or commercial recreation. Based on the foregoing, legally permissible uses at each subject parcel is up to four rural residential homesites (with adequate vehicular access), agriculture, and/or non-commercial recreation.

Physically Possible

Physically possible uses are determined by location and physical characteristics. As detailed in the Property Data section of this report, Parcel A has a good location northwest of Gunnison, with seasonal access from Forest System Road 737. This inholding is surrounded by Gunnison National Forest, and features live water in Carbon Creek, lush meadows, mixed forest, and very good views. Parcels B, C, and D only have a fair location, near the State Highway 114 corridor in Gunnison or Saguache County. Parcel B mostly borders public land, with seasonal access from Forest System Road 787 as it traverses the holding, frontage on Monchego Creek (no fishing), open grasslands, some timber, and good views. Parcels C and D are surrounded by the Rio Grande National Forest, with live water from Sheep or Spanish Creeks, subalpine meadows, dark timber, and good views. Although Parcel D is close to Forest System Roads 810 and 999, legal access would need to be authorized by the U.S. Forest Service for a nominal fee, with a very high probability of approval. The most logical alignment would be along the former access road from Forest System Road 810, or shorter route from Forest System Road 999, but the owner would have to install a new driveway. However, Parcel C is limited to existing pedestrian ingress/egress from Forest System Trail 769 for one-half mile, as former access route from Forest System Road 999 has been decommissioned.
HIGHEST AND BEST USE AND LARGER PARCEL

Physically Possible (continued)

Based on the foregoing, Parcels A and B have adequate vehicular access for rural homesites, while a driveway is required (with USFS approval) to Parcel C, but Parcel D has trail ingress/egress only. Domestic wells (or springs) and individual septic disposal systems are allowed for dwelling units. While electric and/or telephone service is available to Parcel A, public dry utilities will have to be extended for long distance to Parcels B, C, and D, or provided by alternative means (“off the grid”). Each property could be used for seasonal livestock grazing (limited by high elevation), but forestry (logging) and/or mining are not viable due to the lack of natural resources with commercial value. Each subject parcel is a prime candidate for mountain recreation (i.e., hunting, fishing, camping, hiking, riding, wildlife viewing, winter activities, etc.), as they feature desirable wildlife habitat and natural features, with direct access to surrounding public lands (either BLM or national forest). Thus, rural residential homesites with complementary agriculture (grazing) and/or recreation are physically possible uses at Parcels A, B, and D, but Parcel C is limited to grazing and/or recreation.

Financially Feasible

Financially feasible uses are based on supply and demand conditions. As illustrated in the Area and Neighborhood Data section of this report, the economy was traditionally based on ranching and natural resource extraction, but has become much more diversified and reliant upon tourism (including major ski area and ample public domain that is heavily oriented to mountain recreation). The City of Gunnison offers much more affordable housing than up-valley mountain resort towns of Crested Butte or Mt. Crested Butte, with ample services, educational facilities, and employment. However, the Town of Saguache is primarily a ranching community, and Saguache County has a much lower population density and housing prices than northwest Gunnison County. The local real estate market is currently strong, and witnessed unprecedented demand and price appreciation since Summer 2020 as buyers have relocated from urban to rural areas due to the global pandemic. Adequate demand exists for additional rural homesites in outlying areas of each jurisdiction, and other viable uses include a private retreat or commercial recreation (such as lodge or campground). Thus, rural homesites, agriculture, and/or recreation are financially feasible at the subject property.

Maximally Productive

Maximally productive uses generate the highest return to the land at the least risk to the owner. Just agriculture and/or mountain recreation are not maximally productive at Parcels A, B, and D, since the nominal income generated from these uses does not justify the cost of land acquisition. Parcel C is limited to agriculture and/or recreation since it lacks vehicular access for homesites, but the most profitable use of Parcels A, B, and D involves some type of residential development. As previously discussed, land use regulations allow each of these subject parcels to be divided into as many as four buildable lots as a use by right. However, the typical buyer would conclude that “less is more”, and pay a similar price per acre for the entire holding as if sold as four homesites to multiple purchasers when a discount for absorption and sellout expenses is considered. This is supported by the comparable sales that were analyzed in the Sales Comparison Approach section of this report, as the regional market demonstrates sufficient demand for national forest inholdings (such as the subject parcels) that are not candidates for subdivision into multiple rural homesites. Another viable option is a commercial lodge or campground, which requires conditional approval. Thus, rural residential homesites at Parcels A, B, and D is maximally productive since it generates a much higher profit than just agriculture and recreation. While not an economic use, each parcel is a logical candidate for acquisition by the U.S. Forest Service for addition to the public domain.
**Determination of Larger Parcel**

Essential in the conclusion of highest and best use is the determination of the larger parcel, which is defined by UASFLA as that tract or tracts of land that possess a unity of ownership, and have the same, or an integrated, highest and best use. Three elements of consideration by the appraiser in making the determination in this regard are contiguity (or proximity as it bears on the highest and best use of the property), unity of ownership, and unity of highest and best use. By applying these three tests to the identified subject property, two physically separated tracts may constitute an integrated larger parcel, or a contiguous holding may actually consist of multiple larger parcels. Unity of ownership considers which entity holds title to (or has beneficial control of) the subject. Appraised properties that do not share a common boundary may still meet the test of contiguity, depending on their physical relationship to other tracts in proximity. Non-contiguous parcels may be economically dependent upon each other, which can result in an integrated highest and best use.

In accordance with Section 1.12 of UASFLA, the appraisal instructions state that the appraiser shall not consider land outside the property described in the Agreement to Initiate for either a larger parcel determination, or in reaching a conclusion of the highest and best use. However, it must be shown if the appraised tracts each consist of one or more larger parcels. In regards to the subject Non-Federal Parcels, they are all under the same ownership of Mt. Emmons Mining Company, but comprise four non-contiguous tracts (Parcel A is in a different county than Parcels B, C, and D). The concluded highest and best use is seasonal use residential homesites at Parcels A, B, and D, with complementary grazing and/or recreation, but Parcel C is limited to grazing and/or recreation. Moreover, each appraised property would likely appeal to separate buyers as stand-alone tracts, although they would also be equally attractive if sold together to a single purchaser as a package. Based on the foregoing, I conclude that each Non-Federal Parcel comprises a separate larger parcel for valuation purposes, which is consistent with market sales data as well as the Statement of Work. Thus, individual value opinions are determined for each identified larger parcel, namely Parcel A (160.00 acres), Parcel B (159.69 acres), Parcel C (147.50 acres), as well as Parcel D (157.99 acres).

**Conclusion of Highest and Best Use and Larger Parcel**

Based on the foregoing, the concluded highest and best use of the subject property is development with rural residential homesite(s) that have seasonal vehicular access at Parcels A, B, and D, with complementary grazing and recreation. However, legal access to Parcel D must be obtained from the U.S. Forest Service, and a new driveway installed, which is reflected in the valuation analysis. The highest and best use of Parcel C is limited to recreation and/or grazing due to its pedestrian ingress/egress that precludes development. Each tract was appraised as a separate larger parcel.
APPRAISAL METHODOLOGY

The valuation of real estate typically entails three fundamental techniques: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. All three approaches are market oriented, and based on the principle of substitution. The applicability of each valuation technique is impacted by the type/age of the property, or the quality/quantity of available data.

**The Cost Approach** is based on the assumption that a prudent purchaser will not pay more for real property than the cost of acquiring a comparable site and constructing improvements of similar quality, condition, and utility. The application of this process involves estimating the market value of the underlying subject site as if vacant, construction and soft costs, an allowance for developer’s profit, and relevant deductions for physical depreciation or functional/external obsolescence.

**The Sales Comparison Approach** involves a detailed analysis and comparison of like properties that were recently purchased, contracted, or listed in the open and competitive marketplace. When reduced to an appropriate unit of comparison, these transactions can be compared to the subject property, and adjusted for pertinent differences, such as financing, market conditions, location, access, size, zoning/land use, and various physical characteristics. The resulting indications from the comparable sales can then be reconciled to a final value estimate for the subject property.

**The Income Capitalization Approach** is based on the premise that the value of a property that generates income is equal to the present worth of its future benefits. Revenues and expenses are estimated to establish net income, which is converted to value via direct capitalization. If cash flows are expected to vary, a discount (yield) rate may be applied to the projected income stream. The Subdivision Development technique is a variation of the Income Capitalization Approach, which uses discounted cash flow analysis to estimate the net present value of subdivided projects with five or more units (i.e., lots, condominiums, or homes), with an appropriate bulk discount.

**Reconciliation** is the remaining step in the valuation process. The results of each approach are weighted by reliability, and a final opinion of value is then correlated. Although each technique produces an independent indication of value, they are interrelated and depend on market forces.

**Valuation of the Subject Property** only employed the Sales Comparison Approach via analysis of comparable sales of other private holdings in the local marketplace on a price per acre basis. The Cost Approach is irrelevant since the parcels are valued as vacant land with no improvements. The Income Capitalization Approach is not necessary for this analysis since the subject property does not generate major income from agricultural and/or recreational uses. Moreover, parceling each holding into multiple rural homesites is inconsistent with the highest and best use conclusion. Thus, the Subdivision Development Approach was not employed for this valuation analysis since this technique is rather speculative due to the many variables associated with this scenario, and is typically only employed if adequate comparable sales data is not available (which is not the case). The subject property is determined to comprise separate larger parcels, and identified as Parcel A (160.00 acres), Parcel B (159.69 acres), Parcel C (147.50 acres), as well as Parcel D (157.99 acres). At the client’s request, a single market value conclusion was derived for the Non-Federal Parcels, which reflects any value impact if all four tracts were acquired by one buyer in a single transaction.
SALES COMPARISON APPROACH

The Sales Comparison Approach involves a detailed comparison of the subject property to similar properties that have recently sold in the same or a competitive market. This valuation approach is based primarily on the Principle of Substitution, meaning when several commodities or services with substantially the same utility are available, the lower price attracts the greatest demand and widest distribution (and vice-versa). In other words, a prudent investor/buyer would not pay more to purchase a given property in the market considering that an alternative property can be acquired for less. The steps employed in the Sales Comparison Approach are summarized as follows:

1. Research the local market to obtain information relative to current transactions (such as closed sales, active listings, and pending contracts) of similar properties to the subject.
2. Verify and qualify the data as to financing terms, motivating forces, or bona fide nature.
3. Determine the appropriate unit of comparison, such as price per acre, square foot, or lot.
4. Compare each transaction to the subject property, and make any adjustments to price per unit to account for differences in market conditions, location, physical characteristics, etc.
5. Reconcile value indications from various comparable sales and analytical techniques to conclude a final value indication for the subject property before the conservation easement.

Selection of Comparable Sales

The local market was researched for sales that are comparable to the subject, namely purchases of rural parcels that are surrounded by or mostly border public land in Gunnison or Saguache County. Adequate recent data is available for analysis, including a pending contract but few active listings. The thirteen most similar transactions were selected for direct comparison to the subject property, which comprise two subsets of data. Sales One through Six are near Crested Butte or Gunnison, within neighborhoods that command higher real estate prices, which were compared to Parcel A. Market data sheets for these six sales are found on the next pages (with location map), and followed by a summary and adjustment grid as well as narrative analysis regarding valuation of Parcel A. Sales Seven through Thirteen are more remote inholdings in Gunnison or Saguache County (some lack vehicular access), which were employed to value Parcels B, C, and D. Market data sheets for these comparables (with location map) are also presented after the valuation analysis of Parcel A. They were compared to the other three subject parcels on separate summary and adjustment grids, accompanied by my narrative valuation analysis of Parcels B, C, and D. Listings and other sales that were considered, but not used as primary comparables, are discussed for secondary support.

Each transaction was confirmed with knowledgeable parties and public records. Confirmation sources include brokers, sellers, buyers, attorneys, lenders, appraisers, assessors, and local MLS. The sales were inspected by the appraiser to the extent possible (often just from nearby roads to prevent trespass), with notation made if I was unable to visit the property due to a lack of access. Per Section 1.5.2.4 of UASFLA, any purchases by the federal government or non-profit entities (typically for public open space) required extraordinary verification to confirm that the sale price was based on market value, as these deals could reflect atypical actions from motivated buyers. This was only necessary for Sale Thirteen, as the other comparable sales involved private parties. If any of the sales were confirmed to include existing improvements with contributory value, the estimated amount was deducted from total purchase price to determine the underlying land value. The appropriate unit of comparison reflects the actions of market participants. Since inholdings are often acquired on the basis of price per deeded acre, this unit of comparison was employed.
COMPARABLE SALE ONE

Property Identification

General Location: Thirteen miles northwest of Gunnison, in Ohio Creek Valley
Physical Address: 2500 County Road 6, Gunnison, Colorado 81230
Vehicular Access: Seasonal use from County Road 6 (via private roadway)
Tax Identification: Account #R007277 (Gunnison County)
Legal Description: Tracts in Sections 14 & 23, Town. 15 South, Range 86 West

Property Description

Land Area: 660.00 deeded acres (per assessor, not confirmed by survey)
Topography: Rolling, some steep slopes, elevation of 9,000 to 9,900 feet
Natural Features: Streams, springs, ponds, pasture, timber, very good views
Adjacent Land Use: Mostly private ranches or homesites, national forest to east
Water Rights: None (adjudicated, eligible for springs and domestic wells)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: None (vacant), no well/septic or public dry utilities available
Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
Highest and Best Use: Rural residential homesite(s) with recreation and/or grazing

Transaction Data

Grantor (seller): Eagle Bluff Ranch, LLC (c/o Marvin R. Peachey)
Grantee (buyer): White Sky, LLC (c/o Aaron Huckstep, Esquire)
Date of Sale: October 27, 2022 (Reception #688470)
Purchase Price: $2,600,000 ($3,939 per acre for land only)
Rights Conveyed: Fee simple (subject to rights including conservation easement)
Financing Terms: Cash to seller
Verification: Brokers and Public Records

Comments

This property is located northwest of Gunnison, and about three miles east of County Road 730, in the Ohio Creek Valley of Gunnison County. It has seasonal use access from County Road 6 via a private and two-track roadway that traverses intervening ranchland via recorded easement. This high-elevation and somewhat remote parcel is primarily open grassland pasture, with dense timber in the northern portion, and very good views of surrounding mountains. Seasonal streams traverse the site in Willow Creek drainage, which fill stock ponds, but there is no irrigated land, live water amenity, or fishing resources. The property is leased for seasonal cattle grazing, with very good big-game hunting on the deeded acreage as well as adjacent Gunnison National Forest. The southern 300 acres was placed in conservation easement by a prior owner (Redden), which prohibits any subdivision or development of just this land. The holding was acquired by Hinkle Ranch Properties, LLC on May 10, 2011 for $895,000. This owner listed it for sale in May 2022 at an asking price of $1,900,000, who was slightly motivated and priced the land for a quick sale. It was acquired by an investor from Delta on July 14, 2022 at a below market price of $1,700,000. The seller noted above decided to list the property for re-sale on October 9, 2022 at asking price of $3,000,000, which went under contract to the buyer noted above on the next day at $2,600,000. They closed within three weeks for cash, with two back-up offers received at $3,000,000 each. The current owner has a part-time residence in Crested Butte, and mainly acquired it for hunting.
COMPARABLE SALE ONE (maps and photographs)
**COMPARABLE SALE TWO**

**Property Identification**
- **General Location:** Twenty-five miles northwest of Gunnison, Ohio Creek Valley
- **Physical Address:** TBD Forest System Road 563, Gunnison, Colorado 81230
- **Vehicular Access:** Indirect and seasonal use from Forest System Road 563
- **Tax Identification:** Account #R072438 (Gunnison County)
- **Legal Description:** Tract in Sections 1 & 12, Township 15 South, Range 86 West

**Property Description**
- **Land Area:** 280.12 deeded acres (per assessor, not confirmed by survey)
- **Topography:** Rolling, some steep slopes, elevation of 10,800 to 11,100 feet
- **Natural Features:** Subalpine meadows, ponds, springs, timber, excellent views
- **Adjacent Land Use:** Mostly national forest, with private to northeast and southwest
- **Water Rights:** None (adjudicated, eligible for springs and domestic wells)
- **Mineral Rights:** All owned by seller were conveyed (no valuable resources)
- **Existing Improvements:** None (vacant land), no well/septic or public utilities available
- **Zoning and Land Use:** Gunnison County land use allows one homesite per 35 acres
- **Highest and Best Use:** Rural residential homesite(s) with recreation and/or grazing

**Transaction Data**
- **Grantor (seller):** Redden Ranches, Inc. (c/o Wendy Collins)
- **Grantee (buyer):** D-Bow Ranch, LLC (c/o Christopher M. Debow)
- **Date of Sale:** July 14, 2021 (Reception #677593)
- **Purchase Price:** $1,351,000 ($4,823 per acre for land only)
- **Rights Conveyed:** Fee simple estate (subject to typical rights and reservations)
- **Financing Terms:** Cash to seller
- **Verification:** Brokers and Public Records

**Comments**
This property is located northwest of Gunnison above the Ohio Creek Valley, as well as south of Crested Butte and above the State Highway 135 corridor, within northwest Gunnison County. It mostly adjoins the Gunnison National Forest, with private property to the northeast, northwest, and southwest. This remote tract has seasonal access from County Road 737 via Forest System Road 563, and then private road that traverses the adjacent Red Hawk Ranch via legal easement. It features numerous seasonal drainages and springs that fill ponds, with lush mountain meadows that are mixed with aspen stands and conifer forest. The property offers prime wildlife habitat and very good big-game hunting (trophy mule deer), but no fishing opportunities. This elevation provides great views of the area, including Whetstone Mountain, Mt. Axtell, and Carbon Peak. The sellers are a local ranching family who used this land over decades for hunting and grazing. This vacant property was listed for sale on July 9, 2021 at an asking price of $1,300,000, and went under contract immediately at a higher amount. The buyer acquired the adjacent Red Hawk Ranch in 2020, and was motivated by assemblage to prohibit future development since this tract has legal access to use his road. Thus, the price was confirmed to be slightly above market value as they paid above asking price, and also closed in five days for all cash with no contingencies.
COMPARABLE SALE TWO (maps and photographs)
COMPARABLE SALE THREE

Property Identification
General Location: Twenty-five miles northwest of Gunnison, Ohio Creek Valley
Physical Address: TBD County Road 730, Gunnison, Colorado 81230
Vehicular Access: Direct but seasonal use from Forest System Road 730
Tax Identification: Account #R011257 (Gunnison County)
Legal Description: East Half of Section 26, Township 14 South, Range 87 West

Property Description
Land Area: 320.00 deeded acres (per assessor, not confirmed by survey)
Topography: Rolling, mostly steep slopes, elevation of 9,000 to 9,800 feet
Natural Features: Creek, subalpine meadows, springs, timber, very good views
Adjacent Land Use: Surrounded by Gunnison National Forest (true inholding)
Water Rights: None (adjudicated, eligible for springs and domestic wells)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: Old cabin (no value), no well, septic, or dry utilities available
Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
Highest and Best Use: Rural residential homesite(s) with recreation and/or grazing

Transactional Data
Grantor (seller): Estates of Velma Ann Rhoades as well as Walter I. Rhoades (c/o Norman Rhoades and Wayne Rhoades, co-personal rep.)
Grantee (buyer): Thomas M. Turnbull
Date of Sale: November 23, 2020 (Reception #671515)
Purchase Price: $1,350,000 ($4,219 per acre for land only)
Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
Financing Terms: Cash to seller
Verification: Brokers and Public Records

Comments
This inholding on the Gunnison National Forest is situated near Swampy Pass, just east of the West Elks Wilderness Area and Forest Service Road 730, in northwest Gunnison County. It is located eleven road miles from Crested Butte via Kebler Pass Road, which is seasonal use only. A private driveway leads to the northwest corner, with seasonal access for about one mile from end of winter maintenance at County Road 730 to the south. This property is situated at the base of Carbon Creek, with mostly rugged and dense timber on steep hillsides, and very good views. The northwest portion is rolling, with about one-half mile of frontage in segments of Ohio Creek (fishing for small native trout), subalpine meadows, and springs, but no irrigated land or ponds. An older cabin (462 SF) with outhouse is not habitable, and thus given zero contributory value. The parcel was listed for sale in January 2019 at an asking price of $1,500,000, and bought by a rancher from Hotchkiss in an arms-length transaction for cattle grazing and recreation (hunting).
COMPARABLE SALE THREE (maps and photographs)
COMPARABLE SALE FOUR

Property Identification
- General Location: Twenty-four miles northwest of Gunnison, Ohio Creek Valley
- Physical Address: 4500 Forest System Road 563, Gunnison, Colorado 81230
- Vehicular Access: Direct but seasonal use from Forest System Road 563
- Tax Identification: Account #R030569 (Gunnison County)
- Legal Description: Tract in Sections 1, 2, and 3, Town. 15 South, Range 86 West

Property Description
- Land Area: 923.55 deeded acres (per land survey plat, same as assessor)
- Topography: Rolling, some steep slopes, elevation of 9,800 to 10,800 feet
- Natural Features: Subalpine meadows, ponds, springs, timber, excellent views
- Adjacent Land Use: Gunnison National Forest on three sides, with private to east
- Water Rights: Average (four springs and ponds, eligible for domestic wells)
- Mineral Rights: All owned by seller were conveyed (no valuable resources)
- Existing Improvements: Lodge and sheds ($500,000 value), well, septic, off-the-grid
- Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
- Highest and Best Use: Rural residential homesite(s) with recreation and/or grazing

Transaction Data
- Grantor (seller): Richard P. Churchley
- Grantee (buyer): D-Bow Ranch, LLC (c/o Christopher M. Debow)
- Date of Sale: August 17, 2020 (Reception #668576)
- Purchase Price: $2,750,000 ($2,978/acre as improved, $2,436/acre land only)
- Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
- Financing Terms: Cash to seller
- Verification: Seller, Brokers, and Public Records

Comments
This is Red Hawk Ranch, which is situated northwest of Gunnison above the Ohio Creek Valley, as well as south of Crested Butte above State Highway 135, within northwest Gunnison County. The holding is mostly surrounded by the Gunnison National Forest, with a section owned by the Colorado State Land Board at the northeast corner, and private tract at the southeast boundary. It has seasonal use access from County Road 737 via Forest System Road 563, which is native surface for about three miles to its terminus at the northwest boundary. The interior is traversed by network of two-track roadways, which also provide access to adjacent property via easements. It features numerous seasonal drainages and springs that fill several ponds, with lush mountain meadows that are mixed with stands of aspen and dense conifer forest. The ranch offers prime wildlife habitat and very good big-game hunting (trophy mule deer), but no fishing opportunities. The higher elevation offers great views of the area, including Whetstone Mountain, Mt. Axtell, and Carbon Peak. Existing improvements include a lodge (3,045 SF) that was built during 1998, as well as storage shed and barn from 1988, which were in average condition. The seller owned the ranch since 1992, and listed it for sale during 2015 at an initial asking price of $4,950,000. This amount was eventually reduced to $3,450,000 by 2019, and the motivated seller accepted a below market price from a buyer out of Ohio. Existing improvements were given a contributory value of just $500,000, which is far below estimated replacement cost at this time of $1,000,000.
COMPARABLE SALE FOUR (maps and photographs)
COMPARABLE SALE FIVE

Property Identification
General Location: Twenty-four miles northwest of Gunnison, Ohio Creek Valley
Physical Address: 4500 Forest System Road 563, Gunnison, Colorado 81230
Vehicular Access: Direct but seasonal use from Forest System Road 563
Tax Identification: Account #R030569, R072437 & R072438 (Gunnison County)
Legal Description: Tracts in Sections 1/2/ 3/12, Town. 15 South, Range 86 West

Property Description
Land Area: 1,243.67 deeded acres (per survey plat or county assessor)
Topography: Rolling, some steep slopes, elevation of 9,800 to 11,100 feet
Natural Features: Subalpine meadows, ponds, springs, timber, very good views
Adjacent Land Use: Mostly Gunnison National Forest, with private to southeast
Water Rights: Average (four springs and ponds, eligible for domestic wells)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: Lodge and sheds ($1,525,000 value), well, septic, off-the-grid
Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
Highest and Best Use: Rural residential homesite(s) with recreation and/or grazing

Transaction Data
Grantor (seller): D-Bow Ranch, LLC (c/o Christopher M. Debow)
Grantee (buyer): Confidential
Date of Sale: Pending Contract (scheduled to close on December 28, 2022)
Asking Price: $9,500,000 ($7,639/acre as improved, $6,412/acre land only)
Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
Financing Terms: Cash to seller
Verification: Broker and Public Records

Comments
Known as Whetstone Mountain Ranch, this inholding is an assemblage of Red Hawk Ranch with two adjacent tracts, namely 280 acres adjacent to the southeast, and a forty-acre vacant homesite at the northeast corner. It is situated northwest of Gunnison, and in northwest Gunnison County. The holding is mostly surrounded by the Gunnison National Forest, with a section owned by the Colorado State Land Board at the northeast corner, and private land at the southeast boundary. It has seasonal use access from County Road 737 via Forest System Road 563, which is native surface for about three miles to its terminus at the northwest boundary. The interior is traversed by network of two-track roadways, which also provide access to adjacent property via easements. It features seasonal drainages, springs, ponds, lush mountain meadows, stands of aspen, dense conifer forest, and excellent views of the area. The ranch offers prime wildlife habitat and very good big-game hunting (trophy mule deer), but no fishing opportunities. The seller purchased the Red Hawk Ranch in 2020 (Sale Five), the 280-acre Redden Property (Sale Two) during 2021, as well as a forty-acre homesite from BML Land and Cattle, LLC on July 14, 2021 for $206,000. Thus, the holding was assembled for total consideration of $4,307,000, which was listed for sale in August 2022 at an asking price of $9,500,000. It is under purchase contract to a confidential buyer at a price that is reportedly close to asking, with closing to occur on December 28, 2022. The existing lodge on Red Hawk Ranch is given a contributory value of $1,525,000 ($500 PSF) due to rapidly escalating construction costs in the local market during the previous two years.
COMPARABLE SALE FIVE (maps and photographs)
COMPARABLE SALE SIX

Property Identification
- General Location: Twenty miles east of Gunnison, eight miles north of Parlin
- Physical Address: 8011 County Road 76, Ohio City, Colorado 81237
- Vehicular Access: Year-round from County Road 76 via private driveway
- Tax Identification: Account #R007236 (Gunnison County)
- Legal Description: Tract 40 in Sections 22, 23, and 26, Township 50N, Range 3E

Property Description
- Land Area: 160.00 acres (per county assessor and government survey)
- Topography: Some rolling, mostly steep, elevation of 8,600 to 9,200 feet
- Natural Features: Stream, pond, springs, pasture, dense timber, average views
- Adjacent Land Use: Gunnison National Forest on three sides, with private to south
- Water Rights: Average (20 acre-feet plus 0.55 cfs for ponds and irrigation)
- Mineral Rights: All owned by seller were conveyed (no valuable resources)
- Existing Improvements: Home and barn ($350,000 value), well, septic, dry utilities
- Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
- Highest and Best Use: Rural residential homesite(s) with recreation and/or grazing

Transaction Data
- Grantor (seller): Joseph Sekula, Sr.
- Grantee (buyer): Harry A. Miller, IV
- Date of Sale: May 12, 2021 (Reception #675921)
- Sale Price: $1,250,000 ($7,813/acre as improved, $5,625/acre land only)
- Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
- Financing Terms: Cash to seller
- Verification: Broker and Public Records

Comments
Knowns as Five Springs Ranch, this property is located twenty miles east of Gunnison, and eight miles northeast of U.S. Highway 50 at the hamlet of Parlin, within southeast Gunnison County. It mostly borders the Gunnison National Forest, with private ranch on Quartz Creek to the south, and is located near the historic Ohio City Townsite (with small cemetery at the southwest corner). The property has year-round access from the county road via a private driveway, with easement via 1996 court order to service four homesites, which can be plowed by the owner during winter. This long and narrow tract is traversed from north to south by Illinois Gulch, with five springs that flow into a seasonal stream and pond, but do not offer trout fishing. Most of the property is heavily wooded hillsides on a steep ridge above the gulch, with very good big-game hunting, but views of surrounding mountains and mostly obstructed by intervening terrain (rated as average). Existing improvements include a newer modular home and detached barn with caretaker unit, which were built during 2007 and 2008, and have an estimated contributory value of $350,000. The seller acquired the improved property on November 25, 2014 for $1,025,000, with indicated land only price of $4,844 per acre after $250,000 is deducted for existing structures. It was listed for re-sale during July 2020 at an asking price of $1,325,000, and acquired by a gentleman from Texas in an arms-length transaction for use as a part-time residence with recreation (hunting).
COMPARABLE SALE SIX (maps and photographs)
COMPARABLES LOCATION MAPS (Sales One through Six)
SALES COMPARISON APPROACH

Adjustments to Sales for Parcel A

Sales One through Six were compared to Parcel A, with an unadjusted price range of $2,978 to $7,639 per acre. Consideration was given to property rights conveyed, financing terms, conditions of sale, market conditions (time), location, access, adjacent land uses, natural features (i.e., water amenity, views, irrigated land, timber, terrain, utility availability, etc.), property size, as well as zoning/land use. Unfortunately, insufficient data exists in the local market to extract quantitative adjustments (i.e., percentage or dollar amounts) via a matched-pair analysis for most of these units. The only exception is the contributory (dollar) value of any existing improvements at some sales.

Existing Improvements may have contributory value if the structures will be used by the buyer, with Parcel A appraised as if vacant land, and no valuable buildings at Sales One, Two, and Three. However, Sales Four, Five, and Six each had improvements with an estimated contributory value of $500,000, $1,525,000, and $350,000, respectively. Deducting each amount from total purchase price paid results in land only prices of $2,250,000 for Sale Four ($2,436 per acre), $7,975,000 for Sale Five ($6,412 per acre based on list price), as well as $900,000 for Sale Six ($5,625 per acre).

After qualitative adjustments for improvements, the land only price range is narrower at $2,436 to $6,412 per acre. Each sale was then compared to the subject on a qualitative basis for other factors. Upward adjustments (“+”) are made for inferior conditions, with downward adjustments warranted for superior conditions (“-”), but no adjustment required if the condition is deemed similar (“=”). The magnitude of the adjustment may also be expressed by multiple qualitative indications (such as “++” or “- - -”). The value of the subject property should approximate the price of the most similar sale(s), and would be higher than the inferior sale(s) and lower than the superior sale(s).

Property Rights Conveyed can influence price if more or less than the fee simple estate transfers. For example, there may be a leasehold interest, or the surface rights may be sold separately from the subsurface rights. Although technically a real property right, the impact on purchase prices from any adjudicated water rights was considered in the adjustment category for natural features. Most of the comparables represent a transfer of fee simple title in the property, with no valuable mineral interests included in the purchase price for each transaction, or subject parcel. Thus, no adjustments are warranted to Sales Two, Three, Four, Five, and Six for property rights conveyed. However, Sale One was partially encumbered by a deed of conservation easement at closing, which negatively impacted value of entire holding to a slight degree, with an upward adjustment made.

Financing Terms can cause prices to be inflated if the debt that is obtained is favorable, compared to typical interest rates or loan-to-value ratios available from third party lenders (and vice-versa). The subject property is appraised as cash equivalent, and each comparable was all cash to seller. Since all of the sales are cash equivalent transactions, no adjustments were made for financing.

Conditions of Sale may influence prices when transactions are not considered to be arms-length. For example, the buyer may also be the adjacent owner and paid a premium, or the seller has been motivated to dispose of the property quickly and accepted a liquidation price (below market value). The subject property is appraised as an arms-length sale between a willing buyer as well as seller. Sales One, Three, and Six were confirmed to be an arms-length transaction at market value, with no unusual (i.e., above or below market) conditions of sale noted. However, Sale Two involved a motivated buyer that paid a premium for assemblage purposes. Moreover, Sale Five is a pending contract at a confidential amount that has not yet closed, and a nominal discount from asking price is reasonable. Thus, slight downward adjustments are warranted to both comparables. Conversely, an upward adjustment is required to Sale Four due to the below market price by a motivated seller.
SALES COMPARISON APPROACH

Market Conditions (Time) are constantly changing, and real estate values tend to fluctuate over time with economic cycles and local trends. The comparables closed between August 2020 and October 2022, and are the most recent purchases of similar inholdings in the subject neighborhood. The most reliable method to measure appreciation and/or depreciation in value over time is from a re-sale of the same property, and the comparables provide two relevant examples. Sale One was purchased in July 2022 at a below market price of $1,700,000, and re-sold just three months later for $2,600,000. The gain of 53% is significant, but overstated since the prior sale is below market. Sale Five is a pending contract for Whetstone Mountain Ranch, which is an assemblage of vacant forty-acre tract with Sales Two and Four. While the seller paid total consideration of $4,307,000, the asking price of $9,500,000 is more than twice this amount. However, appreciation is overstated since Sale Four was acquired at a below market price, with limited contributory value for the lodge. Based on the foregoing, inholding values in the subject neighborhood have escalated significantly during the past few months, as buyer demand exceeds available inventory, with no active listings at this time. This is supported by sales of rural homesites and platted lots in residential subdivisions in close proximity to Gunnison and Crested Butte, which continue to escalate at double-digit rates since the pandemic (current average sale prices in Gunnison County are 40% higher than 2020). Moreover, inholdings values in the subject neighborhood are catching up with other resort markets, which typically witness recent land only prices in the range of about $6,000 to $10,000 per acre. Thus, upward adjustment is made to Sales Two, Three, and Four for somewhat higher land values in the subject neighborhood during the past two years. However, Sales One and Five are current. Although Sale Six occurred in July 2021, it is situated much further from Crested Butte than the subject parcel or other comparables, with no definitive evidence that would support measurable appreciation since closing. Thus, no adjustments are made to Sales One, Five, and Six for time.

Location takes into account desirability of the neighborhood, as well as proximity to services, amenities, and support facilities. Parcel A has a good location 24 miles northwest of Gunnison, near the Ohio Creek Valley and within reasonable drive of Crested Butte during snow-free months. Sales One, Two, Three, Four, and Five are situated within a few miles south or west of Parcel A, while Sale Six is located twenty miles east of Gunnison in a neighborhood that commands similar real estate prices as the subject. Because each comparable also has a good location, they are similar to Parcel A in this regard, with no adjustments required to these sales for this unit of comparison.

Access takes into account ingress/egress from surrounding roads, which has a primary influence on value for mountain properties. Although most buyers are seeking solitude, the degree of access dictates land uses and types of residential housing allowed (i.e., seasonal use versus year-round). Parcel A has direct vehicular access from Forest System Road 737, which is limited to seasonal use during snow-free months, and rated as average. Sales One, Two, Three, Four, and Five also have seasonal ingress/egress from a public road (county or forest) that is closed to vehicular travel during winter. Thus, these comparables have similar access as the subject, and no adjustments are warranted. However, Sale Six is within one-quarter mile of a paved county road, with private driveway that can be maintained by the landowner to provide year-round access to this inholding. Since it is slightly superior to the subject in this regard, a downward adjustment is warranted.
Adjacent Land Uses can have a positive impact on property values, as the most desirable properties adjoin public lands on at least one boundary, with higher prices usually paid for better seclusion. Parcel A is a true inholding that is surrounded by public domain on the Gunnison National Forest, with desirable seclusion, and thus is considered to have very good adjacent land uses. Sales Two, Three, Four, Five, and Six are also mostly or fully surrounded by the Gunnison National Forest, and are either true inholdings, or adjoin some private land but have great seclusion. Because each sale has very good adjacent land uses, they are similar to the subject with no adjustments made. However, Sale One mostly borders private property, with national forest to the east, and only rated as good in this regard. Thus, a slight upward adjustment is required for inferior adjacent land uses.

Natural Features account for various physical attributes, such as topography, views, vegetation, water amenity (such as river, creek, lake, or ponds), irrigated acreage, and public utility services. This category also considers any adjudicated water rights, which generally enhance value of land, but the availability of public dry utilities has nominal impact as most inholdings are “off-the-grid”. Parcel A is a subalpine property that offers some creek frontage, mountain meadows, dense timber, mostly favorable terrain, prime wildlife habitat, very good views, and hunting with limited fishing. However, it lacks river frontage or irrigated land, and is considered to have good natural features. Each comparable was selected for analysis because they are subalpine properties with mountain meadows, ample buildable land, prime wildlife habitat, and very good big-game hunting. While Sales One and Three also feature a live water amenity in streams or creeks (and some trout fishing), Sales Two, Four, and Five offer ponds for livestock or wildlife but this is offset by excellent views. Thus, Sales One, Two, Three, Four, and Five are considered to have good natural features, which is similar to the subject with no adjustment required. However, Sale Six lacks a live water amenity and only has average views, which is slightly inferior to the subject with upward adjustment made.

Property Size adjustments are based on the general rule that the smaller the parcel, the higher the unit price (and vice-versa). Since fewer users have the resources to acquire larger properties, less demand should result in a lower price per acre. The local market indicates a discount for larger holdings of more than 2,000 acres, and a premium for smaller homesites of less than seventy acres. Because Parcel A comprises 160.00 acres of land area, it is of an average size for the local market. This is bracketed by the comparables, which range widely in size from 160.00 to 1,243.67 acres. However, an examination of the sales considered for analysis provides strong evidence that size or land area has very little (if any) influence on the prices paid per acre for these private inholdings. For example, Sale Five is the largest holding at 1,243.67 acres, but the price per acre is higher than the other comparables selected for analysis. It does appear that a size adjustment is warranted for smaller parcels, as a forty-acre tract was assembled with Sale Five during 2021 at a price of $5,150 per acre. Since there is no conclusive data to indicate any measurable difference in the achievable price per acre for the comparable sales due to property size, no such adjustments were made.

Zoning/Land Use is another consideration, since these regulations dictate permitted land uses and maximum development density. Generally, the highest prices are paid for commercial sites, with lower prices for agricultural uses. Although Parcel A is not formally zoned by Gunnison County, land use regulations allow one single-family residence per 35 acres of land area as use by right. Each comparable sale is also within the jurisdiction of Gunnison County, with no official zoning but under the same land use regulations as the subject property, and no adjustments are required.
<table>
<thead>
<tr>
<th>Description</th>
<th>Subject Property</th>
<th>Comparable Sale One</th>
<th>Comparable Sale Two</th>
<th>Comparable Sale Three</th>
<th>Comparable Sale Four</th>
<th>Comparable Sale Five</th>
<th>Comparable Sale Six</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification</td>
<td>Parcel A - Three Peaks</td>
<td>Willow Creek Property</td>
<td>Redden Inholding</td>
<td>Swampy Pass Inholding</td>
<td>Red Hawk Ranch</td>
<td>Whetstone Mountain Ranch</td>
<td>Five Springs Ranch</td>
</tr>
<tr>
<td>Access (type)</td>
<td>FSR 732 (seasonal use)</td>
<td>CR 6 (seasonal use)</td>
<td>FSR 563 (seasonal use)</td>
<td>FSR 730 (seasonal use)</td>
<td>FSR 563 (seasonal use)</td>
<td>FSR 563 (seasonal use)</td>
<td>CR 76 (year-round)</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
</tr>
<tr>
<td>Date of Sale</td>
<td>N/A</td>
<td>10/27/2022</td>
<td>7/14/2022</td>
<td>11/24/2020</td>
<td>8/17/2020</td>
<td>Pending Contract</td>
<td>5/12/2021</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>N/A</td>
<td>$2,600,000</td>
<td>$1,351,000</td>
<td>$1,350,000</td>
<td>$2,750,000</td>
<td>$9,500,000</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Deeded Acres</td>
<td>160.00</td>
<td>660.00</td>
<td>280.12</td>
<td>320.00</td>
<td>923.55</td>
<td>1,243.67</td>
<td>160.00</td>
</tr>
<tr>
<td>Price Per Acre</td>
<td>N/A</td>
<td>$3,939</td>
<td>$4,823</td>
<td>$4,219</td>
<td>$2,978</td>
<td>$7,639</td>
<td>$7,813</td>
</tr>
</tbody>
</table>

### Quantitative Adjustments

<table>
<thead>
<tr>
<th>Existing Improvements</th>
<th>None (as if vacant)</th>
<th>None (vacant land)</th>
<th>None (vacant land)</th>
<th>None (with value)</th>
<th>Lodge and sheds</th>
<th>Lodge and sheds</th>
<th>Home and barn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributory Value</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$500,000</td>
<td>$1,525,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Price for Land Only</td>
<td>N/A</td>
<td>$2,600,000</td>
<td>$1,351,000</td>
<td>$1,350,000</td>
<td>$2,250,000</td>
<td>$7,975,000</td>
<td>$900,000</td>
</tr>
<tr>
<td>Land Price Per Acre</td>
<td>N/A</td>
<td>$3,939</td>
<td>$4,823</td>
<td>$4,219</td>
<td>$2,436</td>
<td>$6,412</td>
<td>$5,625</td>
</tr>
</tbody>
</table>

### Qualitative Adjustments

| Property Rights Conveyed | Fee Simple | + | = | = | = | = | = |
| Financing Terms          | Cash | = | = | = | = | = | = |
| Conditions of Sale       | Normal | = | - | = | + | - | = |
| Market Conditions (Time) | Current | = | ++ | ++ | ++ | = | = |
| Location                 | Good | = | = | = | = | = | = |
| Access                   | Average | = | = | = | = | = | = |
| Adjacent Land Uses       | Very Good | + | = | = | = | = | = |
| Natural Features         | Good | = | = | = | = | = | = |
| Property Size            | Average | = | = | = | = | = | = |
| Zoning/Land Use          | Rural Density | = | = | = | = | = | = |
| Net Adjustments          | ++ | + | ++ | ++ | +++ | - | = |
| Indicated Market Value   | $3,939 per acre | $4,823 per acre | $4,219 per acre | $2,436 per acre | $6,412 per acre | = $5,625 per acre |
SALES COMPARISON APPROACH

Summary of Sales for Parcel A

A summary of the adjustments made to each comparable sale, and resulting indication of market value for Parcel A at the subject property (on the basis of price per acre), is discussed as follows:

**Sale One** is located four air miles southeast of the subject, along the drainage of Willow Creek, and comprises 660.00 acres of vacant land that is partially encumbered by a conservation easement. It recently sold in October 2022 for $2,600,000, or $3,939 per acre, which is 53% more than paid in July 2022 at a below market price of $1,700,000, or $2,576 per acre. By direct comparison to the subject, only upward adjustments are warranted for slightly inferior property rights conveyed as well as adjacent land uses. This comparable is similar in other regards, with no superior factors, and indicates a market value for Parcel A that would be somewhat higher than $3,939 per acre.

**Sale Two** is a 280.12-acre tract of vacant land that is situated four air miles southeast of the subject, which was purchased during July 2021 at an above market price of $1,351,000, or $4,823 per acre. By direct comparison to the subject, an upward adjustment for improving market conditions since closing is partially offset by a downward adjustment for conditions of sale. It is otherwise similar to the subject, and supports a value for Parcel A that would be slightly more than $4,823 per acre.

**Sale Three** is a 320.00-acre inholding near Swatmy Pass, which is located three air miles west of the subject property, and was acquired during November 2020 for $1,350,000, or $4,219 per acre. By direct comparison to the subject, only an upward adjustment is warranted for improving market conditions since closing. This comparable is deemed to be similar in other regards, with no inferior characteristics, and supports a value for Parcel A that is somewhat greater than $4,219 per acre.

**Sale Four** is the 923.55-acre Red Hawk Ranch, which is only two air miles southeast of the subject. It was purchased in August 2020 at a below market price of $2,750,000, which equates to $2,436 per acre for land only after $1,525,000 is deducted for the contributory value of existing buildings. By direct comparison to the subject, only upward adjustments are made for slightly below market conditions of sale, as well as somewhat improving market conditions since closing. It is otherwise comparable, and supports a value for Parcel A that is substantially more than $2,436 per acre.

**Sale Five** is Whetstone Mountain Ranch, which is an assemblage of Sales Two and Four with forty acres of contiguous vacant land. This 1,243.67-acre holding was listed for re-sale in August 2022 at an asking price of $9,500,000, with indicated land only price of $6,412 per acre after $1,525,000 is deducted for contributory value of existing improvements (same as Sale Four but worth more). It is under contract to a confidential buyer at an unknown amount that is reportedly close to full asking price, with closing scheduled for December 28, 2022. By direct comparison to the subject, only a slight downward adjustment is made for conditions of sale to reflect a reasonable discount from the list price, as this is not a closed transaction. This property is comparable in other regards, and indicates a market value for Parcel A that would be slightly less than $6,412 per acre.

**Sale Six** is Five Springs Ranch, which is located about 25 air miles southeast of the subject, and twenty road miles east of Gunnison, near County Road 76 and a few miles from U.S. Highway 50. This 160.00-acre inholding was purchased in May 2021 for $1,250,000. After deducting $350,000 for the contributory value of existing improvements, the land only price equates to $5,625 per acre. By direct comparison to the subject, a downward adjustment for slightly superior access is offset by an upward adjustment for slightly inferior natural features. This comparable is similar in other regards, and indicates a value for Parcel A that would be roughly equivalent to $5,625 per acre.
Value Conclusion for Parcel A

After adjustments, the comparables indicate a market value for Parcel A that is substantially higher than $2,436 per acre, somewhat greater than $3,939 per acre as well as $4,219 per acre, slightly higher than $4,823 per acre, similar to $5,625 per acre, and slightly lower than $6,412 per acre. The average price for land only equates to $4,576 per acre, which is skewed downwards by four inferior transactions, versus just one superior sale. Equal weight was placed on each comparable, with consideration also given to following recent sales of national forest inholdings in the region.

<table>
<thead>
<tr>
<th>Grantor (seller)</th>
<th>Sale Date</th>
<th>Land Area</th>
<th>Improvements</th>
<th>Description and Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floresta Partners, LLC</td>
<td>10/30/2019</td>
<td>1.674.90 ac.</td>
<td>$1,750,000</td>
<td>North of Gunnison (Gunnison County), seasonal access to FSR 730</td>
</tr>
<tr>
<td>Floresta Ranch, LLC</td>
<td>$9,000,000</td>
<td>$5,373/acre</td>
<td>$3,250 per acre</td>
<td>Creek, lake, timber, adjoins USFS on three sides, newer lodge/barn</td>
</tr>
<tr>
<td>Chad Barrick</td>
<td>8/20/2021</td>
<td>160.00 acres</td>
<td>None with value</td>
<td>East of Montrose (Montrose County), seasonal access via FSR 762</td>
</tr>
<tr>
<td>Grady and Hoest (jointly)</td>
<td>$520,000</td>
<td>$3,250/acre</td>
<td>$3,250 per acre</td>
<td>Seasonal stream with pond, pasture, timber, surrounded by USFS</td>
</tr>
<tr>
<td>South Hunt Creek Ranch, LLC</td>
<td>4/8/2021</td>
<td>320.00 acres</td>
<td>$1,000,000</td>
<td>Southwest of Steamboat (Routt County), seasonal access to CR 13</td>
</tr>
<tr>
<td>Woodler Homestead I, LLC</td>
<td>$3,640,000</td>
<td>$11,375/acre</td>
<td>$8,250 per acre</td>
<td>Creek, ponds, meadows, mostly adjoins USFS, home, cabin, barn</td>
</tr>
<tr>
<td>Flat Tops Meadows, Inc.</td>
<td>8/7/2020</td>
<td>160.00 acres</td>
<td>$75,000</td>
<td>Southwest of Steamboat (Routt), seasonal access from FSR 942</td>
</tr>
<tr>
<td>Glawe and Cieko (jointly)</td>
<td>$1,310,000</td>
<td>$8,188/acre</td>
<td>$7,719 per acre</td>
<td>Creek, spring, pond, meadows, mostly adjoins USFS, rustic cabin</td>
</tr>
<tr>
<td>Terry &amp; Denise Nelson</td>
<td>8/12/2020</td>
<td>160.00 acres</td>
<td>$175,000</td>
<td>North of Steamboat Springs (Routt), seasonal access to FSR 500</td>
</tr>
<tr>
<td>Big Red Park, LLC</td>
<td>$1,240,000</td>
<td>$7,750/acre</td>
<td>$6,656 per acre</td>
<td>Springs, pasture, few trees, surrounded by USFS, two older cabins</td>
</tr>
<tr>
<td>Llyod &amp; Edna Palmer Trust</td>
<td>10/12/2020</td>
<td>160.00 acres</td>
<td>$200,000</td>
<td>Northeast of Kremmling (Grand), seasonal access from FSR 137</td>
</tr>
<tr>
<td>WyRhCo Holdings, LLC</td>
<td>$1,200,000</td>
<td>$7,500/acre</td>
<td>$6,250 per acre</td>
<td>Creek, pond, meadows, timber, surrounded by USFS, newer cabin</td>
</tr>
</tbody>
</table>

Floresta Ranch is located four air miles northwest of the subject at Kebler Pass, and was acquired in October 2019 at a land only price of $4,239 per acre. This 1,674.90-acre holding is generally similar, but a higher land value is reasonable for the subject based on improving market conditions. A vacant inholding of 160.00 acres near Crawford within Montrose County sold in August 2021 for $3,250 per acre, but has far inferior location and less desirable natural features than the subject. The next three sales are inholdings near Steamboat Springs in Routt County that sold during 2021 or 2020 at land only prices of $8,250 per acre, $7,719 per acre, and $6,656 per acre, respectively. They are slightly to somewhat superior to Parcel A in regards to location and/or natural features. Finally, a 160.00-acre inholding near Kremmling in Grand County was purchased in October 2020 for a land only price of $6,250 per acre, and has a slightly superior location than the subject parcel. As previously discussed, title to Parcel A was conveyed to the proponent in February 2016 for no consideration, but the prior owner paid $4,000,000 during 2009 as they were extremely motivated to acquire this strategic inholding for potential mining. It is relevant to note that the previous sale in 2004 was at a market-based price of $1,200,000, and both purchases include the existing home. Based on the foregoing, it is my opinion that the market supports a current value for Parcel A of $5,625 per acre, with total market value for this 160.00-acre subject property calculated as follows:

\[
\text{Market Value of Parcel A} = 160.00 \text{ acres} \times \$5,625 \text{ per acre} = \$900,000
\]

CONCLUDED MARKET VALUE OF NON-FEDERAL PARCEL A

$900,000
COMPARABLE SALE SEVEN

Property Identification
General Location: Fifty-five miles south of Gunnison, 27 miles west of Saguache
Physical Address: 27500 County Road 30-CC, Saguache, Colorado 81149
Vehicular Access: Indirect and seasonal from County Roads 30-CC or 26-V
Tax Identification: Account #R006660 (Saguache County)
Legal Description: Tract in Section 14, Township 44 North, Range 4 East

Property Description
Land Area: 160.00 deeded acres (per assessor, not confirmed by survey)
Topography: Rolling, some steep slopes, elevation of 8,900 to 9,200 feet
Natural Features: Creek, ponds, grassland pasture, timber, very good views
Adjacent Land Use: Surrounded by public BLM or national forest (true inholding)
Water Rights: Average (four adjudicated ponds and permitted domestic well)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: Rustic cabin ($100,000 value), well and septic, off-the-grid
Zoning and Land Use: Saguache County land use allows one homesite per 35 acres
Highest and Best Use: Rural residential homesite(s) with recreation and grazing

Transaction Data
Grantor (seller): Carl E. Wood
Grantee (buyer): Lynn Family Living Trust (c/o Kelly Lynn and Cathy Lynn)
Date of Sale: February 2, 2022 (Reception #395811)
Purchase Price: $840,000 ($5,250/acre as improved, $4,625/acre land only)
Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
Financing Terms: Cash to seller
Verification: Broker and Public Records

Comments
This private inholding along Hat Springs Creek is situated west of Saguache and southwest of Gunnison, about seven miles southwest of State Highway 114, in northwest Saguache County. It is mostly surrounded by BLM land, with the Rio Grande National Forest at southern boundary. The property has seasonal use access from County Road 30-CC as well as County Road 26-V, and is about four miles from end of winter maintenance. Primary ingress/egress is from the east via County Road 26-V to BLM Road 5245, with legal easement granted to the landowner on this route that allows maintenance of the public BLM road, including private winter snowplowing. Hat Spring Creek is a year-round stream that bisects the center of the holding, which is joined by West Park Creek in the northern portion. They fill four large ponds (which could be stocked with trout), and sub-irrigate some pasture, and the property offers very good big-game hunting. This scenic inholding has very good seclusion, and its desirable natural features include canyons. An existing log cabin (500 SF) of good quality has an estimated contributory value of $100,000 ($200 PSF). The property was listed for sale in May 2020 at an asking price of $875,000, and purchased by a buyer from California in an arms-length transaction. However, most of the family lives in the Denver area, and uses the property for seasonal occupancy and mountain recreation.
COMPARABLE SALE SEVEN (maps and photographs)
COMPARABLE SALE EIGHT

Property Identification

General Location: Fifty miles south of Gunnison, 25 miles west of Saguache
Physical Address: 28890 County Road 33-EE, Saguache, Colorado 81149
Vehicular Access: Direct and year-round from County Road 33-EE
Tax Identification: Account #R003010, R003011 & R003017 (Saguache County)
Legal Description: Tracts in Sections 5, 7 & 8, Township 45 North, Range 5 East

Property Description

Land Area: 320.00 deeded acres (per assessor, not confirmed by survey)
Topography: Level to rolling, not steep, elevation of 8,600 to 8,650 feet
Natural Features: Creeks, irrigated pasture, rangeland, few trees, good views
Adjacent Land Use: Public BLM to east and west, with private to north and south
Water Rights: Good (4.40 cfs adjudicated for irrigation, and domestic well)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: Home and sheds ($400,000 value), well, septic, dry utilities
Zoning and Land Use: Saguache County land use allows one homesite per 35 acres
Highest and Best Use: Rural residential homesite(s) with recreation and/or grazing

Transaction Data

Grantor (seller): The Estate of R. Gregg Sease (c/o Marcie R. McMinimee)
Grantee (buyer): Armadillo Land LLC (c/o Dac Penick)
Date of Sale: November 8, 2021 (Reception #395072)
Purchase Price: $950,000 ($2,696/acre as improved, $1,719/acre land only)
Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
Financing Terms: Cash to seller
Verification: Broker and Public Records

Comments

Known as Sheep Creek Ranch, this holding is located west of Saguache, about two miles north as well as east of State Highway 114 near Cochetopa Pass, within northwest Saguache County. County Road 33-EE bisects the ranch from north to south and provides year-round access, which originates at the highway near the Upper Saguache Guard Station. It borders a large holding of public BLM land on two sides, which connects with Rio Grande National Forest two miles west. However, the ranch has little seclusion due to county road traffic and open surrounding terrain. Sheep Creek flows parallel to the county road as it bisects the holding, and is joined by Antelope Creek in the northern portion, and Pass Creek at the south end, with two miles of creek frontage. Water rights from Sheep Creek are adequate to irrigate 103 acres of pasture, with the remainder being open rangeland that is suitable for seasonal livestock grazing. The ranch has good hunting for big-game and waterfowl, with some fishing for small native trout in Sheep Creek (not others). An existing single-family residence (4,000 SF) of 1980’s vintage with partial interior finishes has estimated contributory value of $400,000 ($100 PSF), but older outbuildings are depreciated. The ranch was listed for sale by the seller’s estate in April 2020 at an asking price of $1,100,000, who was motivated to liquidate the asset to pay expenses (namely $300,000 in fines to the EPA for illegal ponds the seller created). It was acquired by a buyer from Texas at a slightly below market price, who completed outstanding work on the home for use as their part-time residence.
COMPARABLE SALE EIGHT (maps and photographs)
## Property Identification

<table>
<thead>
<tr>
<th>General Location:</th>
<th>Forty miles south of Gunnison, 45 miles west of Saguache</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Address:</td>
<td>18700 County Road NN-14, Saguache, Colorado 81149</td>
</tr>
<tr>
<td>Vehicular Access:</td>
<td>Direct and year-round from County Road NN-14</td>
</tr>
<tr>
<td>Tax Identification:</td>
<td>Account #R002990 (Saguache County)</td>
</tr>
<tr>
<td>Legal Description:</td>
<td>Tract in Sections 7, 8 &amp; 9, Township 45 North, Range 3 East</td>
</tr>
</tbody>
</table>

## Property Description

| Land Area: | 497.16 deeded acres (per survey versus 480 acres per assessor) |
| Topography: | Rolling with moderate slopes, elevation of 9,250 to 9,400 feet |
| Natural Features: | Creek, irrigated pasture, rangeland, some timber, good views |
| Adjacent Land Use: | Mostly public BLM, USFS, or State, with private to northeast |
| Water Rights: | Average (4.00 cfs adjudicated for irrigation and domestic well) |
| Mineral Rights: | All owned by seller were conveyed (no valuable resources) |
| Existing Improvements: | Home and barn ($350,000 value), well, septic, off-the-grid |
| Zoning and Land Use: | Saguache County land use allows one homesite per 35 acres |
| Highest and Best Use: | Rural residential homesite(s) with recreation and/or grazing |

## Transaction Data

| Grantor (seller): | Lucky Joseph Ford and Donna E. Ford |
| Grantee (buyer): | Rick David Jauer and Susan Menn Jauer (joint tenants) |
| Date of Sale: | September 17, 2021 (Reception #394535) |
| Purchase Price: | $1,540,000 ($3,098/acre as improved, $2,494/acre land only) |
| Rights Conveyed: | Fee simple estate (subject to typical rights and reservations) |
| Financing Terms: | Cash to seller |
| Verification: | Broker and Public Records |

## Comments

Los Creek Ranch is an inholding that is located mid-distance between Gunnison and Saguache, eight miles south of State Highway 114 and near Cochetopa Pass, in northwest Saguache County. It is mostly surrounded by public BLM lands, with Gunnison National Forest to the east, half section owned by Colorado State Land Board to the southeast, and private ranch to the northeast. County Road NN-14 provides year-round access to the property as it follows the north boundary, while Forest System Road 864 travels south through the interior to reach public lands beyond. The ranch is situated in Cochetopa Park, and mainly open grassland with fifteen acres of irrigated pasture and some pockets of timber, which offers good big-game hunting. Los Creek bisects the holding for two miles, but has seasonal flows for irrigation and does not provide any trout fishing. It has limited seclusion since it is traversed by a public road and also surrounded by open terrain. Existing improvements have an estimated contributory value of $300,000, including a modular residence (1,482 SF at $100 PSF) and horse barn (3,000 SF at $50 PSF) that were built in 1998. The ranch was listed for sale during 2019 at asking price of $1,540,000, but subsequently taken off the market. The broker brought a full price offer from a Texas buyer, who acquired the ranch in an arms-length transaction for part-time residential occupancy, with grazing and/or recreation. The broker also indicates the ranch is worth much more in the current market, as another potential purchaser recently offered the current owner $2,000,000 cash, which they declined to accept.
COMPARABLE SALE NINE (maps and photographs)
COMPARABLE SALE TEN

Property Identification
General Location: Forty miles south of Gunnison, 45 miles west of Saguache
Physical Address: 26375 County Road 17-FF, Saguache, Colorado 81149
Vehicular Access: Indirect and seasonal use from Forest System Road 787
Tax Identification: Account #R002983 (Saguache County)
Legal Description: Tract in Section 24, Township 45 North, Range 2 East

Property Description
Land Area: 53.49 deeded acres (per assessor, not confirmed by survey)
Topography: Rolling, some steep slopes, elevation of 9,400 to 9,600 feet
Natural Features: Seasonal creek, grassland pasture, timber, very good views
Adjacent Land Use: Public BLM to south and west, with private to north and east
Water Rights: Nominal (none adjudicated except permitted domestic well)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: Newer cabin ($175,000 value), well and septic, off-the-grid
Zoning and Land Use: Saguache County land use allows one homesite per 35 acres
Highest and Best Use: One rural residential homesite with recreation and/or grazing

Transaction Data
Grantor (seller): The Lucky 3, Inc. (c/o Paul M. Plumlee)
Grantee (buyer): Dan Strid
Date of Sale: June 21, 2021 (Reception #393706)
Purchase Price: $350,000 ($6,543/acre as improved, $3,272/acre land only)
Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
Financing Terms: Cash to seller
Verification: Broker and Public Records

Comments
Known as the Cochetopa Dome Cabin, this rural homesite is located mid-way between Gunnison and Saguache, and about nine miles south of State Highway 114, in northwest Saguache County. It has seasonal use access from Forest System Road 787 via private driveway over intervening properties for one-quarter mile, and is about three miles from the end of winter maintenance at County Road 17-FF. The parcel borders public BLM lands to the south and west, which connects with the nearby Gunnison National Forest, with private property to the north and east. It features a seasonal creek with open pasture in the eastern portion, and aspen or conifers on a steep hillside in the eastern portion, with very good big-game hunting but no irrigated land or fishing resources. An existing cabin (1,160 SF) of 1998 vintage has an estimated contributory value of $175,000 ($150 PSF) at closing, as it was structurally sound but had several items of deferred maintenance. The property was briefly listed for sale at asking price of $399,900, and purchased by gentleman from Florida in an arms-length transaction. The buyer is also a general contractor, who cured deferred maintenance items after closing, including new deck and railing, seal/stain of exterior, new appliances, some interior remodeling, new batteries and solar panels, and serviced the well. The upgraded property was listed for re-sale during Fall 2021 at an asking price of $890,000, with some interest but no offers received as this amount is very aggressive for the local market.
COMPARABLE SALE TEN (maps and photographs)
COMPARABLE SALE ELEVEN

Property Identification
General Location: Fifty-five miles east of Gunnison, eleven miles from Sargents
Vehicular Access: Seasonal use from Forest System Road 890 (see comments)
Tax Identification: Account #R008952 and #R009092 (Gunnison County)
Legal Description: Iron Hope Placer and Tyrone Lode Mining Claims
Tract 39 and USMS No. 6530 in Tomichi Mining District

Property Description
Land Area: 170.33 deeded acres (per assessor, not confirmed by survey)
Topography: Some rolling, mostly steep, elevation of 10,200 to 10,800 feet
Natural Features: Seasonal stream, mostly dense timber, very good views
Adjacent Land Use: Surrounded by Gunnison National Forest (true inholding)
Water Rights: None (adjudicated for irrigation, eligible for domestic wells)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: None (vacant land), no well/septic or public utilities available
Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
Highest and Best Use: Mountain recreation since access prohibits rural homesites

Transaction Data
Grantor (seller): Black Hills Energy Services Company (c/o Chris Anderson)
Grantee (buyer): Deadman’s Gulch, LLC (c/o Matthew Miles)
Date of Sale: November 4, 2021 (Reception #680826)
Purchase Price: $270,000 ($1,585 per acre for land only)
Property Rights: Fee simple estate (typical title exceptions, but no legal access)
Financing Terms: Cash to seller
Verification: Broker and Public Records

Comments
These remote mining claims are situated three air miles west of Monarch Ski Area and Monarch Pass, and eleven miles north of the community of Sargents at U.S. Highway 50, about mid-way between Gunnison and Salida, within southeast Gunnison County near the Chaffe County Line. County Road 888 runs north from the highway to either Forest System Road 888 heading north, or Forest System Road 237 traveling east. Either route connects with Forest System Road 890 near the historic mining town of Whitepine, which is a primitive jeep trail open to seasonal use. However, these mining claims are situated about 400 feet west of Forest System Road 890, with no legal access from this public roadway for rural residential development. They have physical but very difficult ingress/egress via unauthorized trail road that leads to the northeast boundary. Both parcels have mostly steep slopes with dense timber but small clearings, and seasonal stream at southeast corner (no fishing). They offer very good big-game hunting, but marginal grazing. All mineral rights were conveyed, with no known history of mining activity or valuable reserves. This inholding was owned by a mining company from South Dakota for many years, which they listed for sale during November 2020 at an asking price of $270,000. It was acquired by buyer from Montrose in an arms-length transaction at the full asking price for mountain recreation.
COMPARABLE SALE ELEVEN (maps and photographs)
COMPARABLE SALE TWELVE

Property Identification
General Location: Twenty-five miles northeast of Gunnison, near Ohio City
Physical Address: 8000 Forest Service Road 882, Ohio City, Colorado 81237
Vehicular Access: Pedestrian only from Forest System Trails 478 and 479
Tax Identification: Account #R007305, R007325 & R007927 (Gunnison County)
Legal Description: Tracts in Sections 27/28/33/34, Town. 51 North, Range 3 East

Property Description
Land Area: 160.00 deeded acres (per assessor, not confirmed by survey)
Topography: Rolling, some steep slopes, elevation of 11,300 to 11,900 feet
Natural Features: Subalpine meadow, streams, springs, timber, excellent views
Adjacent Land Use: Mostly Gunnison National Forest, with private to northwest
Water Rights: Average (two springs adjudicated, eligible for domestic wells)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: Rustic cabin ($105,000 value), no well or septic, off-the-grid
Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
Highest and Best Use: Seasonal use, walk-in cabin site(s) with mountain recreation

Transaction Data
Grantor (seller): Camron Cole
Grantee (buyer): Off the Grid at Fossil Ridge, LLC (c/o Bigger and Tice)
Date of Sale: July 1, 2021 (Reception #677281)
Purchase Price: $495,000 ($3,094/acre as improved, $2,438/acre land only)
Rights Conveyed: Fee simple estate (subject to typical rights and reservations)
Financing Terms: Cash to seller
Verification: Broker and Public Records

Comments
This property is located about fifteen miles north of U.S. Highway 50 at the community of Parlin, and seven miles north of the historic mining town of Ohio City, in southeast Gunnison County. It is mostly surrounded by the Gunnison National Forest, including the Fossil Ridge Wilderness Area to the northwest, with private rural homesites to the north that also border the wilderness. Forest System Road 882 travels north from Ohio City to within one mile of this inholding, which becomes Forest System Trail 479 on private land to the south. This public trail intersects with Forest System Trail 478 at the wilderness boundary, which travels east and crosses the northwest corner of this property. Thus, it has pedestrian ingress/egress for 1.3 miles (with legal easement granted by the USFS), and open to travel by foot, horse, or motorcycle (not off-highway vehicle). This high-altitude property is situated at or above timberline, with subalpine meadows, timber, springs, panoramic views, and very good big-game hunting, but no live water amenity or ponds. It is situated atop a mountain between Alder Creek to the west and Comanche Gulch to the east. An off-the-grid cabin (600 SF) in good condition has estimated contributory value of $105,000 ($175 PSF), with potable water from a developed spring, outhouse, and smaller storage sheds. The property was listed for sale in August 2020 at an asking price of $535,000, and acquired by two gentlemen from Pennsylvania in an arms-length transaction for seasonal use and recreation.
COMPARABLE SALE TWELVE (maps and photographs)
COMPARABLE SALE THIRTEEN

Property Identification
General Location: Twenty miles west of Gunnison north of Blue Mesa Reservoir
Vehicular Access: Pedestrian only from Forest System Trail 585 (see comments)
Tax Identification: Account #R014863 and #R033736 (Gunnison County)
Legal Description: Tracts in Section 27, Township 50 North, Range 3 West

Property Description
Land Area: 80.00 deeded acres (per assessor, not confirmed by survey)
Topography: Some level, mostly very steep, elevation of 8,600 to 9,400 feet
Natural Features: Creek, some riparian area, mostly dense timber, average views
Adjacent Land Use: Surrounded by Gunnison National Forest (true inholding)
Water Rights: None (adjudicated for irrigation, eligible for domestic wells)
Mineral Rights: All owned by seller were conveyed (no valuable resources)
Existing Improvements: None (vacant land), no well/septic or public utilities available
Zoning and Land Use: Gunnison County land use allows one homesite per 35 acres
Highest and Best Use: Mountain recreation since access prohibits rural homesites

Transaction Data
Grantor (seller): The Wilderness Land Trust (Colorado nonprofit corporation)
Grantee (buyer): United States of America (on behalf of U.S. Forest Service)
Date of Sale: April 24, 2019 (Reception #659926)
Purchase Price: $80,000 ($1,000 per acre for land only)
Property Rights: Fee simple estate (typical title exceptions, but no legal access)
Financing Terms: Cash to seller
Verification: Seller, Buyer, Public Records (extraordinary, see comments)

Comments
This is the purchase of two contiguous tracts of vacant land that are surrounded by the Gunnison National Forest, which are located six miles north of U.S. Highway 50 at Blue Mesa Reservoir. These remote parcels are about three miles east of the West Elks Wilderness Area, and situated between and below nearby Forest System Roads 723 and 724, but only accessible by a pack trail. Thus, they lack adequate access for rural homesites per Gunnison County land use regulations, and it would be virtually impossible to install a driveway from nearby roads (seasonal use only). East Elk Creek traverses the northeast portion, with public trail and few acres of level land there. David Clinger owned the northern parcel (SW4 of NW4), which he sold to The Wilderness Land Trust on August 30, 2017 at an arms-length price of $40,000. Barbara Hartshorn held title to the southern parcel (NW4 of SW4), which the same nonprofit bought on May 31, 2018 for $40,000. Both tracts were subsequently conveyed to the USA for addition to public domain on Gunnison National Forest in this transaction at the appraised market value of $80,000 (as of July 31, 2018). Extraordinary verification was employed to confirm this sale (per Section 1.5.2.4 of UASFLA), with the seller acquiring both inholdings for future conveyance to USA as part of their mission (but no authorizing legislation). I prepared an Appraisal Report to establish market value as fair consideration of this full acquisition, with a concluded value of $80,000 ($1,000 per acre) based on comparable sales with a similar highest and best use of recreation (due to lack of road access). The estate appraised is the same as conveyed, with no threat of condemnation, public pressure, undue motivation to acquire the property, or duress to complete the transaction by either party.
COMPARABLE SALE THIRTEEN (maps and photographs)
SALES COMPARISON APPROACH

Adjustments to Sales for Parcels B and D

Sales Seven through Ten report an unadjusted price range of $2,969 to $6,543 per acre, and were compared to Parcel B as well as Parcel D together in this section (with generally the same analysis for both subjects). Consideration is given to property rights conveyed, financing terms, conditions of sale, market conditions (time), location, access, adjacent land uses, natural features (i.e., water amenity, views, irrigated land, timber, terrain, utility availability, etc.), property size, as well as zoning/land use. Unfortunately, insufficient data exists in the local market to extract quantitative adjustments (i.e., percentage or dollar amounts) via a matched-pair analysis for most of these units. The only exception is the contributory (dollar) value of any existing improvements at some sales.

Existing Improvements may have contributory value if the structures will be used by the buyer, with Parcel B as well as Parcel D being vacant land. Each comparable has existing improvements with estimated contributory value of $100,000, $400,000, $300,000, and $175,000, respectively. Deducting each amount from total purchase price for each improved property results in land only prices of $740,000 for Sale Seven ($4,625 per acre), $550,000 for Sale Eight ($1,719 per acre), $1,240,000 for Sale Nine ($2,494 per acre), as well as $175,000 for Sale Ten ($3,272 per acre).

After qualitative adjustments for improvements, the land only price range is narrower at $1,719 to $4,625 per acre. Each sale was then compared to the subject on a qualitative basis for other factors. Upward adjustments (“+”) are made for inferior conditions, with downward adjustments warranted for superior conditions (“-”), but no adjustment required if the condition is deemed similar (“=”). The magnitude of the adjustment may also be expressed by multiple qualitative indications (such as “++” or “--”). The value of the subject property should approximate the price of the most similar sale(s), and would be higher than the inferior sale(s) and lower than the superior sale(s).

Property Rights Conveyed can influence price if more or less than the fee simple estate transfers. For example, there may be a leasehold interest, or the surface rights may be sold separately from the subsurface rights. Although technically a real property right, the impact on purchase prices from any adjudicated water rights was considered in the adjustment category for natural features. Each comparable represents a transfer of fee simple title in the property, with no valuable mineral interests included in the purchase price paid for each transaction, or at the appraised subject parcel. Thus, no adjustments are warranted to the comparables for property rights conveyed.

Financing Terms can cause prices to be inflated if the debt that is obtained is favorable, compared to typical interest rates or loan-to-value ratios available from third party lenders (and vice-versa). The subject property is appraised as cash equivalent, and each comparable was all cash to seller. Since all of the sales are cash equivalent transactions, no adjustments were made for financing.

Conditions of Sale may influence prices when transactions are not considered to be arms-length. For example, the buyer may also be the adjacent owner and paid a premium, or the seller has been motivated to dispose of the property quickly and accepted a liquidation price (below market value). The subject property is appraised as an arms-length sale between a willing buyer as well as seller. Sales Seven, Nine, and Ten are confirmed to be arms-length transactions at market value, with no unusual (i.e., above or below market) conditions of sale noted, or adjustments made to these sales. However, Sale Eight involved a motivated seller at a below market price, as the estate had to settle outstanding legal issues (including significant fine from the EPA). Thus, slight upward adjustment is warranted to this comparable for conditions of sale that led to a below market purchase price.
SALES COMPARISON APPROACH

Market Conditions (Time) are constantly changing, and real estate values tend to fluctuate over time with economic cycles and local trends. The comparable sales closed between June 2021 and February 2022, and are most recent purchases of similar inholdings in the subject neighborhood. The most reliable method to measure appreciation and/or depreciation in value over time is from a re-sale of the same property, and the comparables provide a few relevant examples. Sale Ten was purchased in June 2021 for $350,000, and listed for re-sale soon thereafter at asking price of $890,000, with no offers at this very aggressive amount (buyer only made upgrades to the cabin). An unsolicited purchase offer was recently received for Sale Nine at 30% more than the price paid in September 2021, which was not accepted. Thus, both comparables support some appreciation. As previously discussed in the market conditions analysis for Parcel A, Sale One re-sold for 53% more between July 2022 and October 2022, while a pending contract price for Sale Five represents more than twice the consideration paid for this assemblage in 2020 and 2021. However, both older transactions involved a motivated seller, and appreciation is greater in proximity to Crested Butte. Average sale prices within Saguache County are 36% higher than 2020, and inholding values in the subject neighborhood have escalated somewhat since then, with no active listings at this time. Based on the foregoing, a slight upward adjustment is made to Sale Eight for improving market conditions because it was listed during April 2020, with greater magnitude warranted for Sale Nine since the asking and sale price was established in 2019, and a higher offer was recently received. However, Sale Seven is considered to be a current transaction since it closed in February 2022, while the price for Sale Ten from June 2021 is also believed to reflect present market conditions.

Location takes into account desirability of the neighborhood, as well as proximity to services, amenities, and support facilities. Parcels B and D are situated near the State Highway 114 corridor in Saguache County, about mid-way between Gunnison and Saguache, which is only rated as fair (i.e., current average real estate prices in Saguache County are 75% less than Gunnison County). Each comparable is located within a few miles of the subject parcels and in the same neighborhood, which is also rated as fair. Thus, adjustments are not required since they are similar in this regard.

Access takes into account ingress/egress from surrounding roads, which has a primary influence on value for mountain properties. Although most buyers are seeking solitude, the degree of access dictates land uses and types of residential housing allowed (i.e., seasonal use versus year-round). Parcel B has direct vehicular access from Forest System Road 787, which is limited to seasonal use during snow-free months, and rated as average. Although Parcel D is within short distance of Forest System Roads 810 and 999, it lacks legal easement or authorization from these public roads, plus a new driveway must be installed by the owner. Thus, Parcel D is appraised with fair access. Sales Seven and Ten also have seasonal ingress/egress from a public road (forest or BLM), which are not open to vehicular travel during winter, and access to both comparables is rated as average. Thus, Sales Seven and Ten are similar to Parcel B in this regard, but slightly superior to Parcel D, with downward adjustment warranted for this analysis. However, Sales Eight and Nine both enjoy year-round access from a county road, which is somewhat superior to Parcel B, and substantially better than Parcel D. Thus, varying downward adjustments are made to these sales for access.
SALES COMPARISON APPROACH

Adjacent Land Uses can have a positive impact on property values, as the most desirable properties adjoin public lands on at least one boundary, with higher prices usually paid for better seclusion. Parcel B mostly borders public domain managed by the BLM or Gunnison National Forest, with private land to the west. It is also traversed by roadways with limited seclusion, with good adjacent land uses. Parcel D is a true inholding that is surrounded by public domain on Rio Grande National Forest, with desirable seclusion, and therefore is considered to have very good adjacent land uses. Sale Seven is a true inholding with great privacy, and this comparable has very good adjacent land uses that is slightly superior to Parcel B with downward adjustment made, but similar to Parcel D. Sale Eight borders public BLM land on two sides (which is less desirable than national forest), and has little privacy since it is bisected by a county road. It has average adjacent land uses, which is slightly inferior to Parcel B and somewhat inferior to Parcel D, with downward adjustments made. Sale Nine is mostly surrounded by public land but traversed by a forest road, while Sale Ten has private property on two sides but desirable seclusion. Both comparables have good adjacent uses, which is similar to Parcel B, but slightly inferior to Parcel D and upward adjustments are required.

Natural Features account for various physical attributes, such as topography, views, vegetation, water amenity (such as river, creek, lake, or ponds), irrigated acreage, and public utility services. This category also considers any adjudicated water rights, which generally enhance value of land, but the availability of public dry utilities has nominal impact as most inholdings are “off-the-grid”. Parcels B and D offer creek frontage (but no fishing resources), open grassland, some dense timber, mostly favorable terrain, desirable wildlife habitat, good views, and very good big-game hunting. Both properties are typical for the neighborhood, and considered to have average natural features. Sale Seven offers live water amenity in creeks and four ponds (could be stocked with trout), with good natural features that is slightly superior to the subjects, and required downward adjustments. Sale Eight has water rights for irrigation of pastureland, but the creek is not an enhanced fishery, and the ranch is mostly open rangeland with no timber. Sales Nine and Ten also have minor creek amenity and some timber, but no ponds or fishing. Because these three comparables are considered to have average natural features, they are similar to Parcels B and D with no adjustments required.

Property Size adjustments are based on the general rule that the smaller the parcel, the higher the unit price (and vice-versa). Since fewer users have the resources to acquire larger properties, less demand should result in a lower price per acre. The local market indicates a discount for larger holdings of more than 2,000 acres, and a premium for smaller homesites of less than seventy acres. Thus, Parcels B and D are of an average size at 159.69 acres as well as 157.99 acres, respectively. Both are bracketed by the comparable sales, which range widely in size from 53.49 to 497.16 acres. However, an examination of the sales considered for analysis provides strong evidence that size or land area has very little (if any) influence on the prices paid per acre for these private inholdings. For example, Sale Five is the largest holding at 1,243.67 acres, but the price per acre is higher than the other comparables selected for analysis. It does appear that a size adjustment is warranted for smaller parcels, as a forty-acre tract was assembled with Sale Five during 2021 at a price of $5,150 per acre. While adjustments are not required to Sales Seven, Eight, and Nine due to average size, a slight downward adjustment is made to Sale Ten since it is a smaller homesite at just 53.49 acres.

Zoning/Land Use is another consideration, since these regulations dictate permitted land uses and maximum development density. Generally, the highest prices are paid for commercial sites, with lower prices for agricultural uses. Parcels B and D are not formally zoned by Saguache County, but land use regulations allow one single-family residence per 35 acres of land area as use by right. Each comparable sale is also within the jurisdiction of Saguache County, with no official zoning but under the same land use regulations as the subject property, and adjustments are not required.
## COMPARABLE SALES SUMMARY AND ADJUSTMENT GRID
### NON-FEDERAL PARCEL B (MONCHEGO CREEK RANCH)

<table>
<thead>
<tr>
<th>Description</th>
<th>Subject Property</th>
<th>Comparable Sale Seven</th>
<th>Comparable Sale Eight</th>
<th>Comparable Sale Nine</th>
<th>Comparable Sale Ten</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification</td>
<td>Parcel B - Monchego Cr.</td>
<td>Hat Springs Inholding</td>
<td>Sheep Creek Ranch</td>
<td>Los Creek Ranch</td>
<td>Cochetopa Dome Cabin</td>
</tr>
<tr>
<td>General Location</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
</tr>
<tr>
<td>Access (type)</td>
<td>FSR 787 (seasonal use)</td>
<td>BLM 5245 (seasonal)</td>
<td>CR 33-EE (year-round)</td>
<td>CR NN-14 (year-round)</td>
<td>FSR 787 (seasonal use)</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Saguache County</td>
<td>Saguache County</td>
<td>Saguache County</td>
<td>Saguache County</td>
<td>Saguache County</td>
</tr>
<tr>
<td>Date of Sale</td>
<td>N/A</td>
<td>2/2/2022</td>
<td>11/8/2021</td>
<td>9/17/2021</td>
<td>6/21/2021</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>N/A</td>
<td>$840,000</td>
<td>$950,000</td>
<td>$1,540,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Deeded Acres</td>
<td>159.69</td>
<td>160.00</td>
<td>320.00</td>
<td>497.16</td>
<td>53.49</td>
</tr>
<tr>
<td>Price Per Acre</td>
<td>N/A</td>
<td>$5,250</td>
<td>$2,969</td>
<td>$3,098</td>
<td>$6,543</td>
</tr>
</tbody>
</table>

### Quantitative Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>Subject Property</th>
<th>Comparable Sale Seven</th>
<th>Comparable Sale Eight</th>
<th>Comparable Sale Nine</th>
<th>Comparable Sale Ten</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Improvements</td>
<td>None (as if vacant)</td>
<td>Rustic cabin</td>
<td>Home and sheds</td>
<td>Home and barn</td>
<td>Newer cabin</td>
</tr>
<tr>
<td>Contributory Value</td>
<td>$0</td>
<td>$100,000</td>
<td>$400,000</td>
<td>$300,000</td>
<td>$175,000</td>
</tr>
<tr>
<td>Price for Land Only</td>
<td>N/A</td>
<td>$740,000</td>
<td>$550,000</td>
<td>$1,240,000</td>
<td>$175,000</td>
</tr>
<tr>
<td>Land Price Per Acre</td>
<td>N/A</td>
<td>$4,625</td>
<td>$1,719</td>
<td>$2,494</td>
<td>$3,272</td>
</tr>
</tbody>
</table>

### Qualitative Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>Subject Property</th>
<th>Comparable Sale Seven</th>
<th>Comparable Sale Eight</th>
<th>Comparable Sale Nine</th>
<th>Comparable Sale Ten</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee Simple</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Financing Terms</td>
<td>Cash</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Normal</td>
<td>=</td>
<td>+</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Market Conditions (Time)</td>
<td>Current</td>
<td>=</td>
<td>+</td>
<td>+ +</td>
<td>=</td>
</tr>
<tr>
<td>Location</td>
<td>Fair</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Access</td>
<td>Average</td>
<td>=</td>
<td>- -</td>
<td>- -</td>
<td>=</td>
</tr>
<tr>
<td>Adjacent Land Uses</td>
<td>Good</td>
<td>-</td>
<td>+</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Natural Features</td>
<td>Average</td>
<td>-</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Property Size</td>
<td>Average</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>-</td>
</tr>
<tr>
<td>Zoning/Land Use</td>
<td>Rural Density</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Net Adjustments</td>
<td>- - +</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>-</td>
</tr>
</tbody>
</table>

### Indicated Market Value

- << $4,625 per acre
- > $1,719 per acre
- = $2,494 per acre
- < $3,272 per acre
### COMPARABLE SALES SUMMARY AND ADJUSTMENT GRID
#### NON-FEDERAL PARCEL D (SPANISH CREEK RANCH)

<table>
<thead>
<tr>
<th>Description</th>
<th>Subject Property</th>
<th>Comparable Sale Seven</th>
<th>Comparable Sale Eight</th>
<th>Comparable Sale Nine</th>
<th>Comparable Sale Ten</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification</td>
<td>Parcel D - Spanish Creek</td>
<td>Hat Springs Inholding</td>
<td>Sheep Creek Ranch</td>
<td>Los Creek Ranch</td>
<td>Cochetopa Dome Cabin</td>
</tr>
<tr>
<td>General Location</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
<td>Northwest of Saguache</td>
</tr>
<tr>
<td>Access (type)</td>
<td>FSR 999 (seasonal use)</td>
<td>BLM 5245 (seasonal)</td>
<td>CR 33-EE (year-round)</td>
<td>CR NN-14 (year-round)</td>
<td>FSR 787 (seasonal use)</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Saguache County</td>
<td>Saguache County</td>
<td>Saguache County</td>
<td>Saguache County</td>
<td>Saguache County</td>
</tr>
<tr>
<td>Date of Sale</td>
<td>N/A</td>
<td>2/2/2022</td>
<td>11/8/2021</td>
<td>9/17/2021</td>
<td>6/21/2021</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>N/A</td>
<td>$840,000</td>
<td>$950,000</td>
<td>$1,540,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Deeded Acres</td>
<td>157.99</td>
<td>160.00</td>
<td>320.00</td>
<td>497.16</td>
<td>53.49</td>
</tr>
<tr>
<td>Price Per Acre</td>
<td>N/A</td>
<td>$5,250</td>
<td>$2,969</td>
<td>$3,098</td>
<td>$6,543</td>
</tr>
</tbody>
</table>

#### Quantitative Adjustments

<table>
<thead>
<tr>
<th>Existing Improvements</th>
<th>None (as if vacant)</th>
<th>Rustic cabin</th>
<th>Home and sheds</th>
<th>Home and outbuildings</th>
<th>Newer cabin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributory Value</td>
<td>$0</td>
<td>$100,000</td>
<td>$400,000</td>
<td>$300,000</td>
<td>$175,000</td>
</tr>
<tr>
<td>Price for Land Only</td>
<td>N/A</td>
<td>$740,000</td>
<td>$550,000</td>
<td>$1,240,000</td>
<td>$175,000</td>
</tr>
<tr>
<td>Land Price Per Acre</td>
<td>N/A</td>
<td>$4,625</td>
<td>$1,719</td>
<td>$2,494</td>
<td>$3,272</td>
</tr>
</tbody>
</table>

#### Qualitative Adjustments

<table>
<thead>
<tr>
<th>Property Rights Conveyed</th>
<th>Fee Simple</th>
<th>=</th>
<th>=</th>
<th>=</th>
<th>=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Terms</td>
<td>Cash</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Normal</td>
<td>=</td>
<td>+</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Market Conditions (Time)</td>
<td>Current</td>
<td>=</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Location</td>
<td>Fair</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Access</td>
<td>Fair</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjacent Land Uses</td>
<td>Very Good</td>
<td>=</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Natural Features</td>
<td>Average</td>
<td>-</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Property Size</td>
<td>Average</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Zoning/Land Use</td>
<td>Rural Density</td>
<td>=</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Net Adjustments</td>
<td>-</td>
<td>+</td>
<td>=</td>
<td>=</td>
<td>-</td>
</tr>
<tr>
<td>Indicated Market Value</td>
<td>&lt;&lt; $4,625 per acre</td>
<td>&gt; $1,719 per acre</td>
<td>= $2,494 per acre</td>
<td>&lt; $3,272 per acre</td>
<td></td>
</tr>
</tbody>
</table>
SALES COMPARISON APPROACH

Summary of Sales for Parcels B and D

A summary of the adjustments made to each comparable sale, and resulting indication of market value for subject Parcel B as well as Parcel D (on a price per acre basis), is discussed as follows:

Sale Seven is located seven miles southwest of State Highway 114 in northwest Saguache County. This 160.00-acre inholding along Hat Springs Creek was acquired in February 2022 for $840,000, with a price for land only of $4,625 per acre after $100,000 is deducted for existing improvements. By direct comparison to Parcel B, only downward adjustments are warranted for slightly superior adjacent land uses as well as natural features. Moreover, a direct comparison to Parcel D resulted in downward adjustments for slightly superior access as well as natural features. This comparable is similar to both subject properties in other regards, with no inferior characteristics, and supports a market value for Parcel B as well as Parcel D that would be somewhat less than $4,625 per acre.

Sale Eight is Sheep Creek Ranch, which is two miles north of State Highway 114 along County Road 33-EE, in northwest Saguache County. This 320.00-acre property sold in November 2021 for a below market price of $950,000, which equates to $1,719 per acre after $400,000 is subtracted for the contributory value of the residence. By direct comparison to Parcel B, upward adjustments for improving market conditions since closing, below market conditions of sale, as well as slightly inferior adjacent land uses are mostly offset by a downward adjustment for somewhat better access. Moreover, a direct comparison to Parcel D entailed the same upward adjustments for improving market conditions and conditions of sale, as well as one for somewhat inferior adjacent land uses, which are mostly offset by a downward adjustment for substantially superior access. It is otherwise similar, and indicates a market value for Parcels B and D that is slightly more than $1,719 per acre.

Sale Nine is Los Creek Ranch, which is located eight miles south of State Highway 114 and within northwest Saguache County. It comprises 497.16 acres on County Road NN-14 that was bought in September 2021 for $1,540,000. After deducting $300,000 for the contributory value of existing improvements, the land only price equates to $2,494 per acre. By direct comparison to Parcel B, an upward adjustment for somewhat improving market conditions since closing is fully countered by downward adjustment for somewhat superior access. Moreover, direct comparison to Parcel D results in upward adjustments for improving market conditions as well as adjacent land uses, which are offset by downward adjustment for substantially superior access. It is similar in other regards, and indicates a market value for Parcels B and D that is roughly equivalent to $2,494 per acre.

Sale Ten is a 53.49-acre improved homesite near Cochetopa Dome in northwest Saguache County, which adjoins Parcel B to the west. It was purchased in July 2021 for $350,000, which equates to $3,272 per acre for land only after $175,000 is deducted for existing cabin. By direct comparison to Parcel B, only a downward adjustment is warranted for smaller property size, with no inferior factors. Moreover, a direct comparison with Parcel D required downward adjustments for slightly superior access as well as smaller property size, which are partially offset by an upward adjustment for slightly inferior adjacent land uses. This comparable is similar in other regards, and supports a market value for Parcel B as well as Parcel D that would be slightly lower than $3,272 per acre.
SALES COMPARISON APPROACH

Value Conclusion for Parcels B and D

After adjustments, the comparables indicate a value for Parcel B as well as Parcel D that is slightly higher than $1,719 per acre, similar to $2,494 per acre, slightly lower than $3,272 per acre, and somewhat less than $4,625 per acre. The average price for land only equates to $3,027 per acre, which is skewed upwards by two superior transactions, versus just one inferior sale. Equal weight was placed on each comparable, with consideration also given to other sales previously presented. Parcels B and D would achieve a much lower land value than indicated by Sales One through Six at $3,939 to $6,412 per acre due to their superior location near Crested Butte (and other factors). Sale Twelve lacks vehicular access, but also has a better location, and the subject parcels would command a similar land value of $2,438 per acre. However, they would be worth much more than Sales Twelve and Thirteen at $1,585 per acre as well as $1,000 per acre due to pedestrian access. Moreover, I am aware of several property sales situated south of Blue Mesa Reservoir that mostly adjoin public BLM lands at prices for land only in the range of about $2,000 to $3,000 per acre. Based on the foregoing, it is my opinion that the market supports a value for Parcel B as well as Parcel D of $2,500 per acre, with total market value for each subject property calculated as follows:

Market Value of Parcel B = 159.69 acres x $2,500 per acre = $399,225  Rounded to $400,000
Market Value of Parcel D = 157.99 acres x $2,500 per acre = $394,975  Rounded to $395,000

CONCLUDED MARKET VALUE OF NON-FEDERAL PARCEL B  $400,000
CONCLUDED MARKET VALUE OF NON-FEDERAL PARCEL D  $395,000
SALES COMPARISON APPROACH

Adjustments to Sales for Parcel C

Sales Eleven, Twelve, and Thirteen were compared to Parcel C, with an unadjusted price range of $1,000 to $3,094 per acre. Consideration was given to property rights conveyed, financing terms, conditions of sale, market conditions (time), location, access, adjacent land uses, natural features (i.e., water amenity, views, irrigated land, timber, terrain, utility availability, etc.), property size, as well as zoning/land use. Unfortunately, insufficient data exists in the local market to extract quantitative adjustments (i.e., percentage or dollar amounts) via a matched-pair analysis for most of these units. The only exception is the contributory (dollar) value of any existing improvements.

Existing Improvements may have contributory value if the structures will be used by the buyer, with Parcel C as well as Sales Eleven and Thirteen being vacant land. However, Sale Twelve had an existing cabin with estimated contributory value of $105,000. Deducting this amount from the total purchase price paid results in a land only price for Sale Twelve of $390,000 ($2,438 per acre).

After qualitative adjustments for improvements, the land only price range is narrower at $1,000 to $2,438 per acre. Each sale was then compared to the subject on a qualitative basis for other factors. Upward adjustments (“+”) are made for inferior conditions, with downward adjustments warranted for superior conditions (“-”), but no adjustment required if the condition is deemed similar (“=”). The magnitude of the adjustment may also be expressed by multiple qualitative indications (such as “+ +” or “- - -”). The value of the subject property should approximate the price of the most similar sale(s), and would be higher than the inferior sale(s) and lower than the superior sale(s).

Property Rights Conveyed can influence price if more or less than the fee simple estate transfers. For example, there may be a leasehold interest, or the surface rights may be sold separately from the subsurface rights. Although technically a real property right, the impact on purchase prices from any adjudicated water rights was considered in the adjustment category for natural features. Each comparable represents a transfer of fee simple title in the property, with no valuable mineral interests included in the purchase price paid for each transaction, or at the appraised subject parcel. Thus, no adjustments are warranted to the comparables for property rights conveyed.

Financing Terms can cause prices to be inflated if the debt that is obtained is favorable, compared to typical interest rates or loan-to-value ratios available from third party lenders (and vice-versa). The subject property is appraised as cash equivalent, and each comparable was all cash to seller. Since all of the sales are cash equivalent transactions, no adjustments were made for financing.

Conditions of Sale may influence prices when transactions are not considered to be arms-length. For example, the buyer may also be the adjacent owner and paid a premium, or the seller has been motivated to dispose of the property quickly and accepted a liquidation price (below market value). The subject property is appraised as an arms-length sale between a willing buyer as well as seller. Each comparable was confirmed to be an arms-length transaction at market value, with no unusual (i.e., above or below market) conditions of sale noted. This includes extraordinary verification for Sale Thirteen since it was to the federal government. Thus, no adjustments are made to the sales.
SALES COMPARISON APPROACH

Market Conditions (Time) are constantly changing, and real estate values tend to fluctuate over time with economic cycles and local trends. The comparables closed in April 2019, July 2021, or November 2021, and are most recent purchases of similar inholdings that lack vehicular access. The most reliable method to measure appreciation and/or depreciation in value over time is from a re-sale of the same property, and the comparables provide a few relevant examples. Sale Ten was purchased in June 2021 for $350,000, and listed for re-sale soon thereafter at asking price of $890,000, with no offers at this very aggressive amount (buyer only made upgrades to the cabin). An unsolicited purchase offer was recently received for Sale Nine at 30% more than the price paid in September 2021, which was not accepted. Thus, both comparables support some appreciation. As previously discussed in the market conditions analysis for Parcel A, Sale One re-sold for 53% more between July 2022 and October 2022, while a pending contract price for Sale Five represents more than twice the consideration paid for this assemblage in 2020 and 2021. However, both older transactions involved a motivated seller, and appreciation is greater in proximity to Crested Butte. Average sale prices within Saguache County are 36% higher than 2020, and inholding values in the subject neighborhood have escalated somewhat since then, with no active listings at this time. While Sales Eleven and Twelve are considered to be recent transactions that closed during 2021, an upward adjustment is made to Sale Thirteen since the purchase price was established in 2018.

Location takes into account desirability of the neighborhood, as well as proximity to services, amenities, and support facilities. Parcel C is situated north of the State Highway 114 corridor in Saguache County, about mid-distance between Gunnison and Saguache, which is just rated as fair. Sale Eleven also has a fair location in remote area of southeast Gunnison County, which is 55 road miles from Gunnison or Salida, and similar to the subject in this regard with no adjustment made. However, Sale Twelve has a good location about 25 miles east of Gunnison, while Sale Thirteen is twenty miles west of Gunnison and north of Blue Mesa Reservoir, which is rated as average. Thus, both comparables are superior to the subject and warranted varying downward adjustments.

Access takes into account ingress/egress from surrounding roads, which has a primary influence on value for mountain properties. Although most buyers are seeking solitude, the degree of access dictates land uses and types of residential housing allowed (i.e., seasonal use versus year-round). Parcel C only has pedestrian ingress/egress from Forest System Trail 769, which is rated as poor. Although Sale Eleven is within a short distance of Forest System Road 890, it lacks legal easement from this public roadway (the existing route is unauthorized), and is considered to have fair access. Thus, it is slightly to the subject in this regard, and warranted a downward adjustment. However, Sales Twelve and Thirteen only have pedestrian ingress/egress from a public trail, which is rated as poor and considered similar to the appraised property, with no adjustments required for access.

Adjacent Land Uses can have a positive impact on property values, as the most desirable properties adjoin public lands on at least one boundary, with higher prices usually paid for better seclusion. Parcel C is a true inholding that is surrounded by public domain on the Rio Grande National Forest, with desirable seclusion, and therefore is considered to have very good adjacent land uses. Sales Eleven, Twelve, and Thirteen are also mostly or completely surrounded by public domain on the Gunnison National Forest, with very good privacy. These comparables have very good adjacent land uses that is similar to the subject parcel, and thus adjustments are not warranted for this factor.
SALES COMPARISON APPROACH

**Natural Features** account for various physical attributes, such as topography, views, vegetation, water amenity (such as river, creek, lake, or ponds), irrigated acreage, and public utility services. This category also considers any adjudicated water rights, which generally enhance value of land, but the availability of public dry utilities has nominal impact as most inholdings are “off-the-grid”. Parcel C is a subalpine property that offers major creek frontage, mountain meadows, dense timber, mostly favorable terrain, prime wildlife habitat, good views, very good hunting, and some fishing. However, it lacks river frontage or irrigated land, and is considered to have good natural features. Sale Twelve is subalpine tract with seasonal streams, mountain meadows, timber, buildable land, wildlife habitat, very good hunting, and excellent views, but no trout fishing or live water amenity. Thus, it has good natural features, which is similar to the subject and no adjustment is warranted. Sales Eleven and Thirteen are mostly heavily wooded terrain on very steep hillsides, with seasonal stream and very good views at Sale Eleven, and live water but just average views at Sale Thirteen. Thus, both comparables are considered to have average natural features, which is slightly inferior to the appraised parcel, with upward adjustments required to each sale for this unit of comparison.

**Property Size** adjustments are based on the general rule that the smaller the parcel, the higher the unit price (and vice-versa). Since fewer users have the resources to acquire larger properties, less demand should result in a lower price per acre. The local market indicates a discount for larger holdings of more than 2,000 acres, and a premium for smaller homesites of less than seventy acres. Because Parcel C comprises 147.50 acres of land area, it is of an average size for the local market. This is bracketed by the comparables, which comprise 80.00 acres, 160.00 acres, and 170.33 acres. However, an examination of the sales considered for analysis provides strong evidence that size or land area has very little (if any) influence on the prices paid per acre for these private inholdings. For example, Sale Five is the largest holding at 1,243.67 acres, but the price per acre is higher than the other comparables selected for analysis. It does appear that a size adjustment is warranted for smaller parcels, as a forty-acre tract was assembled with Sale Five during 2021 at a price of $5,150 per acre. Since there is no conclusive data to indicate any measurable difference in the achievable price per acre for the comparable sales due to property size, no such adjustments were made.

**Zoning/Land Use** is another consideration, since these regulations dictate permitted land uses and maximum development density. Generally, the highest prices are paid for commercial sites, with lower prices for agricultural uses. Although Parcel C is not formally zoned by Saguache County, land use regulations allow one single-family residence per 35 acres of land area as a use by right. Each comparable is within the jurisdiction of Gunnison County, which also has no official zoning laws but similar land use regulations as the subject property, and adjustments are not required.
<table>
<thead>
<tr>
<th>Description</th>
<th>Subject Property</th>
<th>Comparable Sale Eleven</th>
<th>Comparable Sale Twelve</th>
<th>Comparable Sale Thirteen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification</td>
<td>Parcel C - Sheep Creek</td>
<td>Monarch Mining Claims</td>
<td>Fossil Ridge Inholding</td>
<td>Elk Creek Inholding</td>
</tr>
<tr>
<td>General Location</td>
<td>Northwest of Saguache</td>
<td>North of Sargents</td>
<td>Northeast of Gunnison</td>
<td>West of Gunnison</td>
</tr>
<tr>
<td>Access (type)</td>
<td>FST 769 (pedestrian)</td>
<td>FSR 890 (no legal road)</td>
<td>FST 479 (pedestrian)</td>
<td>FST 585 (pedestrian)</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Saguache County</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
<td>Gunnison County</td>
</tr>
<tr>
<td>Date of Sale</td>
<td>N/A</td>
<td>11/4/2021</td>
<td>7/1/2021</td>
<td>4/24/2019</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>N/A</td>
<td>$270,000</td>
<td>$495,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>Deeded Acres</td>
<td>147.50</td>
<td>170.33</td>
<td>160.00</td>
<td>80.00</td>
</tr>
<tr>
<td>Price Per Acre</td>
<td>N/A</td>
<td>$1,585</td>
<td>$3,094</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

### Quantitative Adjustments

<table>
<thead>
<tr>
<th>Existing Improvements</th>
<th>None (as if vacant)</th>
<th>None (vacant land)</th>
<th>Rustic cabin</th>
<th>None (vacant land)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributory Value</td>
<td>$0</td>
<td>$0</td>
<td>$105,000</td>
<td>$0</td>
</tr>
<tr>
<td>Price for Land Only</td>
<td>N/A</td>
<td>$270,000</td>
<td>$390,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>Land Price Per Acre</td>
<td>N/A</td>
<td>$1,585</td>
<td>$2,438</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

### Qualitative Adjustments

<table>
<thead>
<tr>
<th>Property Rights Conveyed</th>
<th>Fee Simple</th>
<th>=</th>
<th>=</th>
<th>=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Terms</td>
<td>Cash</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Normal</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Market Conditions (Time)</td>
<td>Current</td>
<td>=</td>
<td>=</td>
<td>++</td>
</tr>
<tr>
<td>Location</td>
<td>Fair</td>
<td>=</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Access</td>
<td>Poor</td>
<td>-</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Adjacent Land Uses</td>
<td>Very Good</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Natural Features</td>
<td>Good</td>
<td>+</td>
<td>=</td>
<td>+</td>
</tr>
<tr>
<td>Property Size</td>
<td>Average</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Zoning/Land Use</td>
<td>Rural Density</td>
<td>=</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Net Adjustments</td>
<td>=</td>
<td>-</td>
<td>-</td>
<td>++</td>
</tr>
<tr>
<td>Indicated Market Value</td>
<td>= $1,585 per acre</td>
<td>&lt;&lt; $2,438 per acre</td>
<td>&gt;&gt; $1,000 per acre</td>
<td></td>
</tr>
</tbody>
</table>
SALES COMPARISON APPROACH

**Summary of Sales for Parcel C**

A summary of the adjustments made to each comparable sale, and resulting indication of market value for Parcel C at the subject property (on the basis of price per acre), is discussed as follows:

**Sale Eleven** is located eleven miles north of U.S. Highway 50, within southeast Gunnison County, and situated about mid-way between the Cities of Gunnison and Salida. This 170.33-acre holding of vacant mining claims was purchased during November 2021 for $270,000, or $1,585 per acre. By direct comparison to the subject, a downward adjustment for slightly superior access is offset by upward adjustment for slightly inferior natural features. This comparable is otherwise similar, and supports a market value for Parcel C that would be roughly equivalent to $1,585 per acre.

**Sale Twelve** is located fifteen miles north of U.S. Highway 50 at Parlin, and 25 miles northeast of Gunnison, in northwest Gunnison County. This 160.00-acre parcel that borders the Fossil Ridge Wilderness Area sold in July 2021 for $495,000, which equates to $2,438 per acre after $105,000 is subtracted for the contributory value of an existing cabin. By direct comparison to the subject, only a downward adjustment is required for somewhat better location. It is similar in other regards, with no inferior factors, and indicates a somewhat lower value for Parcel C than $2,438 per acre.

**Sale Thirteen** is situated about twenty miles west of Gunnison in southwest Gunnison County, and is surrounded by the national forest with pedestrian ingress/egress from public trails. Both parcels comprise 80.00 acres, which were owned by a non-profit, but conveyed to the U.S. Forest Service in April 2019 at their appraised market value of $80,000, or $1,000 per acre. By direct comparison to the subject, upward adjustments for somewhat improving market conditions, as well as slightly inferior natural features, are partially offset by downward adjustment for slightly superior location. It is otherwise similar, and indicates a somewhat higher value for the subject than $1,000 per acre.

**Value Conclusion for Parcel C**

After adjustments, the comparables indicate a market value for Parcel C that is somewhat higher than $1,000 per acre, similar to $1,585 per acre, as well as somewhat lower than $2,428 per acre. The average price for land only is $1,674 per acre, with equal weight given to each comparable. Patented mining claims in Gunnison County without vehicular access generally bracket land only prices in the range of about $1,000 to $2,000 per acre, but most are less than twenty acres in size. Although somewhat subjective, a matched-pair analysis of regional sales data generally supports a 50% to 75% loss in value for rural parcels that lack vehicular access. For example, the indicated discount between Sale Six (has vehicular access) and Sale Twelve (just pedestrian access) is 57%. Applying diminution of 50% to 75% to Sale Seven, which is overall comparable to Parcel C except for access, indicates a land value without vehicular ingress/egress of $1,156 to $2,313 per acre. Based on the foregoing, it is my opinion that the market supports a current value for Parcel C of $1,675 per acre, with total market value for this 147.50-acre subject property calculated as follows:

\[
\text{Market Value of Parcel C} = 147.50 \text{ acres} \times 1,675 \text{ per acre} = 247,063 \quad \text{Rounded to} \ 245,000
\]

**CONCLUDED MARKET VALUE OF NON-FEDERAL PARCEL C** $245,000
The subject property is identified as Non-Federal Parcels A, B, C, and D for the Mt. Emmons Land Exchange, which comprise 625.18 total acres within Gunnison and Saguache Counties, Colorado. The parcels are privately owned by the proponent (Mt. Emmons Mining Company), and proposed for conveyance to the United States of America (USA) in exchange for Federal Parcels 1, 2 and 3, which comprise 550.48 acres on the Gunnison National Forest within Gunnison County, Colorado. Parcel A (Three Peaks Ranch) is a 160.00-acre inholding on the Gunnison National Forest, which is located 24 miles northwest of the City of Gunnison, within Gunnison County. It has direct but seasonal access to Forest System Road 737, creek frontage, meadow, timber, and very good views. The other parcels are approximately mid-distance between Gunnison and Saguache, south or north of the State Highway 114 corridor, within Saguache County. Parcel B (Monchego Creek Ranch) comprises 159.69 acres that is mostly surrounded by the Gunnison National Forest, with direct but seasonal access to Forest System Road 787, minor creek, grassland, some timber, and good views. Parcel C (Sheep Creek Ranch) comprises 147.50 acres with creek frontage, meadows, timber, good views, but just pedestrian ingress/egress from Forest System Trail 769. Parcel D (Spanish Creek Ranch) comprises 157.99 acres with minor creek, grassland, timber, and good views. It is situated near Forest System Roads 810 and 999, but has potential for seasonal access from either roadway with legal authorization and new driveway. Parcels C and D are both inholdings on the Rio Grande National Forest that are situated one mile apart. The subject property was determined to comprise four larger parcels for analysis that were appraised as separate units (i.e., Parcels A, B, C, and D).

The valuation analysis and conclusion is contingent upon certain definitions, assumptions, limiting conditions, appraisal instructions, as well as certification, which are set forth in the attached report. As instructed in writing by the client, and clearly identified in the Statement of Work, this appraisal was made pursuant to one extraordinary assumption that is stated below (which presume as fact otherwise uncertain information about the subject property that could alter the appraiser’s opinions or conclusions if found to be false), but no hypothetical conditions (which are contrary to what existed as of the effective date of the appraisal, but supposed for the purpose of analysis). It is also subject to a Jurisdictional Exception regarding development of a reasonable exposure time opinion.

**Extraordinary Assumption**

The appraisal is pursuant to an extraordinary assumption that the subject parcels are unaffected by recognized environmental conditions (the use of which may have affected the assignment results).

The Sales Comparison Approach was the only technique employed to value the subject property, as the Cost Approach and Income Capitalization Approach were not appropriate in this instance. Based on my inspection of the subject as well as surrounding environs, analysis of relevant data, and preparation of the foregoing analyses, it is my opinion that the market value of the fee simple interest in all four Non-Federal Parcels, which is effective as of November 21, 2022, is $1,940,000. This total value is the sum of Parcel A ($900,000 at $5,625 per acre), Parcel B ($400,000 at $2,500 per acre), Parcel C ($245,000 at $1,675 per acre), and Parcel D ($395,000 at $2,500 per acre). Although considered, there is no market evidence for an impact on value (i.e. discount or premium) if all four Non-Federal Parcels were acquired as one package in a single transaction. The supply of private inholdings in the local area is scarce, but the typical buyer would not pay a premium for assemblage, nor apply a bulk discount (which is only required for valuation of five or more tracts). The total value of $3,103 per acre is applicable to potential configurations of the entire holding, as well as each larger parcel, at a size range of 80.00 to 640.00 acres. This is supported by analysis of the comparables, with no difference in prices per acre for properties of seventy to 2,000 acres.
ADDENDA
QUALIFICATIONS OF KEVIN A. CHANDLER, MAI

**Education**
Master of Arts, Real Estate and Urban Analysis, University of Florida
Bachelor of Science, Business Administration (Finance), University of Florida

**Affiliations**
Member, Appraisal Institute (MAI)
Certified General Appraiser, State of Colorado

**Experience**
Chandler Consulting, Inc., Western Colorado (2001 to Present)
   Commercial and Rural Real Estate Appraisal and Consulting
Concorde Investments, Inc., Tampa, Florida (1998 to 2000)
   Commercial Real Estate Development and Other Investments
   Brokerage and Site Selection for Boston Market and Einstein Bagels
Arthur Andersen, LLP, Atlanta, Georgia (1993 and 1994)
   Commercial Real Estate Appraisal and Business Valuation
Real Estate Marketing Consultants, Tampa, Florida (1991 and 1992)
   Commercial Real Estate Appraisal and Consulting

**Seminars**
The Valuation of Water Rights in Colorado
Appraising Agricultural Land in Transition
Uniform Appraisal Standards for Federal Land Acquisitions
Condemnation and Litigation Appraising, Advanced Topics

**Assignment Types**
Federal Land Exchanges
Special Use Authorizations
Conservation Easements
Mountain Ranches and Resorts
Commercial Properties
Going Concern and Special-Use
Subdivision Analysis
Market and Feasibility Studies

**Representative Clients**
U.S. Forest Service (USDA)
Appraisal & Valuation Services Office (DOI)
Various Qualified Land Trusts
Various Individuals and Entities
Various Commercial Lenders
The Conservation Fund
Colorado Division of Parks and Wildlife
Routt and Eagle Counties (expert witness)
STATE CERTIFIED GENERAL APPRAISER LICENSE

Colorado Department of Regulatory Agencies
Division of Real Estate
Kevin Andrew Chandler
Certified General Appraiser

CG40022860 12/26/2020
License Number Issue Date
Active 12/31/2022
License Status Expiration

Verify this license at http://dora.colorado.gov/dre

Director: Marcia Waters Licensee Signature

---

CERTIFICATE OF ATTENDANCE

Kevin A. Chandler
Chandler Consulting Chandler Consulting 750 Continental Ct
Grand Junction, CO 81501-1117

has attended
Uniform Appraisal Standards for Federal Land Acquisitions
Denver, CO
06/21/2017 – 06/23/2017

Student attended all instructional presentations

Course Hours: 21
This course is approved by the Colorado Appraisal Board and the AOS

Brian Stockham
Executive Vice President
9/28/2017

The American Society of Farm Managers and Rural Appraisers, Inc.
720 S. Colorado Blvd., Suite 360-S, Glendale, Colorado 80246 • (303) 788-3813
STATEMENT OF WORK

APPRAISAL STATEMENT OF WORK FOR THE PROPOSED MT. EMMONS LAND EXCHANGE

UP TO FOUR NON-FEDERAL PARCELS TOTALING 625.00 ACRES +/- IN SIZE WITHIN THE BOUNDARIES OF THE GRAND MESA, UNCOMPAGHRE AND GUNNISON NATIONAL FORESTS AND THE RIO GRANDE NATIONAL FOREST IN GUNNISON AND SAGUACHE COUNTIES, COLORADO

AND THREE FEDERAL PARCELS TOTALING 551.00 ACRES +/- IN SIZE WITHIN THE BOUNDARIES OF THE GRAND MESA, UNCOMPAGHRE AND GUNNISON NATIONAL FORESTS IN GUNNISON COUNTY, COLORADO

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on July 19, 2022.

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Size (acres)</th>
<th>County</th>
<th>Forest</th>
<th>District</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Federal Parcel A – Three Peaks Ranch</td>
<td>160.00</td>
<td>Gunnison</td>
<td>GMUG</td>
<td>Gurnison</td>
<td>Mt. Emmons-Mining Company</td>
</tr>
<tr>
<td>Non-Federal Parcel B – Moncacho Creek</td>
<td>159.69</td>
<td>Saguache</td>
<td>GMUG</td>
<td>Saguache</td>
<td>Mt. Emmons-Mining Company</td>
</tr>
<tr>
<td>Non-Federal Parcel C – Sheep Creek</td>
<td>147.50</td>
<td>Saguache</td>
<td>Rio Grande</td>
<td>Saguache</td>
<td>Mt. Emmons-Mining Company</td>
</tr>
<tr>
<td>Non-Federal Parcel D – Spanish Creek</td>
<td>157.99</td>
<td>Saguache</td>
<td>Rio Grande</td>
<td>Saguache</td>
<td>Mt. Emmons-Mining Company</td>
</tr>
<tr>
<td>Non-Federal Property: maximum of 625.18 acres</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Parcel 1 – Lands east of MEMC patented mineral surveys</td>
<td>465.84</td>
<td>Gunnison</td>
<td>GMUG</td>
<td>Gunnison</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 2 – Lands west of MEMC patented mineral surveys</td>
<td>81.49</td>
<td>Gunnison</td>
<td>GMUG</td>
<td>Gunnison</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 3 – Mineral Survey Fraction north of MEMC patented mineral surveys</td>
<td>3.15</td>
<td>Gunnison</td>
<td>GMUG</td>
<td>Gunnison</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Property: maximum of 550.48 acres</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The purpose of these appraisals is to derive a single market value conclusion of a fee simple interest in the package of Federal lands, and a single market value conclusion of a fee simple interest in the non-Federal land. Therefore, the market analyses should consider whether or not there is a single-transaction value impact in the Federal lands and in the non-Federal lands.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the Federal property as a whole, and an acreage range in which that unit value remains valid for use. The appraisal should also provide a unit value (per acre) for the non-Federal property as a whole, and unit values (per acre) of each of the above non-Federal Parcels A, B, C, and D as each contributes to the property as a whole and acreage ranges in which those unit values remain valid for use.

The appraisals must apply the market value definition specified within 36 CFR 254, Subpart A, 254.2. The intended use of the appraisals is to provide the basis for the potential, voluntary land exchange. The appraiser shall recognize the Forest Supervisor for the Grand Mesa, Uncompahgre and Gunnison National Forests as the client. The intended users shall, in addition to the client, include Regional Appraiser Charles Brown, Lands/Realty personnel attached to the Grand Mesa, Uncompahgre and Gunnison National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, representatives of the Western Land Group, Inc., and representatives of Mt. Emmons Mining Company.

If clarification of these instructions is needed and/or to arrange for site inspection and pre-work meeting, the appraiser shall contact:

Charles Brown, MAI, Regional Appraiser  
USDA Forest Service, Rocky Mountain Region  
1617 Cole Boulevard, Lakewood, CO 80401  
720-614-4037 (phone)  
Charles.brown@usda.gov

Details of the property, including legal descriptions and the estate to appraise, are contained in the Agreement to Initiate executed July 19, 2022, Commitment for Title Insurance Order No. GUC88004135, Commitment for Title Insurance Order No. 20947, the Preliminary Land Description Verification forms, and other documents included in this SOW and/or to be provided to the contract appraiser.
GENERAL SPECIFICATIONS

**Comprehensive Review** – A value opinion is acceptable for agency use only after a Forest Service review appraiser has approved the appraisal report for agency use. As an alternative to disapproval, the staff review appraiser may discuss findings of deficiency and request corrections. Therefore, the assignment is not complete until the appraiser receives a copy of the Agency’s technical review report.

**Confidentiality** – The appraiser may provide information about the assignment, appraisal results, or portions thereof only to the Forest Service review appraiser. Appraisals may only be distributed to the intended users after the technical review is completed.

**Federal Law Controls** – Federal law may differ from the law of some states and supersedes State law when they conflict. Accordingly, the appraiser must understand Federal law as it affects the appraisal process in the opinion of market value.

**UASFLA and USPAP Conflicts** – In those uncommon instances where the UASFLA and the USPAP conflict, the UASFLA takes precedence. If it is necessary to invoke the Jurisdictional Exception Rule to the USPAP to meet certain provisions of the UASFLA, such action must include a citation of the overriding federal policy, rule, or regulation that requires it. Any jurisdictional exceptions not specifically cited in the UASFLA must be discussed with the Forest Service review appraiser.

**Definition of Terms** – Unless specifically defined herein or in current editions of either the USPAP or the UASFLA, definitions of all terms are the same as those found in the current edition of *The Dictionary of Real Estate Appraisal* published by the Appraisal Institute. The UASFLA takes precedence in any differences among definitions.
**Freedom of Information Act** — Freedom of Information Act (FOIA) provisions may result in the release of all or part of the appraisal report. If providers of information gathered by the appraiser request it be kept confidential, that information is not to be included in the report. The appraiser must make confidential information available to the Forest Service review appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA. The appraiser must also indicate if the report is private or closely-held in accordance with industry practices.

**Updating of Report** — At the Government’s request (and within two years of the date of report), the appraiser shall update the value opinion as of a specified date. A supplemental contract will be negotiated as necessary.

**Testimony** — Upon the request of the United States Attorney or the Department of Justice, the contract appraiser shall testify regarding the appraisal. A supplemental contract will be negotiated as necessary.

**Performance** — Unless otherwise stated, the contract appraiser (appraiser) shall furnish all materials, supplies, tools, equipment, personnel, travel, and shall complete all requirements including performance of the professional services listed herein. The appraiser shall assume responsibility for all work, including the selection of subcontractors and their work products. The appraiser must notify the Forest Service review appraiser of the selection of all subcontract appraisers or specialists before they start work. The appraiser shall present specialist and consulting reports in the addenda to the appraisal report or make them available for inspection by the Forest Service review appraiser.

**GENERAL APPRAISAL REPORT SPECIFICATIONS**

The following specifications required by the Forest Service are in addition to those set forth in *Uniform Standards of Professional Appraisal Practice* (USPAP) and the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA).

**Report Format** — Unless otherwise specified in the following Assignment Instructions, the appraisal reports should contain all applicable components listed in UASFLA Appendix B. Any question as to their applicability shall be determined by the Forest Service review appraiser.

**Examination Notice** — The appraiser shall provide the private landowner advance notice of the examination date and give the private landowner, or their designated representative(s), an opportunity to accompany the appraiser during the inspection of the property. These notices shall be documented in the transmittal letter accompanying the appraisal report.

**Statement of Assumptions and Limiting Conditions** — Since all appraisal reports submitted to the Forest Service become the property of the United States and may be used for any legal and proper purpose, do not include any conditions that limit distribution of the report. Uses of un instructed extraordinary assumptions or hypothetical conditions invalidate the appraisal.

**Maps** — Include detailed topographic and aerial imagery of the appraised property with the property boundaries and dimensions delineated. Significant encumbrances and both legal and physical access routes must be shown.

**Zoning** — Determine “consistent” zoning (and other land use restrictions) of Federal land by research and analysis, not by assumption.
Highest and Best Use – Conduct sufficient depth of market analysis to provide a credible opinion of value, considering the complexity of the assignment and the volatility of the market.

Comparable Sales – Inspect all sales directly compared with appraised property sufficiently for credible analysis and comparison. Discuss unusual circumstances that preclude on-the-ground inspection with the Forest Service review appraiser prior to completion of the appraisal reports.

At a minimum, document all direct comparable sales with:

- Parties to the transaction
- Date of transaction
- Recordation data
- Verification of the price, terms, and conditions of sale with buyer, seller, broker, or other knowledgeable person. Include the verifying party’s telephone number.
- Person who verified the transaction and verification date
- Buyer motivation
- Location
- Legal and physical access
- Size
- Legal description
- Property rights conveyed
- Consideration
- Financing terms
- Sale conditions, such as arm’s length or distressed
- Improvements
- Physical description (topography, vegetative cover, water influence, and other characteristics.)
- Non-realty items
- Economic characteristics
- Zoning
- Current use
- Highest and best use
- Topographic map
- Photographs

Include a list of the sales considered, but not actually used, in the addenda. Cite pertinent facts such as date, size, buyer and seller, price, terms, location, and explain why each sale was not used. Alternatively, this information could be presented in the market analysis section of the report.

Addenda/Other Pertinent Exhibits – Present in the addenda additional data such as documents and charts pertinent to the valuation and referred to in the body of the report. Include a copy of this document (statement of work prepared specifically for the assignment), specialist reports, and supporting documents that describe the property rights appraised in the addendum of the appraisal report.

Qualifications – Include the qualifications of all appraisers or technicians who made significant professional contributions and include a copy of the current Certified General Appraiser license issued by the State of Colorado within the Addenda to the appraisal report.
ASSIGNMENT INSTRUCTIONS

**Problem Identification** – Both the USPAP and the UASFLA identify seven critical assignment elements necessary to ensure appraisals are credible, reliable, and accurate. The purpose of these assignment instructions is to convey these elements; however, the appraiser shall conduct the due diligence they deem necessary to fully understand the following:

- client
- intended users
- intended use
- type and definition of value
- effective date
- relevant characteristics about the subject property
- assignment conditions

**Client** – The appraiser shall recognize the Forest Supervisor for the Grand Mesa, Uncompahgre and Gunnison National Forests as the client.

**Intended Users** – The intended users shall, in addition to the client, include Regional Appraiser Charles Brown, Lands/Realty personnel attached to the Grand Mesa, Uncompahgre and Gunnison National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, representatives of the Western Land Group, Inc., and representatives of Mt. Emmons Mining Company.

Dissemination of appraisal reports to the intended users – other than the Forest Service review appraiser – will be after the technical review is completed by the Forest Service review appraiser.

**Intended Use** – The intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange between the collective non-Federal party, as represented by Western Land Group, Inc., and the USA, as represented by the USDA Forest Service, of the property identified in Exhibits A and B of the Agreement to Initiate, “as if” the Federal lands were in private ownership, zoned consistent with other non-Federal properties in the area, and available for sale in the open market.

**Type and Definition of Value** – The type of opinion of value to be developed is market value. The definition of market value as defined at 36 CFR 254, Subpart A, 254.2 must be used:

> Market Value means the most probable price in cash, or terms equivalent to cash, which lands or interests in lands should bring in a competitive and open market under all conditions requisite to a fair sale, where buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence.

A specific exposure time shall not be cited in an appraisal report prepared under the UASFLA. Invoke the Jurisdictional Exception Rule to avoid a violation of the USPAP standards, which require the development of a specific exposure time.
Suggested language for the Jurisdictional Exception follows:

The *Uniform Appraisal Standards for Federal Land Acquisitions* provide that the appraiser shall not link an opinion of market value to a specific exposure time. This is contrary to Standards Rule 1-2(c) of the 2020-2021 edition of the *Uniform Standards of Professional Appraisal Practice*, and is considered a Jurisdictional Exception.

**Effective Date** – All appraisals must be effective as of the same date of value. Delivery of appraisal reports to the Forest Service review appraiser shall be as close as possible to the date of the value opinion and within 30 days of the inspection of the Federal and non-Federal parcels. If the date of value is later than the last date of inspection, report the steps taken to verify the physical features of the parcels as of the date of value (e.g. no significant wild fires, beetle infestations, landslides, etc.).

**Relevant Characteristics about the Subject Property:**

**Property Interest(s) to be Appraised** – For non-Federal Parcel A, the estate appraised shall consist of all rights, title, and interests subject to any outstanding Requirements listed in Schedule B, Part I of the December 22, 2021, Commitment for Title Insurance Order No. GUC88004135. In addition, Schedule B, Part II identifies 12 Exceptions. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.

For non-Federal Parcels B, C, and D, the estate appraised shall consist of all rights, title, and interests subject to any outstanding Requirements listed in Schedule B - Part I of the December 7, 2021, Commitment for Title Insurance Order No. 20947. In addition, Schedule B - Part II identifies eight Standard Exceptions and six Special Exceptions. The impact to value, if any, shall be discussed for each of the Requirements and Standard and Special Exceptions.

The USA would not be acquiring any water rights. While MEMC owns water rights at non-Federal Parcel A (Three Peaks Ranch), the Forest has elected not to acquire them, and they should not be considered in the analysis. No Federal parcel-associated water rights will be conveyed by USA into private ownership as part of this exchange.

All the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Unpatented mining claims owned by the non-Federal Party cover the entirety of Federal Parcels 1 and 2. There are no unpatented mining claims on Federal Parcel 3. The non-Federal Party agrees at or prior to the exchange closing to relinquish the following unpatented claims held by Mount Emmons Mining Company: the 28 mining claims on Federal Parcel 1 and the four mining claims on Federal Parcel 2 that lay entirely within these Federal Parcels and those portions of the 23 mining claims on Federal Parcel 1 and one mining claim on Federal Parcel 2 that lay partially within these Federal Parcels. A mineral potential report is being developed and a preliminary draft of that report is included with the attachments.

The Forest Service has determined that the existing improvements on the non-Federal parcel A, including the ranch house, shed, access road, fencing, headgates and other miscellaneous structural improvements are not needed once the parcel is in Federal ownership. The domestic well will remain. The Non-Federal Party has agreed to remove these improvements at its expense under guidelines contained in a removal and rehabilitation plan including a map of all improvements and timeline for removal that will be prepared by the Non-Federal Party and approved by the Forest Service. The appraisal shall assign no value to improvements as they are not included in the estate to be appraised.
There are roads on non-Federal Parcel B. There is a plastic waterline under an easement issued by MEMC. A cabin near the south boundary of non-Federal Parcel B has been determined to occupy NFS land per the Forest Surveyor in consultation with BLM cadastral surveyor. Road access to this cabin is likely on a road north of the cabin, which runs northerly through non-Federal Parcel B, then across NFS land (unauthorized) where it connects with NFSR 787. The District Ranger is determining the ownership of the cabin and eventual disposition, with the road remaining until then. Another road runs from NFSR 787 within the northwestern 40-acre section of this parcel then crosses onto NFS land (unauthorized) in a northwesterly direction parallel to Monchego Creek where it forks and provides access to two 40-acre parcels (Coleman and Strad are the owners) on private land immediately west of the NF and MEMC western boundaries. The District Ranger is determining whether to authorize these roads – no formal notification to the two landowners have occurred. Coleman’s water pipeline while under easement within the non-Federal Parcel is unauthorized where it crosses NFS land and the District Ranger will be determining whether to authorize its occupancy.

On non-Federal Parcel C there are old structures (likely a ranch house and barn or livestock pen), old ranching implements, and faint remnants of irrigation ditches. The house has a 1943 date inscribed on one wood panel. There is some boundary fencing. These would all remain.

On non-Federal Parcel D there are two roads into the parcel and some boundary fencing. The roads and fencing would remain.

All improvements on Federal Parcel 1 other than the NFS roads, NFS trail, and county road are owned by the non-Federal Party (i.e., water treatment plant, storage buildings, tailing storage facility, retention ponds, etc.) and will remain. Utilities are provided by a Gunnison County Electric Association, Inc. (GCEA) overhead powerline and a CenturyLink telephone line. There are no improvements on Federal Parcel 2 other than the NFS road and NFS trail. There are no improvements on Federal Parcel 3.

Vehicular access to Federal Parcels 1 and 2 is off Kebler Pass Road (CR12) on NFSR 732. The first 350 feet of NFSR 732 crosses private land prior to reaching the Forest boundary (eastern boundary of Federal Parcel 1). This alignment for NFSR 732 off Kebler Pass Road first appears on the 1961 Mt. Axtell 1:24,000 topographic quadrangle, the first topo quad USGS produced for this area, and has been shown on Gunnison National Forest maps since 1965. Although this road segment has been used by owners of the Keystone Mine property and the USFS for at least 50+ years, there is no recorded easement granting access through the property. As such, while MEMC is seeking to acquire an easement or fee title to the road from the landowner, it is likely MEMC has a prescriptive easement, the Forest Service has a prescriptive easement, and the County has a public road easement, though none in writing. Federal Parcel 3 has no road or trail access.

**Legal Description** – The legal descriptions and reservations are identified in Exhibits A and B of the Agreement to Initiate included as an attachment. The appraiser shall consider any impact to value of all reservations and outstanding rights detailed in the Agreement to Initiate.

**Pre-work Conference, Property Inspection, and Contacting Landowners** – The appraiser signing the report will attend a pre-work conference for discussion and understanding of these instructions. The pre-work conference may be held telephonically. Invited attendees to the pre-work conference and the site inspection shall include at least one representative of the Western Land Group, Inc., a representative of Mt. Emmons Mining Company, and at least one representative of the Grand Mesa, Uncompahgre and Gunnison National Forests in addition to the appraiser and the USDA Forest Service Forest Service
Additional Information – The following documents are included as attachments to this SOW:

- Request for Appraisal Services dated July 28, 2022
- Agreement to Initiate executed July 19, 2022
- Preliminary Land Description Verification forms (Note: the LDVs are Preliminary not finalized versions and the final acreages may revise).
- Commitment for Title Insurance Order No. GUC88004135 effective December 22, 2021 covering the non-Federal Parcel A
- Commitment for Title Insurance Order No. 20947 effective December 7, 2021 covering the non-Federal Parcels B, C, and D
- Commitment for Title Insurance supporting documents
- Federal and non-Federal Land Status Reports

Assignment Conditions – The report must conform to 36 CFR 254 (Subpart A), the most recent editions of the Uniform Appraisal Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal Practice, as well as the specifications and assignment instructions contained herein.

The use of an uninstructed assumption or hypothetical condition that results in other than “as is” market value will invalidate the appraisal. Include only factors relating to the appraisal problem. Assumptions and limiting conditions that are speculative in nature are inappropriate. Do not include limiting conditions that significantly restrict the application of the appraisal.

Since environmental site assessment work has yet to be completed, the appraisal reports shall clearly and conspicuously state the one following extraordinary assumption:

_The appraisal is subject to the extraordinary assumption that the Federal Parcels 2 and 3, and the non-Federal Parcels are unaffected by recognized environmental conditions. The use of this extraordinary assumption may have affected the assignment results._

Three hypothetical conditions are identified within this statement of work that are applicable to the assignment:

1 - In analyzing the value of the Federal property, the appraiser has assumed that the lands and interests are in private ownership, zoned consistent with similar non-Federal properties in the area, and are available for sale on the open market in accordance with 36 CFR 254, Subpart A, 254.9(b)(1)(ii). As this is contrary to what existed as of the effective date of appraisal, it is noted as a hypothetical condition.

2 - Since in this proposed land exchange, Federal Parcel 1 would be conveyed to the Potentially Responsible Party (PRP), Federal Parcel 1 is appraised under the hypothetical condition that the land is unaffected by recognized environmental conditions. As this is contrary to what existed as of the effective date of appraisal, it is noted as a hypothetical condition. The use of this hypothetical condition might have affected the assignment results.
3 - In analyzing the value of the Federal property, the appraiser has assumed that non-Federal Party-owned improvements on Federal Parcel 1, including water treatment plant, storage buildings, and tailing storage facility do not exist. As this is contrary to what existed as of the effective date of appraisal, it is noted as a hypothetical condition. The use of this hypothetical condition might have affected the assignment results.

It is anticipated that no other extraordinary assumptions nor hypothetical conditions will be necessary to achieve credible results. If an issue arises during the development of the appraisal that would necessitate use of such, the Forest Service review appraiser must be consulted and supplemental instructions issued prior to completion of the assignment.

**Scope of Work** – UASFLA requires the appraiser to make a larger parcel determination in all appraisals. The appraiser shall not consider land outside the property described in the Agreement to Initiate for either larger parcel determination or in reaching a conclusion of the highest and best use (UASFLA, Section 1.12); however, it must be shown if the appraised tracts each consist of one or more larger parcels.

The appraiser shall conduct all investigations necessary to provide credible results including market/marketableability analyses using inferred demand studies. The three approaches to value shall be considered and the applicability of each approach shall be discussed. The exclusion of any approach to value shall be supported and explained.

The definition of highest and best use as defined at 36 CFR 254, Subpart A, 254.2 must be used:

An appraiser’s supported opinion of the most probable and legal use of a property, based on market evidence, as of the date of valuation.

The highest and best use conclusion must be clearly supported by market evidence. Sale to the United States or other public entity is not an acceptable highest and best use. The use to which the government will put the property after it has been acquired is, as a general rule, an improper highest and best use. A non-economic highest and best use such as “conservation,” “natural lands,” “preservation,” or any use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to base an opinion of market value.

If speculation or investment is the highest and best use of the property, describe and explain its interim and most probable ultimate use. When there is a claim that the highest and best use of a property is something other than the property’s existing use, the burden of proof is on the appraiser to provide sufficient rationale to support the conclusion. Market value cannot be predicated upon potential uses that are speculative and conjectural.

Nearby arm’s length transactions, comparable to the land under appraisement, reasonably current, are the best evidence of market value. The Federal courts recognize the sales comparison approach as being normally the best evidence of market value.

The development approach (a.k.a. the subdivision approach and discounted cash flow analysis) should not be relied upon as the primary indicator of value when comparable sales are available with which to accurately conclude the property’s market value. The appraiser shall adhere to UASFLA direction pertaining to this highly sensitive and complex method of valuation.
Analyze the last 10-years of sale history of each subject property. An unsupported claim that a sale of the subject property was a forced sale, or is not indicative of its current value, is unacceptable. Conversely, previous sales of the subject property shall be analyzed in light of other data from the marketplace.

When supportable by market evidence, the use of quantified adjustments is preferred. Percentage and dollar adjustments may, and often should, be combined. Resort to qualitative adjustments when there is inadequate market data to support quantitative adjustments. Factors that cannot be quantified are dealt with in qualitative analysis. When quantitative and qualitative adjustments are both used in the adjustment process, all quantitative adjustments should be made first. Within the Sales Comparison Approach to value, include a sales adjustment chart summarizing the adjustments and showing the final adjusted sale prices and how the sales compare with the subject property.

Appraisal Report Format and Delivery – The assignment consists of the preparation of an appraisal report. Though the USPAP allows for two written reporting options, the restricted appraisal report option is not permitted by these assignment instructions since a restricted appraisal report cannot be reviewed to the level of detail required for federal acquisition appraisals. The appraiser shall submit to the Forest Service review appraiser a final appraisal report. “Draft” copies will not be accepted. The Forest Service review appraiser will then review the final appraisal report for acceptance or recommended revisions. Dissemination of the report may occur only after technical review and approval by the Forest Service review appraiser.

The face of the report shall be labeled to identify the appraised property and to show the appraiser’s name and address and the date of the appraisal. All pages of the report, including the exhibits, shall be numbered. An electronic copy of the report is preferred, but not required. If a hard-copy is submitted, it shall be typewritten on bond paper sized 8 1/2 by 11 inches, with all parts of the report legible, and bound with a durable cover.
ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule A

Order Number: GUC88004135

Property Address:
5277 COUNTY ROAD 737, GUNNISON, CO 81230

1. Effective Date:
12/22/2021 at 5:00 P.M.

2. Policy to be Issued and Proposed Insured:
"ALTA" U.S. POLICY 12-03-12
Proposed Insured:
UNITED STATES OF AMERICA

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:
A FEE SIMPLE

4. Title to the estate or interest covered herein is at the effective date hereof vested in:
MT. EMMONS MINING COMPANY, A DELAWARE CORPORATION

5. The Land referred to in this Commitment is described as follows:

TOWNSHIP 14 SOUTH, RANGE 86 WEST, 6TH P.M.:
SECTION 28: SW¼NW¼, NW¼SW¼
SECTION 29: SE¼NE¼, NE¼SE¼

COUNTY OF GUNNISON,
STATE OF COLORADO.
ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule B, Part I
(Requirements)

Order Number: GUC88004135

All of the following Requirements must be met:

   This proposed insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

   Pay the agreed amount for the estate or interest to be insured.

   Pay the premiums, fees, and charges for the Policy to the Company.

   Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

1. DULY EXECUTED AND ACKNOWLEDGED STATEMENT OF AUTHORITY SETTING FORTH THE NAME OF MT. EMMONS MINING COMPANY, A DELAWARE CORPORATION AS A LIMITED LIABILITY COMPANY. THE STATEMENT OF AUTHORITY MUST STATE UNDER WHICH LAWS THE ENTITY WAS CREATED, THE MAILING ADDRESS OF THE ENTITY, AND THE NAME AND POSITION OF THE PERSON(S) AUTHORIZED TO EXECUTE INSTRUMENTS CONVEYING, ENCUMBERING, OR OTHERWISE AFFECTING TITLE TO REAL PROPERTY ON BEHALF OF THE ENTITY AND OTHERWISE COMPLYING WITH THE PROVISIONS OF SECTION 38-30-172, CRS.

   NOTE: THE STATEMENT OF AUTHORITY MUST BE RECORDED WITH THE CLERK AND RECORDER.

2. A FULL COPY OF THE FULLY EXECUTED OPERATING AGREEMENT AND ANY AND ALL AMENDMENTS THERETO FOR MT. EMMONS MINING COMPANY, A DELAWARE CORPORATION MUST BE FURNISHED TO LAND TITLE GUARANTEE COMPANY. SAID AGREEMENT MUST DISCLOSE WHO MAY CONVEY, ACQUIRE, ENCUMBER, LEASE OR OTHERWISE DEAL WITH INTERESTS IN REAL PROPERTY FOR SAID ENTITY.

   NOTE: ADDITIONAL REQUIREMENTS MAY BE NECESSARY UPON REVIEW OF THIS DOCUMENTATION.

3. WARRANTY DEED FROM MT. EMMONS MINING COMPANY, A DELAWARE CORPORATION TO UNITED STATES OF AMERICA CONVEYING SUBJECT PROPERTY.

   NOTE: THE COMMITMENT DOES NOT REFLECT THE STATUS OF TITLE TO WATER RIGHTS OR REPRESENTATION OF SAID RIGHTS.
ALTA COMMITMENT

Old Republic National Title Insurance Company

Schedule B, Part II

(Exceptions)

Order Number: GUCB8004135

This commitment does not republish any covenants, condition, restriction, or limitation contained in any document referred to in this commitment to the extent that the specific covenant, conditions, restriction, or limitation violates state or federal law based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, or national origin.

1. Any facts, rights, interests, or claims thereof, not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date of the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

6. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.

8. RIGHT OF THE PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AND A RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES, AS RESERVED IN UNITED STATES PATENT RECORDED MARCH 12, 1907 IN BOOK 101 AT PAGE 393.

9. DITCHES AND DITCH RIGHTS SET FORTH AND CONVEYED IN CORRECTION WARRANTY DEED RECORDED JULY 25, 1984 IN BOOK 607 AT PAGE 617.

10. EASEMENTS GRANTED TO GUNNISON COUNTY ELECTRIC ASSOCIATION, INC., FOR UTILITIES, AND INCIDENTAL PURPOSES, BY INSTRUMENT RECORDED OCTOBER 04, 2001, UNDER RECEPTION NO. 514796 AND 514825.

11. ANY RIGHTS OR INTERESTS OF THIRD PARTIES WHICH EXIST OR ARE CLAIMED TO EXIST IN AND OVER THE PRESENT AND PAST BED, BANKS OR WATERS OF CARBON CREEK.

12. NOTWITHSTANDING THE INSURING CLAUSES OF THE POLICY, THE COMPANY DOES NOT INSURE AGAINST LOSS OR DAMAGE BY REASON OF A LACK OF A RIGHT OF ACCESS TO AND FROM THE LAND.
# Title Insurance Commitment for Parcels B, C, and D

**WESTCOR LAND TITLE INSURANCE COMPANY**  
**ALTA COMMITMENT FOR TITLE INSURANCE**  
**Adopted 08-01-2016; Technical Corrections 04-02-18**

Transaction identification Data for reference only:

<table>
<thead>
<tr>
<th>Issuing Agent</th>
<th>Southwest Title Co., LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuing Office</td>
<td>408 San Juan Ave., Alamosa, CO 81101</td>
</tr>
<tr>
<td>Phone</td>
<td>(719) 589-2780</td>
</tr>
<tr>
<td>Issuing Offices ALTA Registry ID</td>
<td>1061220</td>
</tr>
<tr>
<td>Commitment Number</td>
<td>20947</td>
</tr>
</tbody>
</table>

Property Address: **No Address Assigned, Saguache County, Colorado**  
(Not an insuring provision.)

Revision Number: **Second Amended**

## SCHEDULE A

1. **Commitment Date:** December 7, 2021, at 7:30 AM

2. **Policy to be issued:**

   a. [x] ALTA U.S. Policy 9-28-91 Revised 12-3-12  
      Proposed Insured: **United States of America**  
      Proposed Policy Amount: **$ To Be Determined**

   b. [ ] 2006 ALTA Loan Policy
      Proposed Insured:
      Proposed Policy Amount:

   **Certificate of Taxes Due:** $  
   **Additional Chains of Title:** $  
   **Copies:** $  
   **Additional Charges:** $  
   **Total $ TBD**
3. The estate or interest in the Land described or referred to in this Commitment is:

   **FEE SIMPLE**

4. The Title is, at the Commitment Date vested in:

   **Mt. Emmons Mining Company, a Delaware corporation**

5. The Land is described as follows:

   **All that property as shown on the attached Exhibit "A",**
   
in Saguache County, Colorado.
EXHIBIT "A"

Parcel No. 1:

Township 45 North, Range 3 East, N.M.P.M.

Section 19: Lots 3 and 4 (sometimes also known as the W¼SW¼, SE¼SW¼ and SW¼SE¼)

Parcel No. 2:

Township 46 North, Range 4 East, N.M.P.M.

Section 12: S¼SE¼SE¼SW¼, SE¼SW¼SE¼SW¼

Section 13: W¼NW¼NE¼, SW¼NE¼, E¼NE¼NW¼, E¼NW¼NE¼NW¼, W¼NE¼SE¼, E¼NW¼SE¼, NW¼SE¼SE¼, N¼SW¼SE¼SE¼

Parcel No. 3:

Township 46 North, Range 4 East, N.M.P.M.

Homestead Entry Survey No. 63, embracing a portion of Sections 23, 24, 25 and 26, more particularly bounded and described as follows:

Beginning at corner No. 1 from which the corner to said Section 23, 24, 25 and 26 bears North 87° 22' West 4.82 chains distant;
Thence South 29° 04' West 9.8 chains to corner No. 2;
Thence South 29° 04' West 6.9 chains to corner No. 3;
Thence North 60° 55' West 19.96 chains to corner No. 4;
Thence North 29° 04' East 6.27 chains to corner No. 5;
Thence North 29° 04' East 13.69 chains to corner No. 6;
Thence North 60° 26' West 39.55 chains to corner No. 7;
Thence North 28° 44' East 19.8 chains to corner No. 8;
Thence South 60° 35' East 41.75 chains to corner No. 9;
Thence South 60° 35' East 17.79 chains to corner No. 10;
Thence South 28° 56' West 19.82 chains to corner No. 11;
Thence South 29° 04' West 3.22 chains to corner No. 1, the place of beginning;

all in Saguache County, Colorado.
SCHEDULE B - PART I
Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

(Additional Requirements may be listed here by number)

1. Warranty Deed made by Mt. Emmons Mining Company, a Delaware corporation conveying the within described real property to United States of America.

Additional Requirements, if any, disclosed below:

1. A current Statement of Authority pursuant to C.R.S. 38-30-172 for Mt. Emmons Mining Company, a Delaware corporation, must be recorded in Saguache County, Colorado. After review of such Statement of Authority, the Company may make additional requirements or exceptions.
SCHEDULE B - PART II
Exceptions

This commitment does not republish any covenant, condition, restriction, or limitation contained in any document referred to in this commitment to the extent that the specific covenant, condition, restriction, or limitation violates state or federal law based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, or national origin.

The policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the company.

Standard Exceptions:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the public records or is created, attaches, or is disclosed between the commitment date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Rights or claims of parties in possession not shown by the public records.
3. Easements or claims of easements not shown by the public records.
4. Discrepancies, conflicts in boundary lines, encroachments, overlaps, variations or shortages in area or content, party walls and any other matters that would be disclosed by a correct survey and/or physical inspection of the land.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Any water or well rights, or rights to water or claims thereof, in, on or under the land.
7. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance of said patents, [including, but not limited to mineral reservations including the right to prospect for, mine, and remove the same, and reservations for ditches and canals constructed under the authority of the United States.]  
8. All taxes, assessments, levies and charges which constitute liens or are due or payable, including unredeemed tax sales.

Special Exceptions:

1. Any outstanding taxes and special assessments.
2. Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and reservation of a right of way thereon for ditches or canals constructed by the authority of the United States in Patent dated June 19, 1911 and recorded July 15, 1911 in Book 110 at Page 83 of the Saguache County, Colorado, records. (Affects Parcel No. 1)  
(view)

CONTINUED ON NEXT PAGE
SCHEDULE B - PART II
Exceptions
(Continued)

3. Easement dated April 18, 1984, and recorded April 20, 1984, in Book 416 at Page 453 of the Saguache County, Colorado records, to maintain, use, repair and replace a buried two-inch plastic waterline as it is presently located and in place over and across a portion of the NW¼SW¼ of Section 19, Township 45 North, Range 3 East, N.M.P.M. (Affects Parcel No. 1)

(view)

4. Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and reservation of a right of way thereon for ditches or canals constructed by the authority of the United States in Patent dated July 22, 1918 and recorded October 17, 1918 in Book 110 at Page 280 of the Saguache County, Colorado, records. (Affects Parcel No. 2)

(view)

5. Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and reservation of a right of way thereon for ditches or canals constructed by the authority of the United States in Patent dated January 4, 1918 and recorded May 31, 1921 in Book 159 at Page 162 and under Reception No. 74592 of the Saguache County, Colorado, records. (Affects Parcel No. 3)

(view)

6. The apparent lack of access to and from the subject property via a public street, road or highway, or via a privately granted easement, and the effect of the apparent lack of access upon the marketability of the title to the land. Accordingly, Paragraph 4 of Covered Risks is hereby deleted. (Affects Parcel No. 2 and Parcel No. 3)