Proposed
Valle Seco 2019 Land Exchange
Non-Federal Parcel A

August 13, 2020

BY
WILLIAM B. LOVE APPRAISALS, INC.
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MAGGIE LOVE, MAI
August 13, 2020

Charles Brown, MAI, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard
Lakewood, Colorado 80401
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the 880 acre Non-Federal Parcel A. The property will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,080,000
(THREE MILLION AND EIGHTY THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

[Signature]

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
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APPRAISER’S CERTIFICATION

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported
assumptions and limiting conditions, and are my personal, impartial and un-
biasied professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this
report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to
the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or
reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the
development or reporting of a predetermined value or direction in value that
favors the cause of the client, the amount of the value opinion, the attainment of
a stipulated result, or the occurrence of a subsequent event directly related to
the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in
conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report
has been prepared, in conformity with the requirements of the Code of
Professional Ethics and the Standards of Professional Practice of the Appraisal
Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute
relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing
education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this
certification.

13. the appraiser has made a physical inspection of the property appraised and that
the property owner, or his designated representative, was given the opportunity
to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: THREE MILLION AND EIGHTY-EIGHT THOUSAND DOLLARS ($3,080,000)

William B. Love Appraisals, Inc.

[Signature]

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name: Proposed Valle Seco 2019 Land Exchange - 880 acre Non-Federal Parcel A

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

\[ 880 \text{ acres} \times $3,500 = $3,080,000 \]

Effective date of Value: August 13, 2020. The ranch manager has confirmed that the condition of property remains the same as of the date of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is unusually busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres for 2020, 121, is up from the same time period in 2019, 104. Likewise, the
number of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS

All of the photographs were taken by Maggie Love on October 23, 2019.

Looking northwest from the south boundary

Looking northeast from the south boundary
Looking west from the south boundary

Looking north from a knoll on the south
Looking west from a knoll on the south

Looking southwest from a knoll on the south
Looking west from the middle of the property

Looking northeast from the middle of the property
Looking northeast from the north portion

Looking north from the north portion
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.
2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.
3. There are no encumbrances or defects of title other than those mentioned in this report.
4. The property is free and clear of all liens other than those mentioned in this report.
5. The property is efficiently managed and properly maintained.
6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.
7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.
8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

None

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name Proposed Valle Seco 2019 Land Exchange - 880 acre Non-Federal Parcel A

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture and recreation

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

Valle Seco is an irregularly shaped tract extended one and three-quarter miles from east to west and three-quarters of a mile from north to south at the widest points. It consists of a valley with grasses and shrubs and a few trees surrounded by ridges on both the north and south. It is an inholding within the San Juan National Forest. It has unimproved access via approximately four miles on seasonal, unimproved Forest Service Road 653 to a locked gate.

This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.

   As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).

   “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for federal acquisition purposes.”

   In this appraisal, the larger parcel is the 111.11 acres that are the Subject of this appraisal. Refer to the further discussion in “Analysis of Highest and Best Use”.

2. I inspected the property on October 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraiser, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the property to the south boundary. I have confirmed that the condition remains the same with David Smith, Manager for this Bootjack Ranch.
3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers’ and buyers’ motivations for remote, recreational and agricultural properties.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

According to the Statement of Work, “the estate appraised shall consist of all rights, title, and interests subject to any outstanding Requirements listed in Schedule B – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410.” This property interest corresponds to the fee simple estate. The fee simple estate 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.” (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)
The Title Policy dated May 6, 2019, included in the Addenda, identifies 18 exceptions. Exceptions 1 through 8 are typical reservations. Exceptions 9 through 16 are mineral reservations. Exception 17 notes a lack of legal access which could be easily cured with a Special-Use Permit. Exception 18 notes the existing access from Forest Service Road 653 which does not have a right-of-way to cross the property and is restricted by locked gates. Basically, all of these exceptions are typical of the market and do not impact the estimated value.

The appraisal includes the owner’s mineral interests. Mineral activity is not common in the neighborhood. Extensive research has been completed regarding the mineral rights for Valle Seco. The Forest Service asked Bootjack Ranch, the surface owner, to attempt to acquire the minerals. Since May 2017 a significant effort has been underway to locate the mineral owners. As of the date of the February 22, 2019 Memorandum, Bootjack Ranch owned 69.18% of the minerals under Valle Seco. The February 20, 2020 Mineral Status Report shows that Bootjack Ranch, LLC owns 69.19% of the minerals. Copies of these memorandums and the mineral deeds are retained in my files.

Two water rights (WDID 2903647 and 2903685) will be transferred to USA. These water rights are described as follows:

1) Valle Seco Reservoir, as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication of October 1, 1965, Priority No. 68-228, for 0.496 acre feet of storage for domestic and stock water purposes.

2) Bramwell Reservoir No. 3 as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication date of October 1, 1965, Priority No. 68-107, for 1.555 acre feet of storage for domestic and stock water purposes.
LEGAL DESCRIPTION

The legal description is provided by the Title Policy, Statement of Work and Warranty Deed included in the Addenda.
GENERAL INFORMATION

General information, such as the area’s environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

Subject is located 11 air miles south of Pagosa Springs, Colorado, in Archuleta County. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
</tr>
<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a “face-lift” of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

**Governmental Forces**

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area’s tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
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<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>22</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
</tbody>
</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The neighborhood of this tract may be described as the area of Archuleta County southeast of Pagosa Springs extending along U.S. Highway 84 south to the state line. The neighborhood is bounded by national forest land to the east and west and by the transition to the heavily developed areas close to the Town of Pagosa Springs to the north. The neighborhood features the Blanco River and many small streams and tributaries and the Navajo River to the east, as well as views of the surrounding mountains. The neighborhood was traditionally devoted to large ranch uses, but has experienced extensive subdivision over the last four decades. Numerous smaller subdivisions are scattered throughout the northern portion of the neighborhood with the large Alpine Lake Ranch and Alpine Meadow subdivisions encompassing much of the southern portion of the neighborhood.

This neighborhood is at a somewhat lower elevation and with less proximity to the scenic mountains than the northern and eastern portions of the county. For this reason, it has traditionally been considered somewhat less desirable than these other areas. However, with the higher prices and the lack of supply in the northern and eastern portions of the county, the pace of subdivision and residential development in this neighborhood has accelerated in the last 40 years. The most recent subdivision in the neighborhood is Continental Divide Ranch on the south periphery near the Colorado/New Mexico State property line. This 3,947 acre property was purchased in July 2005 for $15,680,000 or $3,947 per acre. It was first subdivided into 105 acre parcels of which some of those were further split into 35 acre parcels. The sales history is arrayed below.
Beyond these specific neighborhood factors, there is another type of neighborhood relevant to this tract. It is an inholdings within the San Juan National Forest. The benefits to a private landowner of a National Forest inholding are the privacy and seclusion afforded by being surrounded by thousands of acres of land which are protected from development.
PROPERTY DATA

Site Description

Valle Seco is an irregularly shaped parcel containing 880 acres. As the Spanish name implies, it is a dry valley surrounded by ridges to the north and south. The property has access from unimproved, seasonal Forest Service Road 653, approximately four miles west of U.S. Highway 84. Forest Service Road 653 bisects the property, but the Forest Service does not have an easement and access is controlled by locked gates on the north and south boundaries. Historic perimeter fencing, ridgelines on the north and south and the locked gates limit trespassing.

The elevations range between 7,080 feet along the drainage at the western boundary to 7,760 feet in the northeastern portion. The vegetation is mostly shrubs and grass with some ponderosa pine on the south side and pinon and juniper in the southwest corner. There are several older ponds and three storage water rights, of which two are included in the appraisal:

1) Valle Seco Reservoir, as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication of October 1, 1965, Priority No. 68-228, for 0.496 acre feet of storage for domestic and stock water purposes

2) Bramwell Reservoir No. 3 as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication date of October 1, 1965, Priority No. 68-107, for 1.555 acre feet of storage for domestic and stock water purposes.

The property has no utilities, known mineral deposits or hazardous substances. Access is not improved, but because of very little change in topography, the property would be accessible in winter months via snow machines or ATV.
Please refer to the topographic map and aerial photograph contained at the end of this discussion and the prior photographs. All maps are north oriented to the top of the page.

Potential Hazards

Flood Plain: None noted - in Zone X “Areas determined to be outside the 0.2% annual chance floodplain” according to FEMA Map No. 08007C0675D dated September 25, 2009

Geologic: None

Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain map.

Improvements

None

Fixtures

None

Use History

Vacant
Sales History

The owner of record, Bootjack Ranch, LLC, purchased Subject for $4 million on September 4, 2014. The Warranty Deed is included in the Addenda. I confirmed the purchase price with the Ranch Manager, David Smith and the agent, Roger Horton. The sale of Subject will be analyzed in “Land Value”. There have been no other sales of this parcel in the last ten years.

Rental History

None

Assessed Value and Annual Tax Load

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Actual Value</th>
<th>Assessed Value</th>
<th>2019 Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5969-171-00-003</td>
<td>$803,600</td>
<td>$233,040</td>
<td>$11,370.24</td>
</tr>
<tr>
<td>5969-172-00-004</td>
<td>$526,400</td>
<td>$152,660</td>
<td>$7,448.44</td>
</tr>
</tbody>
</table>

Zoning

Subject, and all unincorporated land in the county, are zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as “The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property’s highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value.” (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Subject’s size, usable topography and seasonal access make a wide variety of uses physically possible. Cattle ranching or other grazing uses are physically possible. Subject’s location provides privacy, buffer and scenic amenities for a private, recreational residential retreat.

Legally Permissible

The Archuleta County Land Use Regulation does not impose any restrictions on the use of Subject for up to 25 homesites. Subdivision into tracts smaller than 35 acres would require compliance with the Land Use and Subdivision Regulations, which require year around access be provided via an all-weather road built to County specifications. It is unlikely that the U.S. Forest Service would allow the access road to Subject to be improved to that extent.
Financially Feasible

The historic, financially feasible uses of the property and nearby properties in the neighborhood include agriculture, grazing and subdivision into residential homesites on tracts of varying sizes. Recent sales show continuing demand for residential lots. The prices of the residential land sales indicate that use of Subject for residential homesites of varying sizes is financially feasible.

Maximally Productive

Use of Subject for residential homesites is clearly the maximally productive use of the property as demonstrated by other land sales throughout the neighborhood and area. However, lot sales in the nearby Alpine Meadows Subdivision do not show large adjustments for size. Therefore, the maximally productive number of lots may depend upon the individual motivations of the purchaser.

The highest and best use of Subject is for from one or more seasonal residential homesites.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110). “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for federal acquisition
purposes.”

In this appraisal, the larger parcel is the 880 acres that are the Subject of this appraisal. Subject is an inholding, surrounded by national forest. The owner, Bootjack Ranch LLC, owns other land in Archuleta County. But, the other ownerships are distant and have different highest and best uses, to be sold separately as large improved recreational ranches.
LAND VALUE

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the Archuleta County records, provided by the Assessor’s office, for land sales greater than 34 acres since 2000. I have inspected all of the nearby sales. The search revealed numerous multi-million dollar large sales in Archuleta County.

I also searched throughout Southwest Colorado for sales of inholdings. The search included 35+ acre sales in Hinsdale, Archuleta, La Plata, Montezuma, San Miguel, and Ouray Counties.

The most comparable sales are arrayed on the following chart arranged in ascending order of price per acre. These are the closest, nearby large sales, Sales 1, 2 and 5; the sale of Subject, Sale 3; and an older sale of an inholding in the neighborhood, Sale 4.
# Chart of Comparable Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size – Acres</th>
<th>$/acre</th>
<th>Location/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Candelaria/SCLR, LLC</td>
<td>11/15</td>
<td>$2,500,000</td>
<td>1,565</td>
<td>$1,597</td>
<td>Steep hillside</td>
</tr>
<tr>
<td>2</td>
<td>Garcia/Hatrel</td>
<td>03/17</td>
<td>$1,100,000</td>
<td>639</td>
<td>$1,721</td>
<td>Sage valley</td>
</tr>
<tr>
<td>3</td>
<td>Russell/Bootjack</td>
<td>09/14</td>
<td>$4,000,000</td>
<td>880</td>
<td>$4,545</td>
<td>Subject</td>
</tr>
<tr>
<td>4</td>
<td>Merrion/Smith</td>
<td>03/04</td>
<td>$750,000</td>
<td>160</td>
<td>$4,688</td>
<td>Spiler Canyon</td>
</tr>
<tr>
<td>5</td>
<td>Square Top Ltd. Partnership/</td>
<td>03/13</td>
<td>$9,000,000</td>
<td>1,800</td>
<td>$5,000</td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>Square Top LLC (Cook)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
COMPARABLE SALE NO. 1
Photograph looking west by Maggie Love on May 14, 2019 from one mile east

Grantor: Patrick B. Candelaria and Debbie Candelaria  Date: 11/06/2015
Grantee: SCLR, LLC  Instruments: WD  Reception No.: 21508255

Legal Description: A tract of land in Sections 19, 20, 29, 30, 31 and 31, Township 34 North, Range 3 West, N.M.P.M., Archuleta County, Colorado. A non-exclusive access and utility easement, 30 feet in width, as described at Reception No. 187063 and 50% of grantor’s interest in and to gas and mineral rights.

Size: 1,565 acres  Price Per Acre: $1,597
Sale Price: $2,500,000

Property Rights Conveyed: fee simple estate, 50% of the Grantor’s mineral interests
Financing: cash
Conditions of Sale: typical
Description: mostly steep pinon and juniper hillside, two miles of undeveloped easement access
Verification: Jess Ketchum, appraiser, 970-731-1986
Location: West of Pagosa Springs
Buyer motivation: recreation

Improvements: none

Non-realty Items: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5893-301-00-018

Taxes: $929.00

Highest and Best Use: same as Subject

Physical Address: County Road 700

Utilities: none

Water: none

Hazards: none

Marketing time: 647 days with two listings; 283 days listed at $2,995,000

Resale Information: none
COMPARABLE SALE NO. 2
Photograph looking south by Maggie Love on June 10, 2020

Grantor: Garcia Family Trust
Date: 03/27/2017
Instruments: WD
Reception No.: 21701708

Grantee: Bryon John Hatrel

Legal Description: A tract of land in Sections 29, 30, 31 and 32, Township 33
North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Size: 639 acres
Sale Price: $1,100,000
Price Per Acre: $1,721

Property Rights Conveyed: fee simple estate
Financing: new conventional loan, cash to the seller
Conditions of Sale: motivated seller - estate settlement
Description: 8.4 miles of graveled access; irregular shape; mostly sage valley with
some hillside; touches National Forest
Verification: Ronald Christensen, listing agent,
Location: South Pagosa Springs
Buyer motivation: recreation
Improvements: none
Non-realty Items: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel Nos.: 5969-311-00-001 and 5969-322-00-001
Taxes: $272.76
Highest and Best Use: same as Subject
Physical Address: County Road 542
Utilities: none
Water: none
Hazards: none
Marketing time: 66 days on the market, listed at $1,597,500
Resale Information: none
COMPARABLE SALE NO. 3

Subject

Grantor: Russell Family Ltd. Company  Date: 09/04/2014  Instrument: SWD
Grantee: Bootjack Ranch LLC  Reception No.: 21405060

Legal Description: A tract of land in Sections 17 and 18, Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $4,000,000  
Size: 880 acres  $/Acre: $4,545

Property Rights Conveyed: fee simple estate  
Financing: cash  
Conditions of Sale: typical

Description: an open grass and sage valley with pinon and juniper hillsides. Access is via 13 miles on Highway 84 south of Pagosa Springs and five miles on unimproved Forest Service Road 635.

Verification: David Smith, Bootjack Ranch Manager, 970-264-7288

Location: South of Pagosa Springs  
Buyer motivation: recreation/exchange

Improvements: none  
Non-realty Items: none

Economic Characteristics: same as Subject  
Zoning: Agriculture Ranching (AR)

Current Use: Agriculture  
Assessor’s Parcel Nos.: 5969-171-00-003, 5969-172-00-004

Taxes: $18,818.68

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 653
Utilities: none
Water: none
Hazards: none
Marketing time: listed for $4.5 million for 25 days
Resale Information: none
COMPARABLE SALE NO. 4
Photograph taken October 19, 2011 by Maggie Love looking north

Grantor: Merrion Family Ltd Partnership  Date: 03/17/2004
Grantee: Thomas H. and Margie E. Smith  Instrument: WD

Legal Description: A tract of land in Section 6, Township 33 North, Range 1 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $750,000  Size: 160 acres
$/Acre: $4,688

Property Rights Conveyed: fee simple estate
Financing Terms: cash to the seller
Conditions of Sale: typical
Buyer Motivation: exchange
Location: Spiler Canyon
Description: canyon and ponderosa knolls, four miles on seasonal Forest Service Road 006

Improvements: none

Verification: Roger Horton, selling agent, (b) (6)

Location: south of Pagosa Springs

Improvements: none

Non-realty Items: none

Economic Characteristics: same as Subject

Zoning: AR Agriculture Forest

Current Use: vacant

Assessor's Parcel Nos.: 5971-062-00-002

Taxes: $49.16 (2012), now exempt

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 006

Utilities: none

Water: none

Hazards: none

Marketing time: one year @ $895,000

Resale Information: none
COMPARABLE SALE NO. 5
Photographs looking north by Maggie Love in 2006

Square Top Ranch

Grantor: Square Top Ranch, Ltd. Partners  
Grantee: Square Top Ranch LLC (Cook)  
Date: 03/26/2013  
Instrument: SWD  
Reception No.: 21301936

Legal Description: A tract of land in Sections 28, 29, 32, 33 and 34, Township 35 North, Range 1 East and Sections 3, 4 and 5, Township 34 North, Range 1 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $9,000,000
Size: approximately 1,800 acres  
$/Acre: $5,000

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: Sheep Cabin Creek; mostly hillside with oak, pine, pinon and juniper; few older outbuildings; views of Square Top Mountain to the north (shown in the photograph) and limited views of the Continental Divide on the east.
Verification: public records, real estate contract, Matthew Cook
Location: Blanco Basin Road
Buyer motivation: recreation
Improvements: none
Non-realty Items: none
Economic Characteristics: same as Subject

Zoning: Agriculture Ranching (AR)

Current Use: Agriculture

Assessor's Parcel Nos.: 5885-044-00-003, 5885-042-00-004

Taxes: $2,399.08

Highest and Best Use: same as Subject

Physical Address: County Road 326

Utilities: none

Water: stream

Hazards: none

Marketing time: sold to one partner

Resale Information: prior sales December 2006 - $12,800,000
October 2004 - $8,900,000
Property Rights Conveyed

All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. The sales included varying percentages of the mineral rights. The inclusion or exclusion of such mineral rights with the property rights conveyed did not appear to have any significant impact on the price. I interviewed real estate brokers in Archuleta County who agreed that they had not seen the presence or absence of mineral rights with sales of the surface estate in Archuleta County have any effect on the sales price except in the Arboles area where there are producing gas wells. I could find no indication of any producing wells or potential for mineral production in the area of the subject parcels. Therefore, I make no adjustments for minerals.

The owner of Subject has spent $83,000 acquiring partial mineral interests and several oil and gas leases at the request of the Forest Service. I consider this cost to be a cost of exchange, not a contribution to land value.

The two water rights on Subject for stock ponds have little, if any, contribution to value.

Financing

All of the sales involved cash or terms equivalent to cash.

Conditions of Sale

Sale 1 sold with typical conditions of sale. It was listed for 283 days for $2,995,000, 20% higher than the sales price.
Sale 2 was listed for 66 days for $1,597,500 or $2,500 per acre. It sold for 31% lower than the list price. The listing agent explains that it was an estate settlement and the five remaining family members “had to get rid of it”. This sale requires upward adjustment for a highly motivated seller.

Sale 3 is the sale of Subject. It and Sale 4 have unusual conditions of sale. Both were purchased with the sole intent of exchange to the Forest Service. They had willing sellers with normal motivations, but the buyers’ could have been affected by the value of the property desired in trade, rather than the actual value of Subject. The buyer of Valle Seco consulted with a real estate professional who felt that the price was appropriate comparing it to Sale 4, Spiler Canyon. The listing agent explains that the property had only been listed for 25 days for $4.5 million for informational purposes.

Sale 4 had another interesting condition of sale. The property was listed for $895,000 and was under contract for a considerable period of time with a price to be set based upon an appraisal with a minimum sales price of $750,000. The contract was set to expire in the winter months and no appraisal could be obtained with the tract under snow. The buyer had a preliminary market analysis indicating that the tract was worth at least $750,000, and in the interest of time the seller accepted the bottom end of the price range and closed the sale. All of the prior appraisals of Spiler Canyon (two in 2004 and mine in 2011) concluded that the sale was indicative of the market.

Sale 5 sold in 2006 to a group of investors who wanted to develop the property. By the time the development failed and it was clear that development land
in Archuleta County had declined, one of the investors purchased out the other partners’ interests based on an appraisal. I conclude that the sale does not require adjustments for conditions of sale.

Market Conditions - Time

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 resales went up. The dichotomous trends make it difficult to discern if a time adjustment is appropriate.

The following chart summarized the resales that span two decades between 2001 and April 2020 because of the sales used in this appraisal have a similar time span. Again, this chart shows conflicting trends from mostly stable to -41% decline and a 30% increase. In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.
### Summary of Resales Spanning Two Decades

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td></td>
<td>33.93 acres, easement access, National Forest on two sides</td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td>-41%</td>
<td>Blue Sky Ranch 1,350+ acres</td>
</tr>
<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td>-4%</td>
<td>Square Top Ranch 1,800 acres</td>
</tr>
<tr>
<td></td>
<td>03/13</td>
<td>$9,000,000</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td></td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>06/18</td>
<td>$685,000</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td></td>
<td>35.25 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access, overlooking river</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td></td>
<td>37 acres, Mill Creek</td>
</tr>
<tr>
<td></td>
<td>07/15</td>
<td>$156,250</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>

### Location

Sale 1 is located 15 miles southwest of Pagosa Springs. In Archuleta County, the higher amenities properties have the best views of the Continental Divide to the north and east. The location of Sale 1, further west, is inferior.

The remaining sales have similar locations south of Pagosa Springs except that Sale 5 has a superior location closer to the mountains.
Physical Characteristics

Sale 1 requires significant upward adjustments: it has undeveloped easement access for two miles; it does not have any access to public lands; and it is mostly steep, undevelopable topography. It is possible that Sale 1 and Sale 5 require some upward adjustment due to their larger size. But, I do not have market evidence to support any adjustments.

Sale 2 also requires upward adjustment for physical characteristics. It has longer access via eight miles of a county road and very little access to public lands. Sale 3 is the sale of Subject.

Sale 4 is an older sale of a similar inholding, but it has a much smaller size which likely requires downward adjustment. Sale 5 has superior physical characteristics with frontage on year around County Road 326 and creek frontage. It is not completely an inholding, with National Forest only on two sides requiring some upward adjustment.

Indicated Value

The adjustments to the comparable sales are summarized on the following grid. They are all directional, due to the lack of market support for more precise, quantitative adjustments.

Sale 1 requires significant upward adjustment for location, the undeveloped easement access, the lack of access to public lands and the steep hillside topography.
Sale 2 also requires significant upward adjustment due to the motivated sellers, the eight miles of access and the very little access to National Forest.

Sale 3 is the sale of Subject, only requiring consideration for buyer’s motivations. Sale 4 is the sale of a similar property, but smaller, requiring downward adjustment. Sale 5 sets the top of the price range appropriate to Subject as it has a superior location, year around county road access and creek frontage.

The comparable sales show a large range of much greater than $1,721 per acre to less than $4,688 per acre. The sale of Subject should supply the best indication of value, $4,545 per acre, but the buyer’s motivations are unusual. Giving equal weight to all five sales supplies a lower indication of value, say $3,500 per acre rounded.

The final opinion of market value in terms of cash or financing terms equivalent to cash:

\[ 880 \text{ acres} \times \$3,500 \text{ per acre} = \$3,080,000 \]
<table>
<thead>
<tr>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Subject - Sale 3</th>
<th>Sale 4</th>
<th>Sale 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$1,597</td>
<td>$1,721</td>
<td>$4,545</td>
<td>$4,688</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Motivations</td>
<td>Typical</td>
<td>Motivated</td>
<td>Exchange</td>
<td>Exchange</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>11/15</td>
<td>03/17</td>
<td>09/14</td>
<td>03/04</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>West</td>
<td>+</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>Undeveloped easement</td>
<td>+</td>
<td>8+ miles</td>
<td>+</td>
</tr>
<tr>
<td>Size - Acres</td>
<td>1,565</td>
<td>639</td>
<td>880</td>
<td>160</td>
</tr>
<tr>
<td>Inholding/amenities</td>
<td>No/ hillside</td>
<td>+</td>
<td>A little</td>
<td>+</td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$1,597+++</td>
<td>$1,721+++</td>
<td>$4,545</td>
<td>$4,688-</td>
</tr>
</tbody>
</table>
ADDENDA
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since (b)(6). In (b)(6), she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

- United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation; United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipeline Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From (b)(6) to the present, she has worked as a full-time appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since (b)(6).

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U.S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

**Education**

Bachelor of Arts with Distinction, International Affairs, (b) (6)

(b) (6)

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers' Courses:

- Appraisal Principles
- Basic Valuation Procedure
- Litigation Valuation
- Capitalization Theory & Techniques, Parts I, II and III
- Standards of Professional Practice, Parts A, B and C
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Advanced Market Analysis and Highest and Best Use
- Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the
Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the
American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate's required Conservation
Easement Appraiser Update Courses.

Professional Affiliations and Activities

Member of the Appraisal Institute, professionally designated MAI
   Colorado Chapter Board of Directors, (b) (6)
   Member Appraisal Institute Unification Task Force, (b) (6)
   Member Colorado Chapter 22 Admissions Committee, (b) (6)
   Regional Representative, (b) (6)
   Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6)
   Chair, (b) (6)

Member of the Nominating Committee for Judicial District No. 22, (b) (6)

Associate Member Four Corners Board of Realtors
   Board of Directors, (b) (6)
   Chair, Membership Committee, (b) (6)

Member International Right-of-Way Association
   Chair, Four Corners Satellite Chapter

Member Cortez Chamber of Commerce
   Board of Directors, (b) (6)

Victims Assistance and Law Enforcement Board (VALE), (b) (6)
   Chair, (b) (6)

Colorado Certified General Appraiser No. CG00001753

New Mexico General Certified Appraiser No. 00523-G

Arizona Certified General Appraiser No. 31796

Utah Certified General Appraiser No. 5510046-CG00
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
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<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
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<td>33.93 acres, easement access,</td>
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<tr>
<td></td>
<td>06/06</td>
<td>$492,000</td>
<td>92%</td>
<td>National Forest on two sides</td>
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<td></td>
<td>01/14</td>
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<td></td>
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<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
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<td>Blue Sky Ranch</td>
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<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td>-41%</td>
<td>1,350+ acres</td>
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<tr>
<td>C</td>
<td>05/10</td>
<td>$337,700</td>
<td></td>
<td>47 acres, south</td>
</tr>
<tr>
<td></td>
<td>12/18</td>
<td>$234,500</td>
<td>-31%</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>D</td>
<td>09/12</td>
<td>$145,000</td>
<td></td>
<td>35 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>08/19</td>
<td>$100,000</td>
<td>-31%</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
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<td>Square Top Ranch</td>
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<tr>
<td></td>
<td>04/06</td>
<td>$12,800,000</td>
<td>44%</td>
<td>1,800 acres</td>
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<tr>
<td>F</td>
<td>02/11</td>
<td>$210,000</td>
<td></td>
<td>49 acres</td>
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<td>08/13</td>
<td>$150,000</td>
<td>-29%</td>
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<td>G</td>
<td>06/11</td>
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<td></td>
<td>71 acres, Alpine Lakes</td>
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<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-23%</td>
<td></td>
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<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td></td>
<td>36 acres</td>
</tr>
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<td>06/18</td>
<td>$685,000</td>
<td>-21%</td>
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<tr>
<td>I</td>
<td>02/11</td>
<td>$225,000</td>
<td></td>
<td>35 acres, Navajo River</td>
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<td></td>
<td>05/18</td>
<td>$189,000</td>
<td>-16%</td>
<td>Ranch</td>
</tr>
<tr>
<td>J</td>
<td>12/12</td>
<td>$325,000</td>
<td></td>
<td>35 acres, Rito Blanco</td>
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<tr>
<td></td>
<td>08/18</td>
<td>$280,000</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>06/16</td>
<td>$140,000</td>
<td></td>
<td>40 acres, south of</td>
</tr>
<tr>
<td></td>
<td>07/18</td>
<td>$120,000</td>
<td>-14%</td>
<td>Pagosa Springs</td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td></td>
<td>35.25 acres,</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-9%</td>
<td>Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>N</td>
<td>01/18</td>
<td>$328,640</td>
<td></td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>05/20</td>
<td>$320,094</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>03/10</td>
<td>$600,000</td>
<td></td>
<td>70 acres, Two Bear</td>
</tr>
<tr>
<td></td>
<td>02/15</td>
<td>$600,000</td>
<td>0%</td>
<td>Ranch</td>
</tr>
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<td></td>
<td>Date</td>
<td>Price</td>
<td>Description</td>
<td></td>
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<tr>
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<td>----------</td>
<td>-------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td>37 acres, Mill Creek</td>
<td></td>
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<tr>
<td></td>
<td>10/05</td>
<td>$160,000</td>
<td></td>
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<td></td>
<td>07/15</td>
<td>$156,250</td>
<td>-2%</td>
<td></td>
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<tr>
<td>Q</td>
<td>12/12</td>
<td>$95,000</td>
<td>38 acres, Cool Springs</td>
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</tr>
<tr>
<td></td>
<td>11/17</td>
<td>$100,000</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>10/12</td>
<td>$72,500</td>
<td>35 acres, Alpine Lakes</td>
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<tr>
<td></td>
<td>09/17</td>
<td>$111,000</td>
<td>53%</td>
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<tr>
<td></td>
<td>11/18</td>
<td>$118,000</td>
<td>6%</td>
<td></td>
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<tr>
<td>S</td>
<td>04/12</td>
<td>$265,000</td>
<td>35 acres, Eagle Peak Ranch</td>
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<td></td>
<td>09/16</td>
<td>$290,000</td>
<td>9%</td>
<td></td>
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<tr>
<td>T</td>
<td>06/19</td>
<td>$275,000</td>
<td>44 acres, CR 500</td>
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<tr>
<td></td>
<td>08/19</td>
<td>$300,000</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>U</td>
<td>08/13</td>
<td>$2,300,000</td>
<td>340 improved acres after remodel</td>
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<td></td>
<td>11/17</td>
<td>$4,425,000</td>
<td>16%</td>
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<tr>
<td>V</td>
<td>06/12</td>
<td>$325,000</td>
<td>35 acres, west of Pagosa Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$391,500</td>
<td>20%</td>
<td></td>
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<tr>
<td>W</td>
<td>03/10</td>
<td>$600,000</td>
<td>191 acres, South Archuleta County</td>
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<tr>
<td></td>
<td>11/12</td>
<td>$750,000</td>
<td>25%</td>
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<tr>
<td>X</td>
<td>04/10</td>
<td>$350,000</td>
<td>70 acres, Alpine Lakes</td>
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</tr>
<tr>
<td></td>
<td>08/18 &amp; 07/19</td>
<td>$445,000</td>
<td>27%</td>
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<tr>
<td>Y</td>
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<td>38 acres, Alpine Lakes</td>
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<td></td>
<td>11/19</td>
<td>$90,000</td>
<td>29%</td>
<td></td>
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<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td>35 acres, Forest Service inholding</td>
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<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
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<tr>
<td>AA</td>
<td>10/12</td>
<td>$116,500</td>
<td>38 acres, west Archuleta County</td>
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<tr>
<td></td>
<td>03/14</td>
<td>$152,500</td>
<td>31%</td>
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<tr>
<td>BB</td>
<td>12/11</td>
<td>$307,463</td>
<td>35 acres, Cimarron Ranch</td>
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<td></td>
<td>05/18</td>
<td>$410,000</td>
<td>33%</td>
<td></td>
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<tr>
<td>CC</td>
<td>07/11</td>
<td>$1,100,000</td>
<td>158 acres and residence</td>
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<tr>
<td></td>
<td>09/16</td>
<td>$1,585,000</td>
<td>44%</td>
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<tr>
<td></td>
<td>Date 1</td>
<td>Date 2</td>
<td>Value 1</td>
<td>Value 2</td>
</tr>
<tr>
<td>---</td>
<td>--------</td>
<td>--------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>DD</td>
<td>11/16 &amp; 02/17</td>
<td>$174,000</td>
<td>70 acres, Alpine Lakes</td>
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<td></td>
<td>02/19</td>
<td>$253,000</td>
<td>45%</td>
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<tr>
<td>EE</td>
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<td>Alpine Lakes, 71 acres</td>
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<td></td>
<td>12/14</td>
<td>$110,000</td>
<td>-44%</td>
<td></td>
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<tr>
<td></td>
<td>05/18</td>
<td>$160,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>03/14</td>
<td>$190,000</td>
<td>36 acres, west of Pagosa Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>07/17</td>
<td>$275,000</td>
<td>45%</td>
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APPRAISAL STATEMENT OF
WORK FOR THE
PROPOSED VALLE SECO 2019 LAND EXCHANGE

ONE NON-FEDERAL PARCEL TOTALING 880.00 ACRES +/- IN SIZE
WITHIN THE BOUNDARY OF THE SAN JUAN NATIONAL FOREST IN
ARCHULETA COUNTY, COLORADO

AND TEN FEDERAL PARCELS TOTALING 452.06 ACRES +/- IN SIZE
CURRENTLY PART OF THE SAN JUAN NATIONAL FOREST
IN ARCHULETA COUNTY, COLORADO

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An
Agreement to Initiate was executed on May 17, 2019. Modification #1 of Agreement to Initiate was

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Size (acres)</th>
<th>County</th>
<th>Forest</th>
<th>District</th>
<th>Ownership</th>
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</thead>
<tbody>
<tr>
<td>Non-Federal Parcel A – Valle Seco *</td>
<td>880.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>Bootjack Ranch, LLC</td>
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<tr>
<td>Non-Federal Property: maximum of 880.00 acres</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Federal Parcel 1 – Bootjack Ranch</td>
<td>175.49</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
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<td>Johnny Creek</td>
<td></td>
<td></td>
<td></td>
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<td>Federal Parcel 2 – Bootjack Ranch</td>
<td>0.66</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
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<td>Road</td>
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<td>Federal Parcel 3 – Bootjack Ranch</td>
<td>16.40</td>
<td>Archuleta</td>
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<td>Pagosa</td>
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<td>River Bench</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>Federal Parcel 4 – Rancho del Sol</td>
<td>80.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
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<tr>
<td>Middle</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
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<td>Federal Parcel 5 – Rancho del Sol</td>
<td>53.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>FarmPasser</td>
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<td></td>
<td></td>
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<td></td>
</tr>
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<td>Federal Parcel 6 – Rancho del Sol</td>
<td>20.00</td>
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<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Intholding</td>
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<td></td>
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<td>Federal Parcel 7 – El Rancho Passos</td>
<td>53.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>J.T. Turner</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Federal Parcel 8 – El Rancho Passos</td>
<td>3.496</td>
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<td>Ranch</td>
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<td>0.02</td>
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<td>Pagosa</td>
<td>U.S.A.</td>
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<tr>
<td>Corner Mountain</td>
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</tr>
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<td>Federal Parcel 11 – Cornal Mountain</td>
<td>68.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>* The non-Federal parcel A includes two water rights as identified in the RFEIS to be conveyed in the exchange. Some of the Federal parcels will include power line, access easements, conservation easements, and unauthorized improvements as identified in the ATR modified and are to be conveyed “as-is.”</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.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-
Federal property as a whole, and a unit value (per acre) for the Federal property as a whole, and acreage ranges in which those unit values remain valid for use.


REVISED FINAL SOW - Proposed Valle Seco Land Exchange
Page 1
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 San Juan National Forest as the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard, Lakewood, CO 80401
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Modification #2 of Agreement to Initiate, Commitment for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3 (Amended), the Preliminary Land Description Verification forms, and other documents included in this SOW and/or to be provided to the contract appraiser.

Please note that Federal Parcel 10 and non-Federal Parcel B are illustrated on the following Vicinity Map, however, they have been removed from the proposed land exchange per Modification #2 of Agreement to Initiate.
REVISED FINAL SOW - Proposed Valle Seco Land Exchange
Page 5
LOVE APPRAISALS, INC.
Proposed Valle Seco 2019 Land Exchange - Parcel A
GENERAL SPECIFICATIONS

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.

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 Senior 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 over-riding federal policy, rule, or regulation that requires it. Any jurisdictional exceptions not specifically cited in the UASFLA must be discussed with the Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.
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 Senior 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 uninstructed 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 Senior 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

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Page 9
• 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 San Juan National Forests as the client.

**Intended Users** – The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan

**REVISED FINAL SOW – Proposed Valle Seco Land Exchange**
National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users – other than the Senior Review Appraiser – will be after the technical review is completed by the Senior 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 modified), “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 Senior 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 – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B – Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.
Three water rights for stock ponds (WDID 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WDID 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WDID 2903646 will not be transferred to the USA and it 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 of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the AT1.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USG 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easement to be placed on a portion of Federal Parcel 1 as part of the exchange. A draft easement will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

Legal Description – The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate, Modification #1 of the Agreement to Initiate, and Modification #2 of 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., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

Additional Information – The following documents are included as attachments to this SOW:

- Request for Appraisal Services dated November 5, 2019
- Agreement to Initiate executed May 17, 2019
- Modification #1 of Agreement to Initiate
- Modification #2 of Agreement to Initiate

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LOVE APPRAISALS, INC,
Proposed Valle Seco 2019 Land Exchange - Parcel A

- 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. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
- Preliminary Federal Land Status Report
- Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 1)

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 un instructed 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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel:

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.

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.

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 Senior 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 (as amended by Modification #1 of the Agreement to Initiate and Modification #2 of 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...
marketability 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 USPFA 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 Senior Review Appraiser a final appraisal report. “Draft” copies will not be accepted. The Senior Review

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Appraiser will then review the final appraisal report for acceptance or recommended revisions. Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
**Ordered No. AR21901410**

**MEP:**

**Colorado Title & Closing Services, LLC**

Serving All of Colorado

**ISSUING AGENT FOR**

**CHICAGO TITLE INSURANCE COMPANY**

**Prepared for:** DAVID SMITH

**Issuing Office:**

456 Lewis Street, P.O. Box 334
Pagosa Springs, CO 81147

Phone: (970)264-4178
Fax: (970)264-4776

**Title Examiner:** Margaret E. Poar

me@coloradotitleservices.com
(970) 375-6989

**Attention:**

**Copies to:**

### SCHEDULE A

<table>
<thead>
<tr>
<th>Owner’s Policy ALTA (06/17/2006)</th>
<th>Policy Liability</th>
<th>Premium Charges</th>
</tr>
</thead>
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<td>$600.00</td>
</tr>
<tr>
<td>Search Charge Due</td>
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<td>$0.00</td>
</tr>
<tr>
<td>Loan Policy ALTA (09/17/2006)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Certification</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Due:** $2,000.00

**Effective Date:** May 6, 2019 at 5:00 PM

2. **Policy or Policies to be issued:**

   **Proposed Insured:** Purchaser with contractual rights under a purchase agreement with the vested owner identified at Item No. 3 below. **

3. **Title to the FEE SIMPLE estate or interest in said Land is at the effective date hereof vested in:**

   **BOOT JACK RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY**

   "For each policy to be issued as identified in Schedule A, Item 2, the Company shall not be liable under this commitment until it receives a specific designation of a Proposed Insured, and has revised this commitment identifying that Proposed Insured by name. As provided in Commitment Condition 4, the Company may amend this commitment to add, among other things, additional exceptions or requirements after the designation of the Proposed Insured."
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4. The Land referred to in this Commitment is located in the County of Archuleta, State of Colorado and
described as follows:

Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Section 7: SE1/4SE1/4
Section 8: S1/2S1/2
Section 9: E1/2SW1/4 and SW1/4SW1/4
Section 10: W1/2NW1/4
Section 17: N1/2
Section 18: NE1/4
SCHEDULE B - SECTION 1
REQUIREMENTS

The following requirements must be met:

1. Pay the agreed amounts for the interest in the Land and/or for the mortgage to be insured.
2. Pay us the premiums, fees and charges for the policy.
3. The following documents satisfactory to us must be signed, delivered and recorded.
4. A Certificate of Taxes Due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent.
Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. Any facts, rights, interests or claims which are not shown by the Public Records, but which 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 materials 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 the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by the 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) ditches and ditch rights, water rights, claims or title to water; (d) all interest in oil, gas, coal and other mineral rights severed by predecessors in Title and any and all assignments thereof or interests therein; whether or not the matters excepted under (a), (b), (c) or (d) are shown by the Public Records.

8. Reservation of right of way for any ditches or canals constructed by authority of the United States, also reserves all uranium, thorium or any other material which is or may be determined to be essential to the production of fissionable materials and together with the right of the U.S. at any time to enter upon the land and prospect for, mine and remove the same, Act of August 1, 1946 (Public Law 585, 79th Congress), in U.S. Patent of record, and any easements or right of entry with respect thereto.

9. An undivided 1/2 interest in all oil, gas and other minerals together with the right of ingress and egress, as conveyed by L.M. Archuleta (also known as Lionel M. Archuleta) and Ruby G. Archuleta in Deed to Jim H. Pugh, recorded February 17, 1948 in Book 77 at Page 277, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto. NOTE: Said undivided 1/2 interest in the oil, gas and other minerals may have been partially re-acquired by Bootjack Ranch, LLC through means Mineral Deeds recorded March 11, 2019 as Reception Nos. 21901315, 21901316, 21901317, 21901318, 21901319, 21901320 and 21901321. Affidavit of Facts was recorded March 11, 2019 as Reception No. 21901322 in connection with said mineral interest. A Quiet Title action naming all persons that had acquired an interest in said mineral interest is required for full deletion of the above exception.

10. An undivided 3/4 interest in all oil, gas and other minerals together with the right of ingress and egress as reserved by Ruby G. Archuleta, formerly Ruby G. Gomez, in Deed to Carl Bramwell and Minnie Catherine Bramwell, recorded February 27, 1948 in Book 91 at Page 553 and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.
11. An undivided 5/24 interest in all oil, gas and other minerals as reserved by Joe B. Montoya and Belenino. Montoya, et al. in Deed to Sedonio N. Gallegos, recorded August 16, 1958 in Book 96 at Page 497, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

12. An undivided 1/24 interest in all oil, gas and other minerals as reserved by Joe Montoya and Alice S. Montoya, heirs of Susan G. Montoya, deceased, in Deed to Sedonio N. Gallegos, recorded August 16, 1958 in Book 96 at Page 498, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

13. An undivided 1/24 interest in all oil, gas and other minerals as reserved by Joe B. Montoya as guardian of the Estate of Peggy Montoya and Ray Montoya, minors, in Deed to Sedonio N. Gallegos, recorded August 16, 1958 in Book 96 at Page 499, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

14. An undivided 3/6 interest in all oil, gas and other minerals as reserved by Sedonio N. Gallegos in Deed to Carl Bramwell and Minnie Catherine Bramwell, recorded September 8, 1958 in Book 97 at Page 34, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

15. All oil, gas and other minerals as reserved by Roscoe H. McGee, Ruth B. McGee, Jewell S. McGee and Leona C. McGee in Deed to Kenneth Huggins and Patricia Huggins, recorded July 8, 1976 in Book 147 at Page 509, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

16. All oil, gas, coal, sulfur and other minerals of every kind or character (whether similar or dissimilar) and all geothermal rights together with the right of ingress and egress as reserved by Valley View Ranch, Inc., an Arkansas corporation in Deed to Rudith Ann Frazier Drennan, recorded August 29, 1980 in Book 174 at Page 907, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto. Note: Said mineral interest has been partially re-acquired by Bootjack Ranch, LLC through means of Mineral Deeds recorded August 14, 2017 as Reception No. 21704911. A deed from Valley View Ranch, Inc., an Arkansas corporation is necessary to terminate the interest reserved in Mineral Deed recorded August 29, 1980 in Book 174 at Page 919. Additional deeds to convey the geothermal rights to Bootjack Ranch, LLC will be required.

17. Lack of a right of access from the land to any open public road, street or highway.

18. Existing right of way for U.S. Forest Service Road No. 653 crossing subject property and any and all rights and easements associated therewith.
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Note 1: Colorado Division of Insurance Regulation 8-1-2, Section 5, Paragraph H, requires that "Every title insurance company shall be responsible to the proposed insured(s) subject to the terms and conditions of the title insurance commitment, other than the effective date of the title insurance commitment, for all matters which appear of record prior to the time of recording whenever the title insurance company, or its agent, conducts the closing and settlement service that is in conjunction with its issuance of an owner's policy of title insurance and is responsible for the recording and filing of legal documents resulting from the transaction which was closed". Provided that Colorado Title & Closing Services, LLC. conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception No. 5 in Schedule B-2 will not appear in the Owner's Title Policy and Lender's Title Policy when issued.

Note 2: Colorado Division of Insurance Regulation 8-1-2, Paragraph M of Section 5, requires that prospective insured(s) of a single family residence be notified in writing that the standard exception from coverage for unfilled Mechanics' or Materialmen's Liens may or may not be deleted upon the satisfaction of the requirement(s) pertinent to the transaction. These requirements will be addressed upon receipt of a written request to provide said coverage, or if the Purchase and Sale Agreement/Contract is provided to the Company then the necessary requirements will be reflected on the commitment and may include, but are not limited to:

A. The Land described in Schedule A of this Commitment must be a single family residence, which includes a condominium or townhouse unit.
B. No labor or materials may have been furnished by mechanics or materialmen for purpose of construction on the Land described in Schedule A of this Commitment within the past 13 months.
C. The Company must receive an appropriate affidavit indemnifying the Company against unfilled mechanic's and materialmen's liens.
D. Any deviation from conditions A through C above is subject to such additional requirements or information as the Company may deem necessary, or, at its option, the Company may refuse to delete the exception.
E. Payment of the premium for said coverage.

Note 3: The company will not issue its policy or policies of title insurance contemplated by this commitment until it has been provided a Certificate of Taxes due or other equivalent documentation from the County Treasurer or the County Treasurer's authorized agent, or until the Proposed Insured has notified or instructed the company in writing to the contrary. Furthermore, the following disclosures are hereby made pursuant to C.R.S. §10-11-122:

(i) The subject real property may be located in a special taxing district.
(ii) A certificate of taxes due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent.
(iii) Information regarding special districts and the boundaries of such districts may be obtained from the County Commissioners, the County Clerk and Recorder, or the County Assessor.

Note 4: If the sales price of the subject property exceeds $100,000.00, the seller shall be required to comply with the disclosure or withholding provisions of C.R.S. §38-22-604.5 (Non-resident withholding)

Note 5: Pursuant to C.R.S. §10-11-123 Notice is hereby given

(a) If there is recorded evidence that a mineral estate has been severed, leased or otherwise conveyed from the surface estate then there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
(b) That such mineral estate may include the right to enter and use the property without the surface owner's permission.

Note 6: Effective September 1, 1997, C.R.S. §30-10-406 requires that all documents received for recording or filing in the clerk and recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one-half inch. The clerk and recorder may refuse to record or file any document that does not conform.
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Note 7: Our Privacy Policy is attached to this commitment.

Note 8: Pursuant to C.R.S. §38-35-125 and Colorado Division of Insurance Regulation 8-1-2 (Section 5), if the parties to the subject transaction request us to provide escrow-settlement and disbursement services to facilitate the closing of the transaction, then all funds submitted for disbursement must be available for immediate withdrawal.

Note 9: C.R.S. §39-14-102 requires that a real property transfer declaration accompany any conveyance document presented for recording in the State of Colorado. Said declaration shall be completed and signed by either the grantor or grantee.

Note 10: Pursuant to C.R.S. §10-1-128 (6)(a), it is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

Note 11: Colorado Division of Insurance Regulation 8-1-3. Paragraph C. 11f of Section 5 requires a title insurance company to make the following notice to the consumer: “A closing protection letter is available to be issued to lenders, buyers and sellers”

Note 12: C.R.S. §38-35-109 (2), 1973, requires that a notation of the purchaser's legal address. (not necessarily the same as the property address) be included on the face of the deed to be recorded.

Note 13: Regulations of County Clerk and Recorder's offices require that all documents submitted for recording must contain a return address on the front page of every document being recorded.

Note 14: Pursuant to instrument recorded July 7, 1976 as Reception Number 401417 your property may or may not be in a Geological Hazard Area. It is the responsibility of the insured to make that determination. Note 14 only applies to properties in La Plata County.

Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (8/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

Nothing herein contained will be deemed to obligate the company to provide any of the coverages referred to herein unless the above conditions are fully satisfied.
Privacy Policy Statement

This notice is being provided on behalf of Colorado Title & Closing Services, Affiliated Colorado Land Title Co. Inc CLA Exchange
Accommodations Inc, Rocky Mountain Escrow Inc and La Plata Abstract Co. dba Colorado Abstract and Title Services. It describes how
information about you is handled and the steps we take to protect your privacy. We call this information "customer data" or just "data". If your
relationship with us ends, we will continue to handle data about you the same way we handle current customer data.

Protecting Customer Data
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to customer data
about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best
efforts to train and oversee our employees to ensure that your information will be handled responsibly and in accordance with our privacy policy.
We require our employees to keep the data secure and confidential.

Information We Collect
In the course of our business some of the customer data we collect may be nonpublic personal information about you from the following
sources:

- Information we receive from you or your authorized representative or applications or other forms;
- Information about your transactions with us, our affiliates, or others;
- Information we receive from our internet web sites;
- Information we receive from the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others;
- Information we receive from consumer or other reporting agencies;
- Information from lenders, appraisers, or other parties involved in your transaction.

We maintain safeguards to protect your customer data from unauthorized access or disclosure. We limit access to your customer data only to
those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Use of Information
We may provide your customer data to various individuals and companies, as permitted by law, without obtaining your prior authorization.
Disclosures may include, without limitation, the following:

- To our affiliates and/or successor in interest;
- To agents, brokers, lenders or representative of you who have requested;
- To third-party contractors or service providers who provide services or perform marketing or other functions on behalf of us;
- To others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest;
- To lenders, title insurers, judgment creditors, or other parties claiming an interest in the title of your consumer or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose data as permitted or required by law for example:

- To law enforcement officials;
- In response to subpoenas or a government investigation;
- To regulators and the Insurance Companies we represent;
- To prevent fraud.

Links to Other Websites
Our websites contain links to websites that are provided and maintained by third parties and that are not subject to our Privacy Policy
Statement. Please review the privacy policy statements on those websites. We make no representations concerning and are not responsible
for any such third party websites or their privacy policies or practices.

Changes to this Privacy Policy Statement
This Privacy Policy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Policy
Statement, we will post a notice of such changes on our website. The effective date of the Privacy Policy Statement, as listed below, indicates
the last time the Privacy Policy Statement was revised or materially changed.

Rev 06-01-2015
Chicago Title Insurance Company
COMMITMENT FOR TITLE INSURANCE
Issued by
COLORADO TITLE & CLOSING SERVICES
"Trusted Since 1946"
Agent For
Chicago Title Insurance Company

Chicago Title Insurance Company, a Nebraska corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagor of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Chicago Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Issued By:
COLORADO TITLE & CLOSING SERVICES, LLC
970 Main Avenue (P.O. Box 1389)
Durango, CO 81302
(970) 247-5461
Fax: (970) 247-6165
As Agent

Countersigned: ___________________________ Authorized Signatory
CONSIDERATIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage therein covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance herein to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage therein covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage therein covered by this Commitment must be based on and are subject to the provisions of this Commitment.

5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of the party receiving the notice of the Insured or the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org/>. 
SPECIAL WARRANTY DEED

Date: 9/14/20

$400.00

THIS DEED dated September 14, 2014 between Russell Farms Limited Liability Company as successor to Russell Family Limited Partnership, a New Mexico limited liability company as successor to Russell Family Limited Partnership, New Mexico limited partnership; (Grantee) and Corrington Ranch LLC, a Colorado limited liability company; (Grantor) is transferred by Grantor to Grantee, the undersigned, for and in consideration of the sum of TEN DOLLARS and other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, for the Grantor, the undersigned, and the said property, all the real property together with improvements, easements and all other matters described in the accompanying conveyance document and recorded in the Archuleta County Recorder's Office as follows:

TO HAVE AND TO HOLD the said premises above described and all appurtenances thereunto belonging, together with the right to use and enjoy the same for the present and forever.

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed on the day of September, 2014.

GRANTOR:

RUSSELL FAMILY LIMITED LIABILITY COMPANY A NEW MEXICO LIMITED LIABILITY COMPANY as successor to Russell Family Limited Partnership, a New Mexico limited partnership.

STATE OF TEXAS

COUNTY OF WILCO

The foregoing instrument was acknowledged before me on the day of September 14, 2014 by Charles C. Russell, as managing general partner of Russell Farms Limited Liability Company as successor to Russell Family Limited Partnership.

My Commission expires

STATE OF TEXAS

STATE OF TEXAS

STATE OF TEXAS

STATE OF TEXAS

STATE OF TEXAS

STATE OF TEXAS

STATE OF TEXAS

STATE OF TEXAS
EXHIBIT "A"

Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Section 7: SE1/4SE1/4
Section 8: SE2/3
Section 9: E1/2SW1/4 and SW1/4SW1/4
Section 10: W1/2NW1/4
Section 11: NW1/4
Section 12: NE1/4
August 13, 2020

Charles Brown, MAI, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard
Lakewood, Colorado 80401
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the 880 acre Non-Federal Parcel A. The property will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,080,000
(THREE MILLION AND EIGHTY THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
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APPRAISER’S CERTIFICATION

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this certification.

13. the appraiser has made a physical inspection of the property appraised and that the property owner, or his designated representative, was given the opportunity to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: THREE MILLION AND EIGHTY-EIGHT THOUSAND DOLLARS ($3,080,000)

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name: Proposed Valle Seco 2019 Land Exchange - 880 acre Non-Federal Parcel A

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

\[ 880 \text{ acres} \times $3,500 = $3,080,000 \]

Effective date of Value: August 13, 2020. The ranch manager has confirmed that the condition of property remains the same as of the date of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is unusually busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres for 2020, 121, is up from the same time period in 2019, 104. Likewise, the
number of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS
All of the photographs were taken by Maggie Love on October 23, 2019.

Looking northwest from the south boundary

Looking northeast from the south boundary
Looking west from the south boundary

Looking north from a knoll on the south
Looking west from a knoll on the south

Looking southwest from a knoll on the south
Looking west from the middle of the property

Looking northeast from the middle of the property
Looking northeast from the north portion

Looking north from the north portion
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.

2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.

3. There are no encumbrances or defects of title other than those mentioned in this report.

4. The property is free and clear of all liens other than those mentioned in this report.

5. The property is efficiently managed and properly maintained.

6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.

7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.

8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser’s inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
LOVE APPRAISALS, INC.
Proposed Valle Seco 2019 Land Exchange - Parcel A

5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

None

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name Proposed Valle Seco 2019 Land Exchange - 880 acre Non-Federal Parcel A

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, the (b) (5) DPP, and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture and recreation

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

Valle Seco is an irregularly shaped tract extended one and three-quarter miles from east to west and three-quarters of a mile from north to south at the widest points. It consists of a valley with grasses and shrubs and a few trees surrounded by ridges on both the north and south. It is an inholding within the San Juan National Forest. It has unimproved access via approximately four miles on seasonal, unimproved Forest Service Road 653 to a locked gate.

This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.

As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).

“The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for federal acquisition purposes.”

In this appraisal, the larger parcel is the ___ acres that are the Subject of this appraisal. Refer to the further discussion in “Analysis of Highest and Best Use”.

2. I inspected the property on October 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraiser, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the property to the south boundary. I have confirmed that the condition remains the same with David Smith, Manager for this Bootjack Ranch.
3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers' and buyers' motivations for remote, recreational and agricultural properties.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

According to the Statement of Work, “the estate appraised shall consist of all rights, title, and interests subject to any outstanding Requirements listed in Schedule B – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410.” This property interest corresponds to the fee simple estate. The fee simple estate 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.” (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)
The Title Policy dated May 6, 2019, included in the Addenda, identifies 18 exceptions. Exceptions 1 through 8 are typical reservations. Exceptions 9 through 16 are mineral reservations. Exception 17 notes a lack of legal access which could be easily cured with a Special-Use Permit. Exception 18 notes the existing access from Forest Service Road 653 which does not have a right-of-way to cross the property and is restricted by locked gates. Basically, all of these exceptions are typical of the market and do not impact the estimated value.

The appraisal includes the owner’s mineral interests. Mineral activity is not common in the neighborhood. Extensive research has been completed regarding the mineral rights for Valle Seco. The Forest Service asked Bootjack Ranch, the surface owner, to attempt to acquire the minerals. Since May 2017 a significant effort has been underway to locate the mineral owners. As of the date of the February 22, 2019 Memorandum, Bootjack Ranch owned 69.18% of the minerals under Valle Seco. The February 20, 2020 Mineral Status Report shows that Bootjack Ranch, LLC owns 69.19% of the minerals. Copies of these memorandums and the mineral deeds are retained in my files.

Two water rights (WDID 2903647 and 2903685) will be transferred to USA. These water rights are described as follows:

1) Valle Seco Reservoir, as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication of October 1, 1965, Priority No. 68-228, for 0.496 acre feet of storage for domestic and stock water purposes.

2) Bramwell Reservoir No. 3 as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication date of October 1, 1965, Priority No. 68-107, for 1.555 acre feet of storage for domestic and stock water purposes.
LEGAL DESCRIPTION

The legal description is provided by the Title Policy, Statement of Work and Warranty Deed included in the Addenda.
AREA DATA

General information, such as the area's environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

Subject is located 11 air miles south of Pagosa Springs, Colorado, in Archuleta County. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
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</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
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<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
</tr>
<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a "face-lift" of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

Governmental Forces

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area's tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>22</td>
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<tr>
<td>2010</td>
<td>20</td>
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<tr>
<td>2011</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
</tbody>
</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The neighborhood of this tract may be described as the area of Archuleta County southeast of Pagosa Springs extending along U.S. Highway 84 south to the state line. The neighborhood is bounded by national forest land to the east and west and by the transition to the heavily developed areas close to the Town of Pagosa Springs to the north. The neighborhood features the Blanco River and many small streams and tributaries and the Navajo River to the east, as well as views of the surrounding mountains. The neighborhood was traditionally devoted to large ranch uses, but has experienced extensive subdivision over the last four decades. Numerous smaller subdivisions are scattered throughout the northern portion of the neighborhood with the large Alpine Lake Ranch and Alpine Meadow subdivisions encompassing much of the southern portion of the neighborhood.

This neighborhood is at a somewhat lower elevation and with less proximity to the scenic mountains than the northern and eastern portions of the county. For this reason, it has traditionally been considered somewhat less desirable than these other areas. However, with the higher prices and the lack of supply in the northern and eastern portions of the county, the pace of subdivision and residential development in this neighborhood has accelerated in the last 40 years. The most recent subdivision in the neighborhood is Continental Divide Ranch on the south periphery near the Colorado/New Mexico State property line. This 3,947 acre property was purchased in July 2005 for $15,680,000 or $3,947 per acre. It was first subdivided into 105 acre parcels of which some of those were further split into 35 acre parcels. The sales history is arrayed below.
Beyond these specific neighborhood factors, there is another type of neighborhood relevant to this tract. It is an inholdings within the San Juan National Forest. The benefits to a private landowner of a National Forest inholding are the privacy and seclusion afforded by being surrounded by thousands of acres of land which are protected from development.
PROPERTY DATA

Site Description

Valle Seco is an irregularly shaped parcel containing 880 acres. As the Spanish name implies, it is a dry valley surrounded by ridges to the north and south. The property has access from unimproved, seasonal Forest Service Road 653, approximately four miles west of U.S. Highway 84. Forest Service Road 653 bisects the property, but the Forest Service does not have an easement and access is controlled by locked gates on the north and south boundaries. Historic perimeter fencing, ridgelines on the north and south and the locked gates limit trespassing.

The elevations range between 7,080 feet along the drainage at the western boundary to 7,760 feet in the northeastern portion. The vegetation is mostly shrubs and grass with some ponderosa pine on the south side and pinon and juniper in the southwest corner. There are several older ponds and three storage water rights, of which two are included in the appraisal:

1) Valle Seco Reservoir, as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication of October 1, 1965, Priority No. 68-228, for 0.496 acre feet of storage for domestic and stock water purposes

2) Bramwell Reservoir No. 3 as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication date of October 1, 1965, Priority No. 68-107, for 1.555 acre feet of storage for domestic and stock water purposes.

The property has no utilities, known mineral deposits or hazardous substances. Access is not improved, but because of very little change in topography, the property would be accessible in winter months via snow machines or ATV.
Please refer to the topographic map and aerial photograph contained at the end of this discussion and the prior photographs. All maps are north oriented to the top of the page.

Potential Hazards

Flood Plain: None noted - in Zone X “Areas determined to be outside the 0.2% annual chance floodplain” according to FEMA Map No. 08007C0675D dated September 25, 2009

Geologic: None

Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain map.

Improvements

None

Fixtures

None

Use History

Vacant
Sales History

The owner of record, Bootjack Ranch, LLC, purchased Subject for $4 million on September 4, 2014. The Warranty Deed is included in the Addenda. I confirmed the purchase price with the Ranch Manager, David Smith and the agent, Roger Horton. The sale of Subject will be analyzed in “Land Value”. There have been no other sales of this parcel in the last ten years.

Rental History

None

Assessed Value and Annual Tax Load

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Actual Value</th>
<th>Assessed Value</th>
<th>2019 Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5969-171-00-003</td>
<td>$803,600</td>
<td>$233,040</td>
<td>$11,370.24</td>
</tr>
<tr>
<td>5969-172-00-004</td>
<td>$526,400</td>
<td>$152,660</td>
<td>$7,448.44</td>
</tr>
</tbody>
</table>

Zoning

Subject, and all unincorporated land in the county, are zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.
LOVE APPRAISALS, INC.
Proposed Valle Seco 2019 Land Exchange - Parcel A
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as “The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property’s highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value.” (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Subject’s size, usable topography and seasonal access make a wide variety of uses physically possible. Cattle ranching or other grazing uses are physically possible. Subject’s location provides privacy, buffer and scenic amenities for a private, recreational residential retreat.

Legally Permissible

The Archuleta County Land Use Regulation does not impose any restrictions on the use of Subject for up to 25 homesites. Subdivision into tracts smaller than 35 acres would require compliance with the Land Use and Subdivision Regulations, which require year around access be provided via an all-weather road built to County specifications. It is unlikely that the U.S. Forest Service would allow the access road to Subject to be improved to that extent.
Financially Feasible

The historic, financially feasible uses of the property and nearby properties in the neighborhood include agriculture, grazing and subdivision into residential homesites on tracts of varying sizes. Recent sales show continuing demand for residential lots. The prices of the residential land sales indicate that use of Subject for residential homesites of varying sizes is financially feasible.

Maximally Productive

Use of Subject for residential homesites is clearly the maximally productive use of the property as demonstrated by other land sales throughout the neighborhood and area. However, lot sales in the nearby Alpine Meadows Subdivision do not show large adjustments for size. Therefore, the maximally productive number of lots may depend upon the individual motivations of the purchaser.

The highest and best use of Subject is for from one or more seasonal residential homesites.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110), "The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use... As a result, the appraiser must determine the larger parcel in every appraisal for federal acquisition
purposes.”

In this appraisal, the larger parcel is the 880 acres that are the Subject of this appraisal. Subject is an inholding, surrounded by national forest. The owner, Bootjack Ranch LLC, owns other land in Archuleta County. But, the other ownerships are distant and have different highest and best uses, to be sold separately as large improved recreational ranches.
LAND VALUE

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the Archuleta County records, provided by the Assessor’s office, for land sales greater than 34 acres since 2000. I have inspected all of the nearby sales. The search revealed numerous multi-million dollar large sales in Archuleta County.

I also searched throughout Southwest Colorado for sales of inholdings. The search included 35+ acre sales in Hinsdale, Archuleta, La Plata, Montezuma, San Miguel, and Ouray Counties.

The most comparable sales are arrayed on the following chart arranged in ascending order of price per acre. These are the closest, nearby large sales, Sales 1, 2 and 5; the sale of Subject, Sale 3; and an older sale of an inholding in the neighborhood, Sale 4.
## Chart of Comparable Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size – Acres</th>
<th>$/acre</th>
<th>Location/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Candelaria/SCLR, LLC</td>
<td>11/15</td>
<td>$2,500,000</td>
<td>1,565</td>
<td>$1,597</td>
<td>Steep hillside</td>
</tr>
<tr>
<td>2</td>
<td>Garcia/Hatrel</td>
<td>03/17</td>
<td>$1,100,000</td>
<td>639</td>
<td>$1,721</td>
<td>Sage valley</td>
</tr>
<tr>
<td>3</td>
<td>Russell/Bootjack</td>
<td>09/14</td>
<td>$4,000,000</td>
<td>880</td>
<td>$4,545</td>
<td>Subject</td>
</tr>
<tr>
<td>4</td>
<td>Merrion/Smith</td>
<td>03/04</td>
<td>$750,000</td>
<td>160</td>
<td>$4,688</td>
<td>Spiler Canyon</td>
</tr>
<tr>
<td>5</td>
<td>Square Top Ltd. Partnership/</td>
<td>03/13</td>
<td>$9,000,000</td>
<td>1,800</td>
<td>$5,000</td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>Square Top LLC (Cook)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
COMPARABLE SALE NO. 1
Photograph looking west by Maggie Love on May 14, 2019 from one mile east

Grantor: Patrick B. Candelaria and Debbie Candelaria  Date: 11/06/2015
Grantee: SCLR, LLC  Reception No.: 21508255
Instruments: WD

Legal Description: A tract of land in Sections 19, 20, 29, 30, 31 and 31, Township 34 North, Range 3 West, N.M.P.M., Archuleta County, Colorado. A non-exclusive access and utility easement, 30 feet in width, as described at Reception No. 187063 and 50% of grantor’s interest in and to gas and mineral rights.

Size: 1,565 acres
Sale Price: $2,500,000  Price Per Acre: $1,597
Property Rights Conveyed: fee simple estate, 50% of the Grantor’s mineral interests
Financing: cash
Conditions of Sale: typical
Description: mostly steep pinon and juniper hillside, two miles of undeveloped easement access
Verification: Jess Ketchum, appraiser, 970-731-1986
Location: West of Pagosa Springs
Buyer motivation: recreation
Improvements: none
Non-realty Items: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5893-301-00-018
Taxes: $929.00
Highest and Best Use: same as Subject
Physical Address: County Road 700
Utilities: none
Water: none
Hazards: none
Marketing time: 647 days with two listings; 283 days listed at $2,995,000
Resale Information: none
COMPARABLE SALE NO. 2
Photograph looking south by Maggie Love on June 10, 2020

Grantor: Garcia Family Trust          Date: 03/27/2017
Grantee: Bryon John Hatrel           Instruments: WD
Reception No.: 21701708

Legal Description: A tract of land in Sections 29, 30, 31 and 32, Township 33
North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Size: 639 acres
Sale Price: $1,100,000          Price Per Acre: $1,721

Property Rights Conveyed: fee simple estate
Financing: new conventional loan, cash to the seller
Conditions of Sale: motivated seller - estate settlement
Description: 8.4 miles of gravled access; irregular shape; mostly sage valley with
some hillside; touches National Forest

Verification: Ronald Christensen, listing agent (b) (6)
Location: South Pagosa Springs
Buyer motivation: recreation
Improvements: none
Non-realty Items: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel Nos.: 5969-311-00-001 and 5969-322-00-001
Taxes: $272.76
Highest and Best Use: same as Subject
Physical Address: County Road 542
Utilities: none
Water: none
Hazards: none
Marketing time: 66 days on the market, listed at $1,597,500
Resale Information: none
COMPARABLE SALE NO. 3

Subject

Grantor: Russell Family Ltd. Company  Date: 09/04/2014
Grantee: Bootjack Ranch LLC  Instrument: SWD

Legal Description: A tract of land in Sections 17 and 18, Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $4,000,000
Size: 880 acres  $/Acre: $4,545

Property Rights Conveyed: fee simple estate
Financing: cash

Conditions of Sale: typical

Description: an open grass and sage valley with pinon and juniper hillsides. Access is via 13 miles on Highway 84 south of Pagosa Springs and five miles on unimproved Forest Service Road 635.

Verification: David Smith, Bootjack Ranch Manager, 970-264-7288

Location: South of Pagosa Springs

Buyer motivation: recreation/exchange

Improvements: none

Non-realty Items: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching (AR)

Current Use: Agriculture

Assessor’s Parcel Nos.: 5969-171-00-003, 5969-172-00-004

Taxes: $18,818.68

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 653
Utilities: none
Water: none
Hazards: none
Marketing time: listed for $4.5 million for 25 days
Resale Information: none
COMPARABLE SALE NO. 4
Photograph taken October 19, 2011 by Maggie Love looking north

Grantor: Merrion Family Ltd Partnership
Grantee: Thomas H. and Margie E. Smith
Date: 03/17/2004
Instrument: WD
Reception No.: 20402595

Legal Description: A tract of land in Section 6, Township 33 North, Range 1 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $750,000
Size: 160 acres
$/Acre: $4,688

Property Rights Conveyed: fee simple estate
Financing Terms: cash to the seller
Conditions of Sale: typical
Buyer Motivation: exchange
Location: Spiler Canyon
Description: canyon and ponderosa knolls, four miles on seasonal Forest Service Road 006

Improvements: none

Verification: Roger Horton, selling agent, (b)(6)

Location: south of Pagosa Springs

Improvements: none

Non-realty Items: none

Economic Characteristics: same as Subject

Zoning: AR Agriculture Forest

Current Use: vacant

Assessor's Parcel Nos.: 5971-062-00-002

Taxes: $49.16 (2012), now exempt

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 006

Utilities: none

Water: none

Hazards: none

Marketing time: one year @ $895,000

Resale Information: none
COMPARABLE SALE NO. 5
Photographs looking north by Maggie Love in 2006

Grantor: Square Top Ranch, Ltd. Partners  
Grantee: Square Top Ranch LLC (Cook)  
Date: 03/26/2013  
Instrument: SWD  
Reception No.: 21301936

Legal Description: A tract of land in Sections 28, 29, 32, 33 and 34, Township 35 North, Range 1 East and Sections 3, 4 and 5, Township 34 North, Range 1 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $9,000,000  
Size: approximately 1,800 acres  
$/Acre: $5,000

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: Sheep Cabin Creek; mostly hillside with oak, pine, pinon and juniper; few older outbuildings; views of Square Top Mountain to the north (shown in the photograph) and limited views of the Continental Divide on the east.

Verification: public records, real estate contract, Matthew Cook

Location: Blanco Basin Road

Buyer motivation: recreation

Improvements: none

Non-realty Items: none
Economic Characteristics: same as Subject

Zoning: Agriculture Ranching (AR)

Current Use: Agriculture

Assessor's Parcel Nos.: 5885-044-00-003, 5885-042-00-004

Taxes: $2,399.08

Highest and Best Use: same as Subject

Physical Address: County Road 326

Utilities: none

Water: stream

Hazards: none

Marketing time: sold to one partner

Resale Information: prior sales December 2006 - $12,800,000
October 2004 - $8,900,000
Property Rights Conveyed

All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. The sales included varying percentages of the mineral rights. The inclusion or exclusion of such mineral rights with the property rights conveyed did not appear to have any significant impact on the price. I interviewed real estate brokers in Archuleta County who agreed that they had not seen the presence or absence of mineral rights with sales of the surface estate in Archuleta County have any effect on the sales price except in the Arboles area where there are producing gas wells. I could find no indication of any producing wells or potential for mineral production in the area of the subject parcels. Therefore, I make no adjustments for minerals.

The owner of Subject has spent $83,000 acquiring partial mineral interests and several oil and gas leases at the request of the Forest Service. I consider this cost to be a cost of exchange, not a contribution to land value.

The two water rights on Subject for stock ponds have little, if any, contribution to value.

Financing

All of the sales involved cash or terms equivalent to cash.

Conditions of Sale

Sale 1 sold with typical conditions of sale. It was listed for 283 days for $2,995,000, 20% higher than the sales price.
Sale 2 was listed for 66 days for $1,597,500 or $2,500 per acre. It sold for 31% lower than the list price. The listing agent explains that it was an estate settlement and the five remaining family members “had to get rid of it”. This sale requires upward adjustment for a highly motivated seller.

Sale 3 is the sale of Subject. It and Sale 4 have unusual conditions of sale. Both were purchased with the sole intent of exchange to the Forest Service. They had willing sellers with normal motivations, but the buyers’ could have been affected by the value of the property desired in trade, rather than the actual value of Subject. The buyer of Valle Seco consulted with a real estate professional who felt that the price was appropriate comparing it to Sale 4, Spiler Canyon. The listing agent explains that the property had only been listed for 25 days for $4.5 million for informational purposes.

Sale 4 had another interesting condition of sale. The property was listed for $895,000 and was under contract for a considerable period of time with a price to be set based upon an appraisal with a minimum sales price of $750,000. The contract was set to expire in the winter months and no appraisal could be obtained with the tract under snow. The buyer had a preliminary market analysis indicating that the tract was worth at least $750,000, and in the interest of time the seller accepted the bottom end of the price range and closed the sale. All of the prior appraisals of Spiler Canyon (two in 2004 and mine in 2011) concluded that the sale was indicative of the market.

Sale 5 sold in 2006 to a group of investors who wanted to develop the property. By the time the development failed and it was clear that development land
in Archuleta County had declined, one of the investors purchased out the other partners’ interests based on an appraisal. I conclude that the sale does not require adjustments for conditions of sale.

Market Conditions - Time

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 resales went up. The dichotomous trends make it difficult to discern if a time adjustment is appropriate.

The following chart summarized the resales that span two decades between 2001 and April 2020 because of the sales used in this appraisal have a similar time span. Again, this chart shows conflicting trends from mostly stable to -41% decline and a 30% increase. In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.
## Summary of Resales Spanning Two Decades

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td></td>
<td>33.93 acres, easement access,</td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-8%</td>
<td>National Forest on two sides</td>
</tr>
<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td></td>
<td>Blue Sky Ranch</td>
</tr>
<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td>-41%</td>
<td>1,350+ acres</td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td>1%</td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>03/13</td>
<td>$9,000,000</td>
<td></td>
<td>1,800 acres</td>
</tr>
<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td></td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>06/18</td>
<td>$685,000</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td></td>
<td>35.25 acres,</td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-21%</td>
<td>Alpine Lakes</td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td></td>
<td>37 acres, Mill Creek</td>
</tr>
<tr>
<td></td>
<td>07/15</td>
<td>$156,250</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>

### Location

Sale 1 is located 15 miles southwest of Pagosa Springs. In Archuleta County, the higher amenities properties have the best views of the Continental Divide to the north and east. The location of Sale 1, further west, is inferior.

The remaining sales have similar locations south of Pagosa Springs except that Sale 5 has a superior location closer to the mountains.
Physical Characteristics

Sale 1 requires significant upward adjustments: it has undeveloped easement access for two miles; it does not have any access to public lands; and it is mostly steep, undevelopable topography. It is possible that Sale 1 and Sale 5 require some upward adjustment due to their larger size. But, I do not have market evidence to support any adjustments.

Sale 2 also requires upward adjustment for physical characteristics. It has longer access via eight miles of a county road and very little access to public lands. Sale 3 is the sale of Subject.

Sale 4 is an older sale of a similar inholding, but it has a much smaller size which likely requires downward adjustment. Sale 5 has superior physical characteristics with frontage on year around County Road 326 and creek frontage. It is not completely an inholding, with National Forest only on two sides requiring some upward adjustment.

Indicated Value

The adjustments to the comparable sales are summarized on the following grid. They are all directional, due to the lack of market support for more precise, quantitative adjustments.

Sale 1 requires significant upward adjustment for location, the undeveloped easement access, the lack of access to public lands and the steep hillside topography.
Sale 2 also requires significant upward adjustment due to the motivated sellers, the eight miles of access and the very little access to National Forest.

Sale 3 is the sale of Subject, only requiring consideration for buyer’s motivations. Sale 4 is the sale of a similar property, but smaller, requiring downward adjustment. Sale 5 sets the top of the price range appropriate to Subject as it has a superior location, year around county road access and creek frontage.

The comparable sales show a large range of much greater than $1,721 per acre to less than $4,688 per acre. The sale of Subject should supply the best indication of value, $4,545 per acre, but the buyer’s motivations are unusual. Giving equal weight to all five sales supplies a lower indication of value, say $3,500 per acre rounded.

The final opinion of market value in terms of cash or financing terms equivalent to cash:

\[
880 \text{ acres} \times \$3,500 \text{ per acre} = \$3,080,000
\]
<table>
<thead>
<tr>
<th></th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Subject - Sale 3</th>
<th>Sale 4</th>
<th>Sale 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price per acre</strong></td>
<td>$1,597</td>
<td>$1,721</td>
<td>$4,545</td>
<td>$4,688</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Property Rights Conveyed</strong></td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
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<tr>
<td><strong>Financing</strong></td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td><strong>Motivations</strong></td>
<td>Typical</td>
<td>Motivated +</td>
<td>Exchange</td>
<td>Exchange</td>
<td>Typical</td>
</tr>
<tr>
<td><strong>Market Conditions</strong></td>
<td>11/15</td>
<td>03/17</td>
<td>09/14</td>
<td>03/04</td>
<td>03/13</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>West +</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
<td>South-east -</td>
</tr>
<tr>
<td><strong>Physical Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Undeveloped easement +</td>
<td>8+ miles +</td>
<td>4 miles</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Size - Acres</strong></td>
<td>1,565</td>
<td>639</td>
<td>880</td>
<td>160</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>Inholding/amenities</strong></td>
<td>No/ hillside +</td>
<td>A little +</td>
<td>Yes</td>
<td>Yes</td>
<td>Two sides/ Sheep Creek +</td>
</tr>
<tr>
<td><strong>Adjusted unit price</strong></td>
<td>$1,597++++</td>
<td>$1,721+++</td>
<td>$4,545</td>
<td>$4,688-</td>
<td>$5,000-</td>
</tr>
</tbody>
</table>
ADDENDA
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since 1984. In 1986, she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

- United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation; United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipe Line Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From 1979 to the present, she has worked as a full time fee appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since 1984.

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U. S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

Education

Bachelor of Arts with Distinction, International Affairs, (b) (6)

(b) (6)

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers' Courses:

- Appraisal Principles
- Basic Valuation Procedure
- Litigation Valuation
- Capitalization Theory & Techniques, Parts I, II and III
- Standards of Professional Practice, Parts A, B and C
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Advanced Market Analysis and Highest and Best Use
- Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate’s required Conservation Easement Appraiser Update Courses.

Professional Affiliations and Activities

Member of the Appraisal Institute, professionally designated MAI
  Colorado Chapter Board of Directors, (b) (6)
  Member Appraisal Institute Unification Task Force, (b) (6)
  Member Colorado Chapter 22 Admissions Committee, (b) (6)
  Regional Representative, (b) (6)
  Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6)
  Chair, (b) (6)

Member of the Nominating Committee for Judicial District No. 22, (b) (6)

Associate Member Four Corners Board of Realtors
  Board of Directors, (b) (6)
  Chair, Membership Committee, (b) (6)

Member International Right-of-Way Association
  Chair, Four Corners Satellite Chapter

Member Cortez Chamber of Commerce
  Board of Directors, (b) (6)

Victims Assistance and Law Enforcement Board (VALE), (b) (6)
  Chair, (b) (6)

Colorado Certified General Appraiser No. CG00001753

New Mexico General Certified Appraiser No. 00523-G

Arizona Certified General Appraiser No. 31796

Utah Certified General Appraiser No. 5510046-CG00
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td></td>
<td>33.93 acres, easement access,</td>
</tr>
<tr>
<td></td>
<td>06/06</td>
<td>$492,000</td>
<td>92%</td>
<td>National Forest on two sides</td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-52%</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td></td>
<td>Blue Sky Ranch</td>
</tr>
<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td>-41%</td>
<td>1,350+ acres</td>
</tr>
<tr>
<td>C</td>
<td>05/10</td>
<td>$337,700</td>
<td></td>
<td>47 acres, south</td>
</tr>
<tr>
<td></td>
<td>12/18</td>
<td>$234,500</td>
<td>-31%</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>D</td>
<td>09/12</td>
<td>$145,000</td>
<td></td>
<td>35 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>08/19</td>
<td>$100,000</td>
<td>-31%</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td></td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>04/06</td>
<td>$12,800,000</td>
<td>44%</td>
<td>1,800 acres</td>
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<tr>
<td></td>
<td>03/13</td>
<td>$9,000,000</td>
<td>-30%</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>02/11</td>
<td>$210,000</td>
<td></td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>08/13</td>
<td>$150,000</td>
<td>-29%</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>06/11</td>
<td>$195,000</td>
<td></td>
<td>71 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-23%</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td></td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>06/18</td>
<td>$685,000</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>02/11</td>
<td>$225,000</td>
<td></td>
<td>35 acres, Navajo River</td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$189,000</td>
<td>-16%</td>
<td>Ranch</td>
</tr>
<tr>
<td>J</td>
<td>12/12</td>
<td>$325,000</td>
<td></td>
<td>35 acres, Rito Blanco</td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$280,000</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>06/16</td>
<td>$140,000</td>
<td></td>
<td>40 acres, south of</td>
</tr>
<tr>
<td></td>
<td>07/18</td>
<td>$120,000</td>
<td>-14%</td>
<td>Pagosa Springs</td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td></td>
<td>35.25 acres,</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-9%</td>
<td>Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>N</td>
<td>01/18</td>
<td>$328,640</td>
<td></td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>05/20</td>
<td>$320,094</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>03/10</td>
<td>$600,000</td>
<td></td>
<td>70 acres, Two Bear</td>
</tr>
<tr>
<td></td>
<td>02/15</td>
<td>$600,000</td>
<td>0%</td>
<td>Ranch</td>
</tr>
<tr>
<td>Code</td>
<td>Date</td>
<td>Value</td>
<td>Description</td>
<td></td>
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<tr>
<td>------</td>
<td>------------</td>
<td>-----------</td>
<td>---------------------------------------</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td>37 acres, Mill Creek</td>
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<tr>
<td></td>
<td>10/05</td>
<td>$160,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>07/15</td>
<td>$156,250</td>
<td></td>
<td></td>
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<tr>
<td>Q</td>
<td>12/12</td>
<td>$95,000</td>
<td>38 acres, Cool Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/17</td>
<td>$100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>10/12</td>
<td>$72,500</td>
<td>35 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/17</td>
<td>$111,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/18</td>
<td>$118,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>04/12</td>
<td>$265,000</td>
<td>35 acres, Eagle Peak Ranch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/16</td>
<td>$290,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>06/19</td>
<td>$275,000</td>
<td>44 acres, CR 500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>08/19</td>
<td>$300,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U</td>
<td>08/13</td>
<td>$2,300,000</td>
<td>340 improved acres after remodel</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/17</td>
<td>$4,425,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>06/12</td>
<td>$325,000</td>
<td>35 acres, west of Pagosa Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$391,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W</td>
<td>03/10</td>
<td>$600,000</td>
<td>191 acres, South Archuleta County</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/12</td>
<td>$750,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>04/10</td>
<td>$350,000</td>
<td>70 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/18 &amp; 07/19</td>
<td>$445,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>05/12</td>
<td>$70,000</td>
<td>38 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/19</td>
<td>$90,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td>35 acres, Forest Service inholding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>10/12</td>
<td>$116,500</td>
<td>38 acres, west Archuleta County</td>
<td></td>
</tr>
<tr>
<td></td>
<td>03/14</td>
<td>$152,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB</td>
<td>12/11</td>
<td>$307,463</td>
<td>35 acres, Cimarron Ranch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$410,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC</td>
<td>07/11</td>
<td>$1,100,000</td>
<td>158 acres and residence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/16</td>
<td>$1,585,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DD</td>
<td>Date</td>
<td>Price</td>
<td>Percentage</td>
<td>Acres</td>
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<tr>
<td>------</td>
<td>----------</td>
<td>-------</td>
<td>------------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>11/16 &amp; 02/17</td>
<td>$174,000</td>
<td>45%</td>
<td>70 acres</td>
</tr>
<tr>
<td></td>
<td>02/19</td>
<td>$253,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>06/11</td>
<td>$195,000</td>
<td>-44%</td>
<td>71 acres</td>
</tr>
<tr>
<td></td>
<td>12/14</td>
<td>$110,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$160,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>03/14</td>
<td>$190,000</td>
<td></td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>07/17</td>
<td>$275,000</td>
<td>45%</td>
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</tr>
</tbody>
</table>
APPRAISAL STATEMENT OF WORK FOR THE PROPOSED VALLE SECO 2019 LAND EXCHANGE

TWO NON-FEDERAL PARCELS TOTALING 900.00 ACRES +/- IN SIZE WITHIN THE BOUNDARY OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA AND HINSDALE COUNTIES, COLORADO

AND ELEVEN FEDERAL PARCELS TOTALING 472.06 ACRES +/- IN SIZE CURRENTLY PART OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA AND HINSDALE COUNTIES, COLORADO

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on May 17, 2019 (Modification #1 of Agreement to Initiate pending).

<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 - Valle Seco</td>
<td>800.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>Bootjack Ranch, LLC</td>
</tr>
</tbody>
</table>

Non-Federal Parcel B - Middle Fork

<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>
</table>

Non-Federal Property: maximum of 900.00 acres

Federal Parcel 1 - Bootjack Ranch Johnny Creek 175.68 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 2 - Bootjack Ranch Road 0.86 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 3 - Bootjack Ranch River Bend 14.40 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 4 - Rancho del Sol Middle 80.00 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 5 - Rancho del Sol Branch Parmer 30.00 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 6 - Rancho del Sol Irrigation 20.00 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 7 - El Rancho Pisoar J. F. Farm 35.00 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 8 - El Rancho Pisoar North 1.485 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 9 - El Rancho Pisoar Court 0.02 Archuleta San Juan Pagosa U.S.A.
Federal Parcel 10 - Timer Ranch Middle Fork 20.90 Hinsdale San Juan Pagosa U.S.A.
Federal Parcel 11 - Central Mountain 68.00 Archuleta San Juan Pagosa U.S.A.

Non-Federal Property; maximum of 472.06 acres

* The non-Federal parcel A includes three water rights as identified in the R/Vs and to be conveyed in the exchange. Some of the Federal parcels will include power lines, access easements, conservation easements, and unauthorized improvements as identified in the A & I and are to be conveyed "as-is".

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 package.

FINAL SOW – Proposed Valle Seco Land Exchange
of non-Federal lands. Therefore, the market analyses should consider whether or not there is a single-
transaction value impact.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of
the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the
whole 472.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-
Federal property as a whole, and a unit value (per acre) for the Federal property as a whole, and acreage
ranges in which those unit values remain valid for use.

The appraisals must comply with the General Exchange Act of March 20, 1922, the Federal Land Policy
and Management Act of October 21, 1976 as amended by the Federal Land Exchange Facilitation Act of
August 20, 1988, 36 CFR 254 (Subpart A), the current edition of the Uniform Appraisal Standards for
Federal Land Acquisitions, and the current edition of the Uniform Standards of Professional Appraisal
Practice.

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 San Juan National Forest as the client. The intended
users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser
Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forest. Lands/Realty personnel
attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated
officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated
representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust,
the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard, Lakewood, CO 80401
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Commitment
for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3
(Amended), the Preliminary Land Description Verification forms, and other documents included in this
SOW and/or to be provided to the contract appraiser.
GENERAL SPECIFICATIONS

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 appendix to the appraisal report or make them available for inspection by the Forest Service review appraiser.

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 Senior 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 Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.
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 Senior 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 Senior 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 San Juan National Forests as the client.

Intended Users — The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtin, Lands/Realty personnel attached to the San Juan National Forest, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C.
Lindner Trust, the David C. Lindner Dynasty Trust, the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users – other than the Senior Review Appraiser – will be after the technical review is completed by the Senior 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 Senior 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 – (Amended) Section 1 of the May 8, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B – Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.

For non-Federal Parcel B, the estate appraised shall consist of all rights, title, and interests subject to any outstanding Requirements listed in Schedule B – (Amended) Section 1 of the May 8, 2019, Commitment for Title Insurance Order No. HD21603267-3 (Amended). In addition, Schedule B – Section 2 identifies

**FINAL SOW – Proposed Valle Seco Land Exchange**
nine Exceptions with 10 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.

Three water rights for stock ponds (WDID 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WDID 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WDID 2903646 may or may not be transferred to the USA and if so, it should also be considered in the analysis. A final determination of whether WDID 2903646 will be transferred will be communicated to the appraiser when that information is available. No Federal parcel-associated water rights will be conveyed by USA into private ownership as part of this exchange.

All of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the ATI.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraiser will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraiser will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraiser will consider any value impact of the conservation easements to be placed on Federal Parcel 10 and a portion of Federal Parcel 1 as part of the exchange. Draft easements will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

**Legal Description** — The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate and Modification #1 of 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 Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and one representative of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

**Additional Information** — The following documents are included as attachments to this SOW:

FINAL SOW—Proposed Valle Seco Land Exchange
• Request for Appraisal Services dated November 5, 2019
• Agreement to Initiate executed May 17, 2019
• Modification #1 of Agreement to Initiate
• 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. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
• Commitment for Title Insurance Order No. HD2160267-3 (Amended) effective May 8, 2019 covering the non-Federal Parcel B
• Preliminary Federal Land Status Report
• Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019
• Draft Deed of Conservation Easement for the Middle Fork Ranch (Federal Parcel 10)
• Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 11)

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 un instructed 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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel.

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, 254.5(b)(1)(ii). As this is contrary to what existed as of the effective date of appraisal, it is noted as a hypothetical condition.

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.

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 Senior 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/marketable 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.

FINAL SOW – Proposed Valle Seco Land Exchange
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 Senior Review Appraiser a final appraisal report. “Draft” copies will not be accepted. The Senior Review Appraiser will then review the final appraisal report for acceptance or recommended revisions.

Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
Order No. AR21901410

MEP /

Colorado Title & Closing Services, LLC
Serving All of Colorado
ISSUING AGENT FOR
CHICAGO TITLE INSURANCE COMPANY

Prepared for:
DAVID SMITH

Issuing Office:
456 Lewis Street, P.O. Box 334
Pagosa Springs, CO 81147
Phone: (970)264-4478
Fax: (970)264-4778

Attention:

Title Examiner:
Margaret E. Poar
mep@coloradotitlerefinc.com
(970) 375-6869

Copies to:

<table>
<thead>
<tr>
<th>SCHEDULE A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner's Policy ALTA (06/17/2006)</td>
</tr>
<tr>
<td>Search Charge Due</td>
</tr>
<tr>
<td>Loan Policy ALTA (09/17/2006)</td>
</tr>
</tbody>
</table>

Total Due $2,000.00

1. Effective date: May 6, 2019 at 5:00 PM

2. Policy or Policies to be issued:
   - Owner's Policy ALTA (06/17/2006)
   - Loan Policy ALTA (09/17/2006)
   - Tax Certification

3. Title to the FEE SIMPLE estate or interest in said Land is at the effective date hereof vested in:
   - BOOT JACK RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY

   ***For each policy to be issued as identified in Schedule A, Item 2, the Company shall not be liable under this commitment until it receives a specific designation of a Proposed Insured, and has revised this commitment identifying that Proposed Insured by name. As provided in Commitment Condition 4, the Company may amend this commitment to add, among other things, additional exceptions or requirements after the designation of the Proposed Insured.
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4. The Land referred to in this Commitment is located in the County of Archuleta, State of Colorado and described as follows:

Township 31 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Section 7: SE1/4SE1/4
Section 8: S1/2S1/2
Section 9: E1/2SW1/4 and SW1/4SW1/4
Section 16: W1/2NW1/4
Section 17: N1/2
Section 18: NE1/4
SCHEDULE B - SECTION 1
REQUIREMENTS

The following requirements must be met:

(1.) Pay the agreed amounts for the interest in the Land and/or for the mortgage to be insured.

(2.) Pay us the premiums, fees and charges for the policy.

(3.) The following documents satisfactory to us must be signed, delivered and recorded.

(4.) A Certificate of Taxes Due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer’s authorized agent.
Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. Any facts, rights, interests or claims which are not shown by the Public Records, but which 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 materials 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 the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by the 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) ditches and ditch rights, water rights, claims or title to water, (d) all interest in oil, gas, coal and other mineral rights severed by predecessors in Title and any and all assignments thereof or interests therein; whether or not the matters excepted under (a), (b), (c) or (d) are shown by the Public Records.

8. Reservation of right of way for any ditches or canals constructed by authority of the United States, also reserves all uranium, thorium or any other material which is or may be determined to be essential to the production of fissionable materials and together with the right of the U.S. at any time to enter upon the land and prospect for, mine and remove the same, Act of August 1, 1946 (Public Law 585, 79th Congress), in U.S. Patent of record, and any easements or right of entry with respect thereto.

9. An undivided 1/2 interest in all oil, gas and other minerals together with the right of ingress and egress, as conveyed by L.M. Archuleta (also known as Lionel M. Archuleta) and Ruby G. Archuleta in Deed to Jim H. Pugh, recorded February 17, 1948 in Book 77 at Page 277, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto. NOTE: Said undivided 1/2 interest in the oil, gas and other minerals may have been partially re-acquired by Bootjack Ranch, LLC through means Mineral Deeds recorded March 11, 2019 as Reception Nos. 21401314, 21401315, 21401316, 21401317, 21401318, 21401319, 21401320 and 21401321. Affidavit of Facts was recorded March 11, 2019 as Reception No. 21401322 in connection with said mineral interest. A Quiet Title action naming all persons that had acquired an interest in said mineral interest is required for full deletion of the above exception.

10. An undivided 3/4 interest in all oil, gas and other minerals together with the right of ingress and egress as reserved by Ruby G. Archuleta, formerly Ruby G. Gomez, in Deed to Carl Bramwell and Minnie Catherine Bramwell, recorded February 27, 1948 in Book 51 at Page 553, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.
11. An undivided 5/24 interest in all oil, gas and other minerals as reserved by Joe B. Montoya and Belenino Montoya, et al. in Deed to Sadowo N. Gallegos, recorded August 16, 1956 in Book 96 at Page 497, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

12. An undivided 1/24 interest in all oil, gas and other minerals as reserved by Joe Montoya and Alice S. Montoya, heirs of Susan G. Montoya, deceased, in Deed to Sedonio N. Gallegos, recorded August 16, 1956 in Book 96 at Page 498, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

13. An undivided 1/24 interest in all oil, gas and other minerals as reserved by Joe B. Montoya as guardian of the Estate of Peggy Montoya and Ray Montoya, minors, in Deed to Sedonio N. Gallegos, recorded August 16, 1956 in Book 96 at Page 499, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

14. An undivided 3/8 interest in all oil, gas and other minerals as reserved by Sedonio N. Gallegos in Deed to Carl Bramwell and Minnie Catherine Bramwell, recorded September 8, 1958 in Book 97 at Page 34, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

15. All oil, gas and other minerals as reserved by Roscoe H. McGee, Ruth B. McGee, Jewell S. McGee and Leona C. McGee in Deed to Kenneth Huggins and Patricia Huggins, recorded July 8, 1976 in Book 147 at Page 596, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

16. All oil, gas, coal, sulfur and other minerals of every kind or character (whether similar or dissimilar) and all geothermal rights together with the right of ingress and egress as reserved by Valley View Ranch, Inc., an Arkansas corporation in Deed to Rudith Ann Frazier Drennan, recorded August 29, 1980 in Book 174 at Page 927, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto. Note: Said mineral interest has been partially re-acquired by Bootjack Ranch, LLC through mesnna Mineral Deeds recorded August 14, 2017 as Reception No. 21704911 and August 31, 2017 as Reception No. 21704912. A deed from Valley View Ranch, Inc., an Arkansas corporation is necessary to terminate the interest reserved in Mineral Deed recorded August 29, 1980 in Book 174 at Page 919. Additional deeds to convey the geothermal rights to Bootjack Ranch, LLC will be required.

17. Lack of a right of access from the land to any open public road, street or highway.

18. Existing right of way for U.S. Forest Service Road No. 653 crossing subject property and any and all rights and easements associated therewith.
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Note 1: Colorado Division of Insurance Regulation 8-1-2, Section 5, Paragraph H, requires that "Every title insurance company shall be responsible to the proposed insured(s) subject to the terms and conditions of the title insurance commitment, other than the effective date of the title insurance commitment, for all matters which appear of record prior to the time of recording whenever the title insurance company, or its agent, conducts the closing and settlement service that is in conjunction with its issuance of an owner's policy of title insurance and is responsible for the recording and filing of legal documents resulting from the transaction which was closed." Provided that Colorado Title & Closing Services, LLC, conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception No. 5 in Schedule B:2 will not appear in the Owner's Title Policy and Lender's Title Policy when issued.

Note 2: Colorado Division of Insurance Regulation 8-1-2, Paragraph M of Section 6, requires that prospective insured(s) of a single family residence be notified in writing that the standard exception from coverage for unfiled Mechanic's or Materialman's Liens may or may not be deleted upon the satisfaction of the requirement(s) pertinent to the transaction. These requirements will be addressed upon receipt of a written request to provide said coverage, or if the Purchase and Sale Agreement/Contract is provided to the Company then the necessary requirements will be reflected on the commitment and may include, but are not limited to:

A. The Land described in Schedule A of this commitment must be a single family residence, which includes a condominium or townhouse unit.
B. No labor or materials may have been furnished by mechanics or materialmen for purposes of construction on the Land described in Schedule A of this Commitment within the past 13 months.
C. The Company must receive an appropriate affidavit indemnifying the Company against unfiled mechanic's and materialmen's liens.
D. Any deviation from conditions A through C above is subject to such additional requirements or information as the Company may deem necessary, or, at its option, the Company may refuse to delete the exception.
E. Payment of the premium for said coverage.

Note 3: The company will not issue its policy or policies of title insurance contemplated by this commitment until it has been provided a Certificate of Taxes due or other equivalent documentation from the County Treasurer or the County Treasurer's authorized agent, or until the Proposed Insured has notified or instructed the company in writing to the contrary. Furthermore, the following disclosures are hereby made pursuant to C.R.S. §10-11-122:
(i) The subject real property may be located in a special taxing district;
(ii) A certificate of taxes due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent; and
(iii) Information regarding special districts and the boundaries of such districts may be obtained from the County Commissioners, the County Clerk and Recorder, or the County Assessor.

Note 4: If the sales price of the subject property exceeds $100,000.00, the seller shall be required to comply with the disclosure or withholding provisions of C.R.S. §38-22-604.5 (Non-resident withholding).

Note 5: Pursuant to C.R.S. §10-11-123 Notice is hereby given
(a) If there is recorded evidence that a mineral estate has been severed, leased or otherwise conveyed from the surface estate then there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
(b) That such mineral estate may include the right to enter and use the property without the surface owner's permission.

Note 6: Effective September 1, 1997, C.R.S. §30-10-406 requires that all documents received for recording or filing in the clerk and recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one-half inch. The clerk and recorder may refuse to record or file any document that does not conform.
Note 7: Our Privacy Policy is attached to this commitment.

Note 8: Pursuant to C.R.S. §38-35-125 and Colorado Division of Insurance Regulation 8-1-2 (Section 5), if the parties to the subject transaction request us to provide escrow-settlement and disbursement services to facilitate the closing of the transaction, then all funds submitted for disbursement must be available for immediate withdrawal.

Note 9: C.R.S. §39-14-102 requires that a real property transfer declaration accompany any conveyance document presented for recording in the State of Colorado. Said declaration shall be completed and signed by either the grantor or grantee.

Note 10: Pursuant to C.R.S. §10-1-128 (6)(a), it is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

Note 11: Colorado Division of Insurance Regulation 8-1-3. Paragraph C. 11.1 of Section 5 requires a title insurance company to make the following notice to the consumer: "A closing protection letter is available to be issued to lenders, buyers and sellers".

Note 12: C.R.S. §38-35-109 (2), 1973: requires that a notation of the purchaser's legal address, (not necessarily the same as the property address) be included on the face of the deed to be recorded.

Note 13: Regulations of County Clerk and Recorder's offices require that all documents submitted for recording must contain a return address on the front page of every document being recorded.

Note 14: Pursuant to instrument recorded July 7, 1976 as Reception Number 401417 your property may or may not be in a Geological Hazard Area. It is the responsibility of the insured to make that determination. Note 14 only applies to properties in La Plata County.

Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (8/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

Nothing herein contained will be deemed to obligate the company to provide any of the coverages referred to herein unless the above conditions are fully satisfied.
Privacy Policy Statement

This notice is being provided on behalf of Colorado Title & Closing Services, Affiliates: Colorado Title Co. Inc, CLA Exchange, Accommodations Inc, Rocky Mountain Escrow Inc and La Plata Abstract Co. dba Colorado Abstract & Title Services. It describes how information about you is handled and the steps we take to protect your privacy. We call this information "customer data" or just "data". If your relationship with us ends, we will continue to handle data about you the same way we handle current customer data.

Protecting Customer Data
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to customer data about you to those employees and agents who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees to ensure that your information will be handled responsibly and in accordance with our privacy policy.

We require our employees to keep the data secure and confidential.

Information We Collect
In the course of our business some of the customer data we collect may be nonpublic personal information about you from the following sources:

- Information we receive from you or your authorized representatives or applications or other forms;
- Information from your transactions with us, our affiliates, or others;
- Information we receive from our internet web sites;
- Information we receive from the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others;
- Information we receive from consumer or other reporting agencies;
- Information from lenders, brokers, judgment creditors, or other parties claiming a security interest in title whose claim or interest must be determined, settled and released prior to a sale or escrow closing.

We maintain safeguards to protect your customer data from unauthorized access or inappropriate use. We limit access to your customer data only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Use of Information
We may provide your customer data to various individuals and companies, as permitted by law, without obtaining your prior authorization. Disclosures may include, without limitation, the following:

- To our affiliates and successor in interest;
- To agents, brokers, lenders or representatives to provide you with services you have requested;
- To third-party contractors or service providers who provide services or perform marketing or other functions on our behalf;
- To others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest;
- To lenders, brokers, judgment creditors, or other parties claiming an interest in the title whose claim or interest must be determined, settled and released prior to a sale or escrow closing.

We may also disclose data as permitted or required by law for example:

- To law enforcement officials;
- To respond to subpoenas or a government investigation;
- To registrars and the insurance companies we represent, or
- To prevent fraud.

Links to Other Websites
Our websites contain links to websites that are provided and maintained by third parties and that are not subject to our Privacy Policy Statement. Please review the privacy policy statements on those websites. We make no representations concerning and are not responsible for any such third party websites or their privacy policies or practices.

Changes to this Privacy Policy Statement
This Privacy Policy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Policy Statement, we will post a notice of such changes on our website. The effective date of the Privacy Policy Statement, as stated below, indicates the last time this Privacy Policy Statement was revised or materially changed.

Rev. 6-01-2015
Chicago Title Insurance Company

COMMITMENT FOR TITLE INSURANCE

Issued by

COLORADO
TITLE & CLOSING SERVICES
"Trusted Since 1946"

Agent For
Chicago Title Insurance Company

Chicago Title Insurance Company, a Nebraska corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagor of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Chicago Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Issued By:

COLORADO TITLE & CLOSING SERVICES, LLC
970 Main Avenue (P.O. Box 13889)
Durango, CO 81302
(970) 247-5464
Fax: (970) 247-6105
As Agent

Countersigned: ___________________________ Authorized Signatory
CONITIONS

1. The term mortgage, when used hereon, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affeclng the estate or interest or mortgage therein covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage therein covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage therein covered by this Commitment must be based on and are subject to the provisions of this Commitment.

5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org/>.
SPECIAL WARRANTY DEED

THIS DEED made the 7th day of October, 2019, between Russell Family Limited Company, a New Mexico Limited Liability Company, as successor by composition of Russell Family Limited Partnership, New Mexico Limited Partnership ("Grantee"), and Sohnsee Ranch, LLC, a Colorado limited liability company, ("Grantor") for and in consideration of the sum of Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do grant, convey and assign, and by these presents do grant, convey and assign to the Grantee the above described parcel of land located in the County of Archuleta and State of Colorado described as follows:

"Hanley Exxon" South.

TOGETHER with and in fee simple the appurtenances thereunto belonging or in anywise appertaining or thereon or thereunder, together with all and every part, parcel or appurtenance thereof, to have and to hold the above described parcel, with all and every part or appurtenance thereof, to the Grantee, its heirs, successors and assigns forever, together with all and every part, parcel or appurtenance thereof, to have and to hold the same forever, together with all and every part or appurtenance thereof, to the Grantee and its assignee forever, together with all and every part or appurtenance thereof, to the said Grantor, its heirs, successors and assigns.

IN WITNESS WHEREOF the Grantor has executed this Special Warranty Deed on the date set forth above.

GRANTOR:
RUSSELL FAMILY LIMITED COMPANY, A NEW MEXICO LIMITED LIABILITY COMPANY, as successor by composition of Russell Family Limited Partnership, New Mexico Limited Partnership.

SIGNED, SEAL D and DELIVERED in the County of Archuleta, in the State of Colorado, this 7th day of October, 2019.

[Signature]
[Signature]
[Signature]

Notary Public in and for the State of Colorado.

CHAMMAINE FRANKS
STATE OF TEXAS
STATE OF COLORADO

ARCHULETA COUNTY CLERK
ARCHULETA COUNTY RECORDER

IN WITNESS WHEREOF, I, the said Notary Public, have hereunto subscribed my name and set the date thereunder.

[Signature]

ARCHULETA COUNTY CLERK
ARCHULETA COUNTY RECORDER

IN WITNESS WHEREOF, I, the said Notary Public, have hereunto subscribed my name and set the date thereunder.

[Signature]
EXHIBIT "A"

Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Section 7: SE1/4SE1/4
Section 8: E1/2S1/2
Section 9: E1/2SW1/4 and SW1/4SW1/4
Section 10: W1/2NW1/4
Section 11: NW1/2
Section 12: NE1/4
September 23, 2020

Charles Brown, MAI, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard
Lakewood, Colorado 80401
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the 880 acre Non-Federal Parcel A. The property will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,080,000
(THREE MILLION AND EIGHTY THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
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APPRAISER'S CERTIFICATION

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this certification.

13. the appraiser has made a physical inspection of the property appraised and that the property owner, or his designated representative, was given the opportunity to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: THREE MILLION AND EIGHTY-EIGHT THOUSAND DOLLARS ($3,080,000)

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name                  Proposed Valle Seco 2019 Land Exchange - 880 acre Non-Federal Parcel A

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

\[ 880 \text{ acres} \times \$3,500 = \$3,080,000 \]

Effective date of Value: August 14, 2020. The ranch manager has confirmed that the condition of property remains the same as of the date of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is unusually busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres for 2020, 121, is up from the same time period in 2019, 104. Likewise, the
number of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS
All of the photographs were taken by Maggie Love on October 23, 2019.

Looking northwest from the south boundary

Looking northeast from the south boundary
Looking west from the south boundary

Looking north from a knoll on the south
Looking west from a knoll on the south

Looking southwest from a knoll on the south
Looking west from the middle of the property

Looking northeast from the middle of the property
Looking northeast from the north portion

Looking north from the north portion
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.
2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.
3. There are no encumbrances or defects of title other than those mentioned in this report.
4. The property is free and clear of all liens other than those mentioned in this report.
5. The property is efficiently managed and properly maintained.
6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.
7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.
8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

None

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name            Proposed Valle Seco 2019 Land Exchange -
                      880 acre Non-Federal Parcel A

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture and recreation

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

\[ 880 \text{ acres} \times \$3,500 = \$3,080,000 \]

Valle Seco is an irregularly shaped tract extended one and three-quarter miles from east to west and three-quarters of a mile from north to south at the widest points. It consists of a valley with grasses and shrubs and a few trees surrounded by ridges on both the north and south. It is an inholding within the San Juan National Forest. It has unimproved access via approximately four miles on seasonal, unimproved Forest Service Road 653 to a locked gate.

This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.

As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).

"The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for federal acquisition purposes."

In this appraisal, the larger parcel is the 880 acres that are the Subject of this appraisal. Refer to the further discussion in "Analysis of Highest and Best Use".

2. I inspected the property on October 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraiser, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the property to the south boundary. I have confirmed that the condition remains the same with David Smith,
Manager for this Bootjack Ranch. The effective date of the appraisal is the date through which the analysis extends.

3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers’ and buyers’ motivations for remote, recreational and agricultural properties.

6. I submitted the initial appraisal to Charles Brown, Senior Review Appraiser on August 14, 2020. Mr. Brown responded with email comments requesting some corrections, an explanation regarding the water rights, and an acreage range for the unit value. His suggestions are incorporated into the report dated August 23, 2020.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

According to the Statement of Work, “the estate appraised shall consist of all rights, title, and interests subject to any outstanding Requirements listed in Schedule B – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410.” This property interest corresponds to the fee simple estate. The fee
simple estate 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." (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)

The Title Policy dated May 6, 2019, included in the Addenda, identifies 18 exceptions. Exceptions 1 through 8 are typical reservations. Exceptions 9 through 16 are mineral reservations. Exception 17 notes a lack of legal access which could be easily cured with a Special-Use Permit. Exception 18 notes the existing access from Forest Service Road 653 which does not have a right-of-way to cross the property and is restricted by locked gates. Basically, all of these exceptions are typical of the market and do not impact the estimated value.

The appraisal includes the owner’s mineral interests. Mineral activity is not common in the neighborhood. Extensive research has been completed regarding the mineral rights for Valle Seco. The Forest Service asked Bootjack Ranch, the surface owner, to attempt to acquire the minerals. Since May 2017 a significant effort has been underway to locate the mineral owners. As of the date of the February 22, 2019 Memorandum, Bootjack Ranch owned 69.18% of the minerals under Valle Seco. The February 20, 2020 Mineral Status Report shows that Bootjack Ranch, LLC owns 69.19% of the minerals. Copies of these memorandums and the mineral deeds are retained in my files.

Two water rights (WDID 2903647 and 2903685) will be transferred to USA. These water rights are described as follows:
1) Valle Seco Reservoir, as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication of October 1, 1965, Priority No. 68-228, for 0.496 acre feet of storage for domestic and stock water purposes.

2) Bramwell Reservoir No. 3 as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication date of October 1, 1965, Priority No. 68-107, for 1.555 acre feet of storage for domestic and stock water purposes.

LEGAL DESCRIPTION

The legal description is provided by the Title Policy, Statement of Work and Warranty Deed included in the Addenda.
AREA DATA

General information, such as the area's environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

Subject is located 11 air miles south of Pagosa Springs, Colorado, in Archuleta County. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
</tr>
<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a "face-lift" of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

**Governmental Forces**

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area’s tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>22</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
</tbody>
</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The neighborhood of this tract may be described as the area of Archuleta County southeast of Pagosa Springs extending along U.S. Highway 84 south to the state line. The neighborhood is bounded by national forest land to the east and west and by the transition to the heavily developed areas close to the Town of Pagosa Springs to the north. The neighborhood features the Blanco River and many small streams and tributaries and the Navajo River to the east, as well as views of the surrounding mountains. The neighborhood was traditionally devoted to large ranch uses, but has experienced extensive subdivision over the last four decades. Numerous smaller subdivisions are scattered throughout the northern portion of the neighborhood with the large Alpine Lake Ranch and Alpine Meadow subdivisions encompassing much of the southern portion of the neighborhood.

This neighborhood is at a somewhat lower elevation and with less proximity to the scenic mountains than the northern and eastern portions of the county. For this reason, it has traditionally been considered somewhat less desirable than these other areas. However, with the higher prices and the lack of supply in the northern and eastern portions of the county, the pace of subdivision and residential development in this neighborhood has accelerated in the last 40 years. The most recent subdivision in the neighborhood is Continental Divide Ranch on the south periphery near the Colorado/New Mexico State property line. This 3,947 acre property was purchased in July 2005 for $15,680,000 or $3,947 per acre. It was first subdivided into 105 acre parcels of which some of those were further split into 35 acre parcels. The sales history is arrayed below.
Beyond these specific neighborhood factors, there is another type of neighborhood relevant to this tract. It is an inholdings within the San Juan National Forest. The benefits to a private landowner of a National Forest inholding are the privacy and seclusion afforded by being surrounded by thousands of acres of land which are protected from development.
PROPERTY DATA

Site Description

Valle Seco is an irregularly shaped parcel containing 880 acres. As the Spanish name implies, it is a dry valley surrounded by ridges to the north and south. The property has access from unimproved, seasonal Forest Service Road 653, approximately four miles west of U.S. Highway 84. Forest Service Road 653 bisects the property, but the Forest Service does not have an easement and access is controlled by locked gates on the north and south boundaries. Historic perimeter fencing, ridgelines on the north and south and the locked gates limit trespassing.

The elevations range between 7,080 feet along the drainage at the western boundary to 7,760 feet in the northeastern portion. The vegetation is mostly shrubs and grass with some ponderosa pine on the south side and pinon and juniper in the southwest corner. There are several older ponds and three storage water rights, of which two are included in the appraisal:

1) Valle Seco Reservoir, as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication of October 1, 1965, Priority No. 68-228, for 0.496 acre feet of storage for domestic and stock water purposes

2) Bramwell Reservoir No. 3 as adjudicated by the Division 7 Water Court in Case No. D-308, with an adjudication date of October 1, 1965, Priority No. 68-107, for 1.555 acre feet of storage for domestic and stock water purposes.

The property has no utilities, known mineral deposits or hazardous substances. Access is not improved, but because of very little change in topography, the property would be accessible in winter months via snow machines or ATV.
Please refer to the topographic map and aerial photograph contained at the end of this discussion and the prior photographs. All maps are north oriented to the top of the page.

Potential Hazards

Flood Plain: None noted - in Zone X “Areas determined to be outside the 0.2% annual chance floodplain” according to FEMA Map No. 08007C0675D dated September 25, 2009

Geologic: None

Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain map.

Improvements

None

Fixtures

None

Use History

Vacant
Sales History

The owner of record, Bootjack Ranch, LLC, purchased Subject for $4 million on September 4, 2014. The Warranty Deed is included in the Addenda. I confirmed the purchase price with the Ranch Manager, David Smith and the agent, Roger Horton. The sale of Subject will be analyzed in “Land Value”. There have been no other sales of this parcel in the last ten years.

Rental History

None

Assessed Value and Annual Tax Load

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Actual Value</th>
<th>Assessed Value</th>
<th>2019 Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5969-171-00-003</td>
<td>$803,600</td>
<td>$233,040</td>
<td>$11,370.24</td>
</tr>
<tr>
<td>5969-172-00-004</td>
<td>$526,400</td>
<td>$152,660</td>
<td>$7,448.44</td>
</tr>
</tbody>
</table>

Zoning

Subject, and all unincorporated land in the county, are zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as "The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property’s highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value." (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Subject’s size, usable topography and seasonal access make a wide variety of uses physically possible. Cattle ranching or other grazing uses are physically possible. Subject’s location provides privacy, buffer and scenic amenities for a private, recreational residential retreat.

Legally Permissible

The Archuleta County Land Use Regulation does not impose any restrictions on the use of Subject for up to 25 homesites. Subdivision into tracts smaller than 35 acres would require compliance with the Land Use and Subdivision Regulations, which require year around access be provided via an all-weather road built to County specifications. It is unlikely that the U.S. Forest Service would allow the access road to Subject to be improved to that extent.
Financially Feasible

The historic, financially feasible uses of the property and nearby properties in the neighborhood include agriculture, grazing and subdivision into residential homesites on tracts of varying sizes. Recent sales show continuing demand for residential lots. The prices of the residential land sales indicate that use of Subject for residential homesites of varying sizes is financially feasible.

Maximally Productive

Use of Subject for residential homesites is clearly the maximally productive use of the property as demonstrated by other land sales throughout the neighborhood and area. However, lot sales in the nearby Alpine Meadows Subdivision do not show large adjustments for size. Therefore, the maximally productive number of lots may depend upon the individual motivations of the purchaser.

The highest and best use of Subject is for from one or more seasonal residential homesites.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110). “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for federal acquisition
purposes."

In this appraisal, the larger parcel is the 880 acres that are the Subject of this appraisal. Subject is an inholding, surrounded by national forest. The owner, Bootjack Ranch LLC, owns other land in Archuleta County. But, the other ownerships are distant and have different highest and best uses, to be sold separately as large improved recreational ranches.
LAND VALUE

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the Archuleta County records, provided by the Assessor’s office, for land sales greater than 34 acres since 2000. I have inspected all of the nearby sales. The search revealed numerous multi-million dollar large sales in Archuleta County.

I also searched throughout Southwest Colorado for sales of inholdings. The search included 35+ acre sales in Hinsdale, Archuleta, La Plata, Montezuma, San Miguel, and Ouray Counties.

The most comparable sales are arrayed on the following chart arranged in ascending order of price per acre. These are the closest, nearby large sales, Sales 1, 2 and 5; the sale of Subject, Sale 3; and an older sale of an inholding in the neighborhood, Sale 4.
# Chart of Comparable Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size – Acres</th>
<th>$/acre</th>
<th>Location/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Candelaria/SCLR, LLC</td>
<td>11/15</td>
<td>$2,500,000</td>
<td>1,565</td>
<td>$1,597</td>
<td>Steep hillside</td>
</tr>
<tr>
<td>2</td>
<td>Garcia/Hatrel</td>
<td>03/17</td>
<td>$1,100,000</td>
<td>639</td>
<td>$1,721</td>
<td>Sage valley</td>
</tr>
<tr>
<td>3</td>
<td>Russell/Bootjack</td>
<td>09/14</td>
<td>$4,000,000</td>
<td>880</td>
<td>$4,545</td>
<td>Subject</td>
</tr>
<tr>
<td>4</td>
<td>Merrion/Smith</td>
<td>03/04</td>
<td>$750,000</td>
<td>160</td>
<td>$4,688</td>
<td>Spiler Canyon</td>
</tr>
<tr>
<td>5</td>
<td>Square Top Ltd. Partnership/</td>
<td>03/13</td>
<td>$9,000,000</td>
<td>1,800</td>
<td>$5,000</td>
<td>Square Top Ranch</td>
</tr>
</tbody>
</table>
COMPARABLE SALE NO. 1
Photograph looking west by Maggie Love on May 14, 2019 from one mile east

Grantor: Patrick B. Candelaria and Debbie Candelaria  Date: 11/06/2015
Grantee: SCLR, LLC  Reception No.: 21508255

Instruments: WD

Legal Description: A tract of land in Sections 19, 20, 29, 30, 31 and 31, Township 34 North, Range 3 West, N.M.P.M., Archuleta County, Colorado. A non-exclusive access and utility easement, 30 feet in width, as described at Reception No. 187063 and 50% of grantor’s interest in and to gas and mineral rights.

Size: 1,565 acres

Sale Price: $2,500,000  Price Per Acre: $1,597

Property Rights Conveyed: fee simple estate, 50% of the Grantor’s mineral interests

Financing: cash

Conditions of Sale: typical

Description: mostly steep pinon and juniper hillside, two miles of undeveloped easement access

Verification: Jess Ketchum, appraiser, 970-731-1986

Location: West of Pagosa Springs
Buyer motivation: recreation

Improvements: none

Non-realty Items: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5893-301-00-018

Taxes: $929.00

Highest and Best Use: same as Subject

Physical Address: County Road 700

Utilities: none

Water: none

Hazards: none

Marketing time: 647 days with two listings; 283 days listed at $2,995,000

Resale Information: none
COMPARABLE SALE NO. 2
Photograph looking south by Maggie Love on June 10, 2020

Grantor: Garcia Family Trust
Date: 03/27/2017
Instruments: WD
Reception No.: 21701708

Grantee: Bryon John Hatrel

Legal Description: A tract of land in Sections 29, 30, 31 and 32, Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Size: 639 acres
Sale Price: $1,100,000
Price Per Acre: $1,721

Property Rights Conveyed: fee simple estate
Financing: new conventional loan, cash to the seller
Conditions of Sale: motivated seller - estate settlement
Description: 8.4 miles of graveled access; irregular shape; mostly sage valley with some hillside; touches National Forest
Verification: Ronald Christensen, listing agent
Location: South Pagosa Springs
Buyer motivation: recreation
Improvements: none
Non-realty Items: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel Nos.: 5969-311-00-001 and 5969-322-00-001
Taxes: $272.76
Highest and Best Use: same as Subject
Physical Address: County Road 542
Utilities: none
Water: none
Hazards: none
Marketing time: 66 days on the market, listed at $1,597,500
Resale Information: none
COMPARABLE SALE NO. 3

Subject

Grantor: Russell Family Ltd. Company
Grantee: Bootjack Ranch LLC
Date: 09/04/2014
Instrument: SWD
Reception No.: 21405060

Legal Description: A tract of land in Sections 17 and 18, Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $4,000,000
Size: 880 acres
$/Acre: $4,545

Property Rights Conveyed: fee simple estate
Financing: cash

Conditions of Sale: typical

Description: an open grass and sage valley with pinon and juniper hillsides. Access is via 13 miles on Highway 84 south of Pagosa Springs and five miles on unimproved Forest Service Road 635.

Verification: David Smith, Bootjack Ranch Manager, 970-264-7288

Location: South of Pagosa Springs

Buyer motivation: recreation/exchange

Improvements: none

Non-realty Items: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching (AR)

Current Use: Agriculture

Assessor’s Parcel Nos.: 5969-171-00-003, 5969-172-00-004

Taxes: $18,818.68

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 653
Utilities: none

Water: none

Hazards: none

Marketing time: listed for $4.5 million for 25 days

Resale Information: none
COMPARABLE SALE NO. 4
Photograph taken October 19, 2011 by Maggie Love looking north

Grantor: Merrion Family Ltd Partnership          Date: 03/17/2004
Grantee: Thomas H. and Margie E. Smith           Instrument: WD
Reception No.: 20402595

Legal Description: A tract of land in Section 6, Township 33 North, Range 1 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $750,000                  Size: 160 acres
$/Acre: $4,688

Property Rights Conveyed: fee simple estate
Financing Terms: cash to the seller
Conditions of Sale: typical
Buyer Motivation: exchange
Location: Spiler Canyon
Description: canyon and ponderosa knolls, four miles on seasonal Forest Service Road 006

Improvements: none

Verification: Roger Horton, selling agent, (b)(6)

Location: south of Pagosa Springs

Improvements: none

Non-realty Items: none

Economic Characteristics: same as Subject

Zoning: AR Agriculture Forest

Current Use: vacant

Assessor’s Parcel Nos.: 5971-062-00-002

Taxes: $49.16 (2012), now exempt

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 006

Utilities: none

Water: none

Hazards: none

Marketing time: one year @ $895,000

Resale Information: none
COMPARABLE SALE NO. 5
Photographs looking north by Maggie Love in 2006

Grantor: Square Top Ranch, Ltd. Partners  Date: 03/26/2013
Grantee: Square Top Ranch LLC (Cook)  Instrument: SWD
Reception No.: 21301936

Legal Description: A tract of land in Sections 28, 29, 32, 33 and 34, Township 35 North, Range 1 East and Sections 3, 4 and 5, Township 34 North, Range 1 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $9,000,000
Size: approximately 1,800 acres  $/Acre: $5,000

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: Sheep Cabin Creek; mostly hillside with oak, pine, pinon and juniper; few older outbuildings; views of Square Top Mountain to the north (shown in the photograph) and limited views of the Continental Divide on the east.

Verification: public records, real estate contract, Matthew Cook

Location: Blanco Basin Road

Buyer motivation: recreation

Improvements: none

Non-realty Items: none
Economic Characteristics: same as Subject

Zoning: Agriculture Ranching (AR)

Current Use: Agriculture

Assessor’s Parcel Nos.: 5885-044-00-003, 5885-042-00-004

Taxes: $2,399.08

Highest and Best Use: same as Subject

Physical Address: County Road 326

Utilities: none

Water: stream

Hazards: none

Marketing time: sold to one partner

Resale Information: prior sales December 2006 - $12,800,000
October 2004 - $8,900,000
Property Rights Conveyed

All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. The sales included varying percentages of the mineral rights. The inclusion or exclusion of such mineral rights with the property rights conveyed did not appear to have any significant impact on the price. I interviewed real estate brokers in Archuleta County who agreed that they had not seen the presence or absence of mineral rights with sales of the surface estate in Archuleta County have any effect on the sales price except in the Arboles area where there are producing gas wells. I could find no indication of any producing wells or potential for mineral production in the area of the subject parcels. Therefore, I make no adjustments for minerals.

The owner of Subject has spent $83,000 acquiring partial mineral interests and several oil and gas leases at the request of the Forest Service. I consider this cost to be a cost of exchange, not a contribution to land value.

The two water rights on Subject for stock ponds have little, if any, contribution to value. Both storage rights are small, .496 acre feet and 1.555 acre feet, and are currently not utilized. Bootjack could construct an exempt livestock tank for more capacity, up to 10 acre feet, so the priority of the water rights has little value.

Financing

All of the sales involved cash or terms equivalent to cash.
Conditions of Sale

Sale 1 sold with typical conditions of sale. It was listed for 283 days for $2,995,000, 20% higher than the sales price.

Sale 2 was listed for 66 days for $1,597,500 or $2,500 per acre. It sold for 31% lower than the list price. The listing agent explains that it was an estate settlement and the five remaining family members “had to get rid of it”. This sale requires upward adjustment for a highly motivated seller.

Sale 3 is the sale of Subject. It and Sale 4 have unusual conditions of sale. Both were purchased with the sole intent of exchange to the Forest Service. They had willing sellers with normal motivations, but the buyers’ could have been affected by the value of the property desired in trade, rather than the actual value of Subject. The buyer of Valle Seco consulted with a real estate professional who felt that the price was appropriate comparing it to Sale 4, Spiler Canyon. The listing agent explains that the property had only been listed for 25 days for $4.5 million for informational purposes.

Sale 4 had another interesting condition of sale. The property was listed for $895,000 and was under contract for a considerable period of time with a price to be set based upon an appraisal with a minimum sales price of $750,000. The contract was set to expire in the winter months and no appraisal could be obtained with the tract under snow. The buyer had a preliminary market analysis indicating that the tract was worth at least $750,000, and in the interest of time the seller accepted the bottom end of the price range and closed the sale. All of the prior appraisals of Spiler
Canyon (two in 2004 and mine in 2011) concluded that the sale was indicative of the market.

Sale 5 sold in 2006 to a group of investors who wanted to develop the property. By the time the development failed and it was clear that development land in Archuleta County had declined, one of the investors purchased out the other partners’ interests based on an appraisal. I conclude that the sale does not require adjustments for conditions of sale.

Market Conditions - Time

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 resales went up. The dichotomous trends make it difficult to discern if a time adjustment is appropriate.

The following chart summarized the resales that span two decades between 2001 and April 2020 because of the sales used in this appraisal have a similar time span. Again, this chart shows conflicting trends from mostly stable to -41% decline and a 30% increase. In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.
Summary of Resales Spanning Two Decades

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td></td>
<td>33.93 acres, easement access,</td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-8%</td>
<td>National Forest on two sides</td>
</tr>
<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td></td>
<td>Blue Sky Ranch</td>
</tr>
<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td>-41%</td>
<td>1,350+ acres</td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td></td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>03/13</td>
<td>$9,000,000</td>
<td>1%</td>
<td>1,800 acres</td>
</tr>
<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td></td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>06/18</td>
<td>$685,000</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td></td>
<td>35.25 acres,</td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-21%</td>
<td>Alpine Lakes</td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td></td>
<td>37 acres, Mill Creek</td>
</tr>
<tr>
<td></td>
<td>07/15</td>
<td>$156,250</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>

Location

Sale 1 is located 15 miles southwest of Pagosa Springs. In Archuleta County, the higher amenities properties have the best views of the Continental Divide to the north and east. The location of Sale 1, further west, is inferior.

The remaining sales have similar locations south of Pagosa Springs except that Sale 5 has a superior location closer to the mountains.
Physical Characteristics

Sale 1 requires significant upward adjustments: it has undeveloped easement access for two miles; it does not have any access to public lands; and it is mostly steep, undevelopable topography. It is possible that Sale 1 and Sale 5 require some upward adjustment due to their larger size. But, I do not have market evidence to support any adjustments.

Sale 2 also requires upward adjustment for physical characteristics. It has longer access via eight miles of a county road and very little access to public lands. Sale 3 is the sale of Subject.

Sale 4 is an older sale of a similar inholding, but it has a much smaller size which likely requires downward adjustment. Sale 5 has superior physical characteristics with frontage on year around County Road 326 and creek frontage. It is not completely an inholding, with National Forest only on two sides requiring some upward adjustment.

Indicated Value

The adjustments to the comparable sales are summarized on the following grid. They are all directional, due to the lack of market support for more precise, quantitative adjustments.

Sale 1 requires significant upward adjustment for location, the undeveloped easement access, the lack of access to public lands and the steep hillside topography.
Sale 2 also requires significant upward adjustment due to the motivated sellers, the eight miles of access and the very little access to National Forest.

Sale 3 is the sale of Subject, only requiring consideration for buyer’s motivations. Sale 4 is the sale of a similar property, but smaller, requiring downward adjustment. Sale 5 sets the top of the price range appropriate to Subject as it has a superior location, year around county road access and creek frontage.

The comparable sales show a large range of much greater than $1,721 per acre to less than $4,688 per acre. The sale of Subject should supply the best indication of value, $4,545 per acre, but the buyer’s motivations are unusual. Giving equal weight to all five sales supplies a lower indication of value, say $3,500 per acre rounded.

The final opinion of market value in terms of cash or financing terms equivalent to cash:

\[ 880 \text{ acres} \times 3,500 \text{ per acre} = 3,080,000 \]

The estimated unit price is appropriate to a range in size between 600 and 1,000 acres.
<table>
<thead>
<tr>
<th></th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Subject - Sale 3</th>
<th>Sale 4</th>
<th>Sale 5</th>
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</thead>
<tbody>
<tr>
<td><strong>Price per acre</strong></td>
<td>$1,597</td>
<td>$1,721</td>
<td>$4,545</td>
<td>$4,688</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Property Rights Conveyed</strong></td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
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<tr>
<td><strong>Financing</strong></td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
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<tr>
<td><strong>Motivations</strong></td>
<td>Typical</td>
<td>Motivated</td>
<td>Exchange</td>
<td>Exchange</td>
<td>Typical</td>
</tr>
<tr>
<td><strong>Market Conditions</strong></td>
<td>11/15</td>
<td>03/17</td>
<td>09/14</td>
<td>03/04</td>
<td>03/13</td>
</tr>
<tr>
<td><strong>Adjusted Unit Price</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>West</td>
<td>+</td>
<td>Similar</td>
<td></td>
<td>Similar</td>
</tr>
<tr>
<td><strong>Physical Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>South-east</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Undeveloped easement</td>
<td>8+ miles</td>
<td>4 miles</td>
<td>4 miles</td>
<td>Road 326</td>
</tr>
<tr>
<td><strong>Size - Acres</strong></td>
<td>1,565</td>
<td>639</td>
<td>880</td>
<td>160</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>Inholding/amenities</strong></td>
<td>No/hillside</td>
<td>+</td>
<td>A little</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Adjusted unit price</strong></td>
<td>$1,597+++</td>
<td>$1,721+++</td>
<td>$4,545</td>
<td>$4,688-</td>
<td>$5,000-</td>
</tr>
</tbody>
</table>
ADDENDA
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since 11111. In (b)(6) she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation; United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipe Line Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From (b)(6) to the present, she has worked as a full time fee appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since 1988.

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U.S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

Education

Bachelor of Arts with Distinction, International Affairs, (b)(6)

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers' Courses:

- Appraisal Principles
- Basic Valuation Procedure
- Litigation Valuation
- Capitalization Theory & Techniques, Parts I, II and III
- Standards of Professional Practice, Parts A, B and C
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Advanced Market Analysis and Highest and Best Use
- Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate’s required Conservation Easement Appraiser Update Courses.

Professional Affiliations and Activities

Member of the Appraisal Institute, professionally designated MAI
  Colorado Chapter Board of Directors, (b) (6)  
  Member Appraisal Institute Unification Task Force, (b) (6)  
  Member Colorado Chapter 22 Admissions Committee, (b) (6)  
  Regional Representative, (b) (6)  
  Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6)  
  Chair, (b) (6)  

Member of the Nominating Committee for Judicial District No. 22, (b) (6)  

Associate Member Four Corners Board of Realtors
  Board of Directors (b) (6)  
  Chair, Membership Committee, (b) (6)  

Member International Right-of-Way Association
  Chair, Four Corners Satellite Chapter (b) (6)  

Member Cortez Chamber of Commerce
  Board of Directors, (b) (6)  

Victims Assistance and Law Enforcement Board (VALE), (b) (6)  
  Chair, (b) (6)  

Colorado Certified General Appraiser No. CG00001753

New Mexico General Certified Appraiser No. 00523-G

Arizona Certified General Appraiser No. 31796

Utah Certified General Appraiser No. 5510046-CG00
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td></td>
<td>33.93 acres, easement access,</td>
</tr>
<tr>
<td></td>
<td>06/06</td>
<td>$492,000</td>
<td>92%</td>
<td>National Forest on two sides</td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-52%</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td></td>
<td>Blue Sky Ranch</td>
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<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td>-41%</td>
<td>1,350+ acres</td>
</tr>
<tr>
<td>C</td>
<td>05/10</td>
<td>$337,700</td>
<td></td>
<td>47 acres, south</td>
</tr>
<tr>
<td></td>
<td>12/18</td>
<td>$234,500</td>
<td>-31%</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>D</td>
<td>09/12</td>
<td>$145,000</td>
<td></td>
<td>35 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>08/19</td>
<td>$100,000</td>
<td>-31%</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td></td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>04/06</td>
<td>$12,800,000</td>
<td>44%</td>
<td>1,800 acres</td>
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<tr>
<td></td>
<td>03/13</td>
<td>$9,000,000</td>
<td>-30%</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>02/11</td>
<td>$210,000</td>
<td></td>
<td>49 acres</td>
</tr>
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<td></td>
<td>08/13</td>
<td>$150,000</td>
<td>-29%</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>06/11</td>
<td>$195,000</td>
<td></td>
<td>71 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-23%</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td></td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>06/18</td>
<td>$685,000</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>02/11</td>
<td>$225,000</td>
<td></td>
<td>35 acres, Navajo River</td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$189,000</td>
<td>-16%</td>
<td>Ranch</td>
</tr>
<tr>
<td>J</td>
<td>12/12</td>
<td>$325,000</td>
<td></td>
<td>35 acres, Rito Blanco</td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$280,000</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>06/16</td>
<td>$140,000</td>
<td></td>
<td>40 acres, south of Pagosa Springs</td>
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<tr>
<td></td>
<td>07/18</td>
<td>$120,000</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td></td>
<td>35.25 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>N</td>
<td>01/18</td>
<td>$328,640</td>
<td></td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>05/20</td>
<td>$320,094</td>
<td>-3%</td>
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<tr>
<td>O</td>
<td>03/10</td>
<td>$600,000</td>
<td></td>
<td>70 acres, Two Bear Ranch</td>
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<tr>
<td></td>
<td>02/15</td>
<td>$600,000</td>
<td>0%</td>
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65
<table>
<thead>
<tr>
<th>Letter</th>
<th>Date</th>
<th>Value</th>
<th>Description</th>
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<tbody>
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<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td>37 acres, Mill Creek</td>
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<tr>
<td></td>
<td>10/05</td>
<td>$160,000</td>
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</tr>
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<td>07/15</td>
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<td>-2%</td>
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<tr>
<td>Q</td>
<td>12/12</td>
<td>$95,000</td>
<td>38 acres, Cool Springs</td>
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<td></td>
<td>11/17</td>
<td>$100,000</td>
<td>5%</td>
</tr>
<tr>
<td>R</td>
<td>10/12</td>
<td>$72,500</td>
<td>35 acres, Alpine Lakes</td>
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<tr>
<td></td>
<td>09/17</td>
<td>$111,000</td>
<td>53%</td>
</tr>
<tr>
<td></td>
<td>11/18</td>
<td>$118,000</td>
<td>6%</td>
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<td>S</td>
<td>04/12</td>
<td>$265,000</td>
<td>35 acres, Eagle Peak Ranch</td>
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<td></td>
<td>09/16</td>
<td>$290,000</td>
<td>9%</td>
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<tr>
<td>T</td>
<td>06/19</td>
<td>$275,000</td>
<td>44 acres, CR 500</td>
</tr>
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<td></td>
<td>08/19</td>
<td>$300,000</td>
<td>9%</td>
</tr>
<tr>
<td>U</td>
<td>08/13</td>
<td>$2,300,000</td>
<td>340 improved acres after remodel</td>
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<td></td>
<td>11/17</td>
<td>$4,425,000</td>
<td>16%</td>
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<tr>
<td>V</td>
<td>06/12</td>
<td>$325,000</td>
<td>35 acres, west of Pagosa Springs</td>
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<tr>
<td></td>
<td>08/18</td>
<td>$391,500</td>
<td>20%</td>
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<tr>
<td>W</td>
<td>03/10</td>
<td>$600,000</td>
<td>191 acres, South Archuleta County</td>
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<td></td>
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<td>$750,000</td>
<td>25%</td>
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<td>X</td>
<td>04/10</td>
<td>$350,000</td>
<td>70 acres, Alpine Lakes</td>
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<tr>
<td></td>
<td>09/18 &amp;</td>
<td>$445,000</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>07/19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>05/12</td>
<td>$70,000</td>
<td>38 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>11/19</td>
<td>$90,000</td>
<td>29%</td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
</tr>
<tr>
<td>AA</td>
<td>10/12</td>
<td>$116,500</td>
<td>38 acres, west Archuleta County</td>
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<tr>
<td></td>
<td>03/14</td>
<td>$152,500</td>
<td>31%</td>
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<tr>
<td>BB</td>
<td>12/11</td>
<td>$307,463</td>
<td>35 acres, Cimarron Ranch</td>
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<td></td>
<td>05/18</td>
<td>$410,000</td>
<td>33%</td>
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<tr>
<td>CC</td>
<td>07/11</td>
<td>$1,100,000</td>
<td>158 acres and residence</td>
</tr>
<tr>
<td></td>
<td>09/16</td>
<td>$1,585,000</td>
<td></td>
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<tr>
<td>Date</td>
<td>Description</td>
<td>Value</td>
<td>Percentage</td>
</tr>
<tr>
<td>-------</td>
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<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>DD 11/16 &amp; 02/17</td>
<td>$174,000</td>
<td>70 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td>DD 02/19</td>
<td>$253,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>EE 06/11</td>
<td>$195,000</td>
<td>Alpine Lakes, 71 acres</td>
<td>-44%</td>
</tr>
<tr>
<td>EE 12/14</td>
<td>$110,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE 05/18</td>
<td>$160,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>FF 03/14</td>
<td>$190,000</td>
<td>36 acres, west of</td>
<td></td>
</tr>
<tr>
<td>FF 07/17</td>
<td>$275,000</td>
<td>Pagosa Springs</td>
<td>45%</td>
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</tbody>
</table>
APPRAISAL STATEMENT OF WORK FOR THE PROPOSED VALLE SECO 2019 LAND EXCHANGE

ONE NON-FEDERAL PARCEL TOTALING 880.00 ACRES +/- IN SIZE WITHIN THE BOUNDARY OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO.

AND TEN FEDERAL PARCELS TOTALING 452.06 ACRES +/- IN SIZE CURRENTLY PART OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO.

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on May 17, 2019. Modification #1 of Agreement to Initiate was executed on May 5, 2020. Modification #2 of the Agreement to Initiate was executed on July 24, 2020.

<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 – Valle Seco *</td>
<td>880.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>Bootjack Ranch, LLC</td>
</tr>
<tr>
<td>Federal Parcel 1 – Bootjack Ranch Johnny Creek</td>
<td>175.49</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
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<td>Federal Parcel 2 – Bootjack Ranch Road</td>
<td>69.06</td>
<td>Archuleta</td>
<td>San Juan</td>
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<td>Federal Parcel 3 – Bootjack Ranch River Bench</td>
<td>18.40</td>
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<tr>
<td>Federal Parcel 4 – Rancho del Sol Middle</td>
<td>80.00</td>
<td>Archuleta</td>
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<tr>
<td>Federal Parcel 5 – Rancho del Sol Bisect Parish</td>
<td>53.00</td>
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<td>Federal Parcel 6 – Rancho del Sol Inholding</td>
<td>20.00</td>
<td>Archuleta</td>
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<td>Federal Parcel 7 – El Rancho Pinos J.T. Feuerman</td>
<td>53.00</td>
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<td>Federal Parcel 8 – El Rancho Pinos Ranch</td>
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<td>Federal Parcel 9 – El Rancho Pinos Corral</td>
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<td>Federal Parcel 11 – Corral Mountain</td>
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<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
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</table>

The Federal Property: maximum of 452.06 acres

* The non-Federal parcel A includes two water rights as identified in the RVS. All the parcels will include power line, access easements, conservation easements, and unauthorized improvements as identified in the ARI. These parcels are to be conveyed "as-is." The purpose of these appraisals is to derive a single market value conclusion of a fee simple interest in the parcel 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.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-Federal property as a whole, and a unit value (per acre) for the Federal 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 San Juan National Forest as the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard, Lakewood, CO 80401
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Modification #2 of Agreement to Initiate, Commitment for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3 (Amended), the Preliminary Land Description Verification forms, and other documents included in this SOW and/or to be provided to the contract appraiser.

Please note that Federal Parcel 10 and non-Federal Parcel B are illustrated on the following Vicinity Map, however, they have been removed from the proposed land exchange per Modification #2 of Agreement to Initiate.
GENERAL SPECIFICATIONS

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.

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 Senior 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 Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.
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 Senior 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 uninstructed 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 Senior 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

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• 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 San Juan National Forests as the client.

**Intended Users** – The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan

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National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users – other than the Senior Review Appraiser – will be after the technical review is completed by the Senior 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 modified), “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 Senior 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 – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B – Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.
Three water rights for stock ponds (WDID 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WDID 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WDID 2903646 will not be transferred to the USA and it 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 of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the ATI.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easement to be placed on a portion of Federal Parcel 1 as part of the exchange. A draft easement will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

**Legal Description** – The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate, Modification #1 of the Agreement to Initiate, and Modification #2 of 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., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

**Additional Information** – The following documents are included as attachments to this SOW:

- Request for Appraisal Services dated November 5, 2019
- Agreement to Initiate executed May 17, 2019
- Modification #1 of Agreement to Initiate
- Modification #2 of Agreement to Initiate

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• 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. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
• Preliminary Federal Land Status Report
• Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019
• Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 1)

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 un instructed 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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel:

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.

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleansed or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.

It is anticipated that no other extraordinary assumptions or 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 Senior 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 (as amended by Modification #1 of the Agreement to Initiate and Modification #2 of 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/marketability 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 Senior Review Appraiser a final appraisal report. “Draft” copies will not be accepted. The Senior Review

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Appraiser will then review the final appraisal report for acceptance or recommended revisions. Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
LOVE APPRAISALS, INC.
Proposed Valle Seco 2019 Land Exchange - Parcel A

Order No. AR21901410

Colorado Title & Closing Services, LLC
Serving All of Colorado

ISSUING AGENT FOR
CHICAGO TITLE INSURANCE COMPANY

Prepared for:
DAVID SMITH

Attention:

Copies to:

Issuing Office:
456 Lewis Street, P.O. Box 334
Pagosa Springs, CO 81147
Phone: (970)264-4178
Fax: (970)264-4778

Title Examiner:
Margaret E. Poar
me@coloradotitleservices.com
(970) 375-9869

SCHEDULE A

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<tr>
<td><strong>Total Due</strong></td>
<td><strong>$2,000.00</strong></td>
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1. Effective date: May 6, 2019 at 5:00 PM

2. Policy or Policies to be issued:
Owner's Policy ALTA (06/17/2006)
Search Charge Due
Loan Policy ALTA (06/17/2006)
Tax Certification

3. Proposed Insured:
Purchaser with contractual rights under a purchase agreement with the
vested owner identified at Item No. 3 below ***

Title to the FEE SIMPLE estate or interest in said Land is at the effective date hereof vested in:

BOOT JACK RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY

***For each policy to be issued as identified in Schedule A, Item 2, the Company shall not be liable
under this commitment until it receives a specific designation of a Proposed Insured, and has
revised this commitment identifying that Proposed Insured by name. As provided in Commitment
Condition 4, the Company may amend this commitment to add, among other things, additional
exceptions or requirements after the designation of the Proposed Insured.
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4. The Land referred to in this Commitment is located in the County of Archuleta, State of Colorado and described as follows:

Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Section 7: SE1/4SE1/4
Section 8: S1/2S1/2
Section 9: E1/2SW1/4 and SW1/4SW1/4
Section 16: W1/2NW1/4
Section 17: N1/2
Section 18: NE1/4
SCHEDULE B - SECTION 1
REQUIREMENTS

The following requirements must be met:

(1.) Pay the agreed amounts for the interest in the Land and/or for the mortgage to be insured.

(2.) Pay us the premiums, fees and charges for the policy.

(3.) The following documents satisfactory to us must be signed, delivered and recorded.

(4.) A Certificate of Taxes Due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent.
Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. Any facts, rights, interests or claims which are not shown by the Public Records, but which 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 materials 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 the proposed insured acquires for value of record the estate or interest or mortgage therein covered by the 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) ditches and ditch rights, water rights, claims or title to water; (d) all interest in oil, gas, coal and other mineral rights severed by predecessors in Title and any and all assignments thereof or interests therein; whether or not the matters excepted under (a), (b), (c) or (d) are shown by the Public Records.

8. Reservation of right of way for any ditches or canals constructed by authority of the United States, also reserves all uranium, thorium or any other material which is or may be determined to be essential to the production of fissionable materials and together with the right of the U.S. at any time to enter upon the land and prospect for, mine and remove the same. Act of August 1, 1946 (Public Law 585, 79th Congress), in U.S. Patent of record, and any easements or right of entry with respect thereto.

9. An undivided 1/2 interest in all oil, gas and other minerals together with the right of ingress and egress, as conveyed by L.M. Archuleta (also known as Lionel M. Archuleta) and Ruby G. Archuleta in Deed to Jim H. Pugh, recorded February 17, 1948 in Book 77 at Page 277, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto. NOTE: Said undivided 1/2 interest in the oil, gas and other minerals may have been partially re-acquired by Bootjack Ranch, LLC through means Mineral Deeds recorded March 11, 2019 as Reception Nos. 21901314, 21901315, 21901316, 21901317, 21901318, 21901319, 21901320 and 21901321. Affidavit of Facts was recorded March 11, 2019 as Reception No. 21901322 in connection with said mineral interest. A Quiet Title action naming all persons that had acquired an interest in said mineral interest is required for full delineation of the above exception.

10. An undivided 3/4 interest in all oil, gas and other minerals together with the right of ingress and egress as reserved by Ruby G. Archuleta, formerly Ruby G. Gomez, in Deed to Carl Bramwell and Minnie Catherine Bramwell, recorded February 27, 1948 in Book 81 at Page 553, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.
11. An undivided 5/24 interest in all oil, gas and other minerals as reserved by Joe B. Montoya and Belenino Montoya, et al., in Deed to Sedonio N. Gallegos, recorded August 16, 1956 in Book 96 at Page 497, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

12. An undivided 1/24 interest in all oil, gas and other minerals as reserved by Joe Montoya and Alice S. Montoya, heirs of Susan G. Montoya, deceased, in Deed to Sedonio N. Gallegos, recorded August 16, 1956 in Book 96 at Page 498, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

13. An undivided 1/24 interest in all oil, gas and other minerals as reserved by Joe B. Montoya as guardian of the Estate of Peggy Montoya and Ray Montoya, minors, in Deed to Sedonio N. Gallegos, recorded August 16, 1956 in Book 96 at Page 499, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

14. An undivided 3/6 interest in all oil, gas and other minerals as reserved by Sedonio N. Gallegos in Deed to Carl Bramwell and Minnie Catherine Bramwell, recorded September 8, 1956 in Book 97 at Page 34, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

15. All oil, gas and other minerals as reserved by Roscoe H. McGee, Ruth B. McGee, Jewell S. McGee and Leona C. McGee in Deed to Kenneth Huggins and Patricia Huggins, recorded July 8, 1976 in Book 147 at Page 594, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto.

16. All oil, gas, coal, sulfur and other minerals of every kind or character (whether similar or dissimilar) and all geothermal rights together with the right of ingress and egress as reserved by Valley View Ranch, Inc., an Arkansas corporation in Deed to Rudolph Ann Frazier Drennan, recorded August 20, 1980 in Book 174 at Page 909, and any and all assignments thereof or interests therein and any easements or right of entry with respect thereto. Note: Said mineral interest has been partially re-acquired by Bootjack Ranch, LLC through means Mineral Deeds recorded August 14, 2017 as Receipt No. 217038259. A deed from Valley View Ranch, Inc., an Arkansas corporation is necessary to terminate the interest reserved in Mineral Deed recorded August 20, 1980 in Book 174 at Page 919. Additional deeds to convey the geothermal rights to Bootjack Ranch, LLC will be required.

17. Lack of a right of access from the land to any open public road, street or highway.

18. Existing right of way for U.S. Forest Service Road No. 653 crossing subject property and any and all rights and easements associated therewith.
Note 1: Colorado Division of Insurance Regulation 5-1-2, Section 5, Paragraph H, requires that "Every title insurance company shall be responsible to the proposed insured(s) subject to the terms and conditions of the title insurance commitment, other than the effective date of the title insurance commitment, for all matters which appear of record prior to the time of recording whenever the title insurance company, or its agent, conducts the closing and settlement service that is in conjunction with its issuance of an owner's policy of title insurance and is responsible for the recording and filing of legal documents resulting from the transaction which was closed." Provided that Colorado Title & Closing Services, LLC, conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception No. 5 in Schedule B:2 will not appear in the Owner's Title Policy and Lender's Title Policy when issued.

Note 2: Colorado Division of Insurance Regulation 5-1-2, Paragraph M of Section 5, requires that prospective insured(s) of a single family residence be notified in writing that the standard exception from coverage for unfilled Mechanics or Materialman's Liens may or may not be deleted upon the satisfaction of the requirement(s) pertinent to the transaction. These requirements will be addressed upon receipt of a written request to provide said coverage, or if the Purchase and Sale Agreement/Contract is provided to the Company then the necessary requirements will be reflected on the commitment and may include, but are not limited to:
A. The Land described in Schedule A of this commitment must be a single family residence, which includes a condominium or townhouse unit.
B. No labor or materials may have been furnished by mechanics or materialmen for purpose of construction on the Land described in Schedule A of this Commitment within the past 13 months.
C. The Company must receive an appropriate affidavit indemnifying the Company against unfilled mechanic's and materialmen's liens.
D. Any deviation from conditions A through C above is subject to such additional requirements or information as the Company may deem necessary, or, at its option, the Company may refuse to delete the exception.
E. Payment of the premium for said coverage.

Note 3: The company will not issue its policy or policies of title insurance contemplated by this commitment until it has been provided a Certificate of Taxes due or other equivalent documentation from the County Treasurer or the County Treasurer's authorized agent, or until the Proposed Insured has notified or instructed the company in writing to the contrary. Furthermore, the following disclosures are hereby made pursuant to C.R.S. §10-11-122:
(i) The subject real property may be located in a special taxing district.
(ii) A certificate of taxes due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent and
(iii) Information regarding special districts and the boundaries of such districts may be obtained from the County Commissioners, the County Clerk and Recorder, or the County Assessor.

Note 4: If the sales price of the subject property exceeds $100,000.00, the seller shall be required to comply with the disclosure or withholding provisions of C.R.S. §38-22-604.5 (Non-resident withholding)

Note 5: Pursuant to C.R.S. §10-11-123 Notice is hereby given
(a) If there is recorded evidence that a mineral estate has been severed, leased or otherwise conveyed from the surface estate then there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
(b) That such mineral estate may include the right to enter and use the property without the surface owner's permission.

Note 6: Effective September 1, 1997, C.R.S. §30-10-406 requires that all documents received for recording or filing in the clerk and recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one-half inch. The clerk and recorder may refuse to record or file any document that does not conform.
Note 7: Our Privacy Policy is attached to this commitment.

Note 8: Pursuant to C.R.S. §§38-35-125 and Colorado Division of Insurance Regulation 8-1-2 (Section 5), if the parties to the subject transaction request us to provide escrow-settlement and disbursement services to facilitate the closing of the transaction, then all funds submitted for disbursement must be available for immediate withdrawal.

Note 9: C.R.S. §39-14-102 requires that a real property transfer declaration accompany any conveyance document presented for recording in the State of Colorado. Said declaration shall be completed and signed by either the grantor or grantee.

Note 10: Pursuant to C.R.S. §10-1-128 (6)(a), it is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

Note 11: Colorado Division of Insurance Regulation 8-1-3. Paragraph C. 11 of Section 5 requires a title insurance company to make the following notice to the consumer: “A closing protection letter is available to be issued to lenders, buyers and sellers”

Note 12: C.R.S. §§38-35-109 (2), 1973, requires that a notation of the purchaser’s legal address, (not necessarily the same as the property address) be included on the face of the deed to be recorded.

Note 13: Regulations of County Clerk and Recorder’s offices require that all documents submitted for recording must contain a return address on the front page of every document being recorded.

Note 14: Pursuant to instrument recorded July 7, 1976 as Reception Number 401417 your property may or may not be in a Geological Hazard Area. It is the responsibility of the insured to make that determination. Note 14 only applies to properties in La Plata County.

Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner’s Policy (8/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

Nothing herein contained will be deemed to obligate the company to provide any of the coverages referred to herein unless the above conditions are fully satisfied.
Privacy Policy Statement

This notice is being provided on behalf of Colorado Title & Closing Services, Affiliates, Colorado Land Title Co, Inc., CLX Exchange, Accommodations Inc., Rocky Mountain Escrow Inc, and La Plata Abstract Co, Inc. Colorado Abstract & Title Services, Inc., describes how information about you is handled and the steps we take to protect your privacy. We call this information “customer data” or just “data.” If your relationship with us ends, we will continue to handle data about you the same way we handle current customer data.

Protecting Customer Data
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to customer data about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees to ensure that your information will be handled responsibly and in accordance with our privacy policy. We require our employees to keep the data secure and confidential.

Information We Collect
In the course of our business, some of the customer data we collect may be nonpublic personal information about you from the following sources:
- Information we receive from you or your authorized representative or applications or other forms;
- Information about your transactions with us, our affiliates, or others;
- Information we receive from our Internet web site;
- Information we receive from the public records maintained by governmental entities that we either obtain directly from these entities, or from our affiliates or others;
- Information we receive from consumer or other reporting agencies, and
- Information from vendors and third parties involved in your transaction.

We maintain safeguards to protect your customer data from unauthorized access or disclosure. We limit access to your customer data only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Use of Information
We may provide your customer data to various individuals and companies, as permitted by law, without obtaining your prior authorization. Disclosures may include, without limitation, the following:
- To our affiliates or successor in interest;
- To agents, brokers, lenders, or representatives to provide you with services you have requested;
- To third-party contractors or service providers who provide services or perform marketing or other functions on our behalf;
- To others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest; and
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose data as permitted or required by law, for example:
- To law enforcement officials;
- To prevent fraud;
- To respond to subpoenas or a government investigation;
- To regulators and the insurance companies we represent; or
- To prevent fraud.

Limits to Other Websites
Our websites contain links to websites that are provided and maintained by third parties and that are not subject to our Privacy Policy Statement. Please review the privacy policy statements on those websites. We make no representations concerning and are not responsible for any such third party websites or their privacy policies or practices.

Changes to this Privacy Policy Statement
This Privacy Policy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Policy Statement, we will post a notice of such changes on our website. The effective date of the Privacy Policy Statement, as listed below, indicates the last time this Privacy Policy Statement was revised or materially changed.
Order No. AR21901410
Page 9 of 10

Chicago Title Insurance Company

COMMITMENT FOR TITLE INSURANCE

Issued by

COLORADO
TITLE & CLOSING
SERVICES
"Trusted Since 1946"

Agent For
Chicago Title Insurance Company

Chicago Title Insurance Company, a Nebraska corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagor of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF. Chicago Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Issued By:
COLORADO TITLE & CLOSING SERVICES, LLC
970 Main Avenue (P.O. Box 13889)
Durango, CO 81302
(970) 247-5464
Fax: (970) 247-6165
As Agent

Countersigned: ____________________________
Authorized Signatory
CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage therein covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.

3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage therein covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any actions or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage therein covered by this Commitment must be based on and are subject to the provisions of this Commitment.

5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at http://www.ala.org/.
SPECIAL WARRANTY DEED

THIS DEED erected December 14, 2019, between Russell Family Limited Liability Company, a New Mexico Limited Liability Company, as successor by merger of Russell Family Limited Partnership, a New Mexico limited partnership (Grantor); and Beardsley Ranch LLC, a Colorado limited liability company, as successor by merger of Russell Family Limited Partnership, a New Mexico limited partnership (Grantee), with Grantor's attorney in fact, Jose R. Martinez, and Grantee's attorney in fact, Joan B. O'Donnell, the Grantor, to hereinafter be identified as the Grantor, and the Grantee, to hereinafter be identified as the Grantee, do hereby grant, sell, and convey unto the Grantee, for good and valuable consideration, ten dollars and other goods and valuable consideration of which is hereinafter acknowledged, the following described real property and the appurtenances thereto: Situated in the County of Archuleta, and State of Colorado described as follows:

TOGETHER with all the appurtenances and appurtenances thereunto belonging and in possession appurtenant thereto, the said premises known as Lot 4, Block 10, Alliance Addition, Archuleta County, Colorado, and being more particularly described in the Deed of Trust from the Grantor to the Trustee, dated December 2, 2019, recorded in Book 94, Page 131, Archuleta County Clerk and Recorder's Office, Archuleta County, Colorado.

TO HAVE AND TO HOLD the said premises, together with all appurtenances appurtenant thereto, unto the said Grantee, to have and to hold the same, and their heirs and assigns for ever. And the aforesaid Grantor, through the said attorney in fact, hereby warrants to the aforesaid Grantee, and their heirs and assigns, that they, the said premises, are free and clear of all claims, liens, and incumbrances.

IN WITNESS WHEREOF the Grantor has executed this Special Warranty Deed on the date and year above.

GRANTOR:

RUSSELL FAMILY LIMITED PARTNERSHIP, a NEW MEXICO LIMITED LIABILITY COMPANY, as successor by merger of RUSSELL FAMILY LIMITED PARTNERSHIP, a NEW MEXICO LIMITED PARTNERSHIP

[Signature]

STATES OF TEXAS

COUNTY OF WHITMAN

[Stamp]

WITNESS my hand and official seal.

My Certifying officer signature

[Stamp] 10-20-17

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EXHIBIT "A"

Township 33 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Section 7: SE1/4SE1/4
Section 8: E1/2S1/2
Section 9: E1/2SE1/4 and SW1/4SE1/4
Section 10: W1/2NW1/4
Section 11: NW1/4
Section 12: NE1/4
Appraisal Report
For

Proposed
Valle Seco 2019 Land Exchange
Federal Parcels

August 13, 2020

BY
WILLIAM B. LOVE APPRAISALS, INC.
216 WEST MONTEZUMA AVENUE
P.O. DRAWER C
CORTEZ, COLORADO 81321
(970) 565-8578

MAGGIE LOVE, MAI
August 13, 2020

Charles Brown, MAI, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard
Lakewood, Colorado 80401
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the Federal Parcels for the Proposed Valle Seco 2019 Land Exchange. These properties will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
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APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief, ...

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformance with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this certification.

13. the appraiser has made a physical inspection of the property appraised and that the property owner, or his designated representative, was given the opportunity to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: $3,358,000 (THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name  Proposed Valle Seco 2019 Land Exchange  
Federal Parcels 1 through 9, 11

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Effective date of Value: August 13, 2020. The ranch managers have confirmed that the condition of the properties remains the same as of the dates of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is very busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres for 2020, 121, is up from the same time period in 2019, 104. Likewise, the number
of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS
All of the photographs were taken by Maggie Love on October 22 and 23, 2019.

Parcel 1

Looking west at the south portion

Looking northwest at the south portion
Looking east at the north portion
Parcel 2

Looking west at Parcel 2

Looking west at Parcel 2
Parcel 3

Looking west at Parcel 3

Looking southwest at Parcel 3
Parcel 4

Looking southeast from the pond one-quarter mile away

Looking south from the northwest corner
Looking south along the west boundary
Parcel 5

Looking east at Parcel 5

Looking north at Parcel 5
Parcel 6

Looking south at Parcel 6

Looking east at Parcel 6
Parcel 7

Looking south at Parcel 7

Looking northwest at Parcel 7
Looking east from the northwest corner
Parcel 8

Looking south at Parcel 8

View from Parcel 8
Parcel 9

Looking northeast at Parcel 9
Parcel 11

Looking north from the south boundary

Looking north from the south portion
Looking south from the south portion

Looking north
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.

2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.

3. There are no encumbrances or defects of title other than those mentioned in this report.

4. The property is free and clear of all liens other than those mentioned in this report.

5. The property is efficiently managed and properly maintained.

6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.

7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.

8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable Federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

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.

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name: Proposed Valle Seco 2019 Land Exchange - Federal Parcels 1 through 9 and 11

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture, recreation and homesites

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Descriptions:

### San Juan River Area

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-Acres</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>175.48</td>
<td>Creeks, meadow and hillside</td>
</tr>
<tr>
<td>2</td>
<td>.66</td>
<td>Small private road</td>
</tr>
<tr>
<td>3</td>
<td>16.4</td>
<td>Bench, overlooks San Juan River</td>
</tr>
</tbody>
</table>

### Blanco Basin Area

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-Acres</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>80</td>
<td>Hillside, (b)(5) DPP</td>
</tr>
<tr>
<td>5</td>
<td>33</td>
<td>Overlooks Blanco River</td>
</tr>
<tr>
<td>6</td>
<td>20</td>
<td>(b)(5) DPP</td>
</tr>
<tr>
<td>7</td>
<td>55</td>
<td>Forest Service Road 660A</td>
</tr>
<tr>
<td>8</td>
<td>3.486</td>
<td>Hillside</td>
</tr>
<tr>
<td>9</td>
<td>.02</td>
<td>Meadow, severed by county road</td>
</tr>
</tbody>
</table>

### Corral Mountain Area

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-Acres</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>68</td>
<td>Strip of hillside</td>
</tr>
</tbody>
</table>

Total 452.06
This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.
   
   As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).
   
   “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use... As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.”
   
   In this appraisal, the larger parcels vary. Refer to the further discussion in “Analysis of Highest and Best Use”.

2. I inspected the properties on October 22 and 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraiser, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the properties. I have confirmed that the conditions remain the same with the ranch managers.

3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers’ and buyers’ motivations for remote, recreational and agricultural properties.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice
(USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

The property interest corresponds to the fee simple estate. The fee simple estate 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." (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)

The Preliminary Land Status Report included in the Addenda shows a few exceptions. The following quote from the Statement of Work, describes these exceptions.

For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easements to be placed on a portion of Federal Parcel 1 as part of the exchange. Draft easements will be provided to the appraiser.

The following unauthorized improvements exist on the Federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

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The exceptions for ditches, canals, electric lines, roads and fences are typical of the market. The impact of the conservation easement on a portion of Federal Parcel 1 will be considered in “Land Value”. The appraisal includes the mineral interests except that Federal Parcels 2 and 5 have outstanding mineral rights. The Federal government does not own the oil and gas minerals on Federal Parcel 3 or any of the minerals on a small portion of Parcel 5.
LEGAL DESCRIPTIONS

The legal descriptions are provided by the Statement of Work, Land Description Verifications and Preliminary Land Status Reports included in the Addenda.
AREA DATA

General information, such as the area’s environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

The Subject tracts are located in Archuleta County, Colorado. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page. Parcels 10 and B are now excluded from the appraisal.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
</tr>
<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a "face-lift" of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

**Governmental Forces**

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area's tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>22</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
</tbody>
</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The ten Federal parcels are located in three distinct neighborhoods described as follows.

San Juan River Area

Parcels 1, 2 and 3 are located approximately ten miles northeast of Pagosa Springs with primary access from U.S. Highway 160 going up to Wolf Creek Pass on the north. The neighborhood extends from Wolf Creek Pass on the north to the National Forest boundary on the south, approximately four miles northeast of Pagosa Springs. The neighborhood is surrounded by the National Forest on the east and west and has the amenities of river bottom with exceptional views of the surrounding mountains. It has historically been devoted to large landholdings traditionally used for agriculture, but there has been increasing subdivision activity in the southern portion of the neighborhood.

The highest and best use of the neighborhood, like the entire county, has evolved from agriculture to rural homesites with corresponding agricultural uses. A few subdivisions and some small rural homesites, both primary and secondary, are located in this area. Scattered historic and new commercial uses are located in the neighborhood such as guest cabins, a bed and breakfast and an RV park.

The San Juan River valley has enjoyed strong demand for large and small rural homesites. San Juan River Ranch (SJRR). A 35+ acres subdivision overlooking the river and the Continental Divide, was developed in the 2000s.
Blanco Basin Area

The neighborhood of Parcels 4 through 9 may be defined as the Blanco Basin. This area is transected by Forest Service Road 657 and the Rio Blanco. It is confined on all sides by the San Juan National Forest. The boundaries of the National Forest closely follow the river valley.

This neighborhood has convenient access, 10 miles from Pagosa Springs via U.S. Highway 84 and five to 13 miles on Forest Service Road 657, also known as County Road 326 and the Blanco Basin Road. The neighborhood has excellent views plus the amenity of river frontage and attractive river bottom land. Demand for rural homesites within the neighborhood has remained strong, but very little supply is available. Blue Mountain Ranches Subdivision provided 41 small lots in the early 1970s.

Corral Mountain Area

The neighborhood of Parcel 11 may be described as the land along the Piedra Road, County Road 600, extending from its origin at U.S. Highway 160 on the south to the boundary to the Hinsdale County line on the north. Subject is in the center of the neighborhood. The land to the west of this road is heavily developed into small lots, in a variety of subdivisions collectively known as Pagosa Lakes. The southern portion of the neighborhood features commercial development at the intersection with the highway and a golf course and airport. North of the airport, and east of the Piedra Road, the land is primarily residential in nature and in larger parcels of 35...
acres or more in size. There is a new subdivision of smaller lots known as the Reserve. The older 35+ acre subdivision of Eagle Peak Ranches is east of Subject.

This was a rapidly developing, desirable neighborhood with good access provided by Piedra Road and water and sanitation provided by the Pagosa Area Water and Sanitation System (PAWS) throughout most of the neighborhood. It is a transitional neighborhood between the small lot subdivisions to the west and the larger lot development to the east and the National Forest boundary to the north. Many portions of this neighborhood offer excellent scenic views of the mountains to the north and east. Virtually all of the land in the south portion of the neighborhood has been subdivided for residential use. A few large ranches remain in the north portion of the neighborhood.
PROPERTY DATA

Site Description

The following paragraphs will first provide descriptions applicable to all ten parcels and then will supply individual site descriptions. The properties have no utilities, no mineral deposits, no water rights, nor hazardous substances.

Improvements

None. The unauthorized improvements existing on the Federal parcels, ditches, roads, fencing and a stock pond, are typical of the market and are encompassed in land value.

Fixtures

None

Use History

Vacant

Sales History

None

Rental History

None
Assessed Value and Annual Tax Load

The Federal land is currently exempt from taxation.

Zoning

The appraisal is subject to the following hypothetical condition as outlined in the Statement of Work.

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.

Under this hypothetical condition, the Subject parcels, like all unincorporated land in the county, would be zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.

Potential Hazards

Flood Plain: Zone A is defined as “No Base Flood Elevations determined”. Zone X is defined as “Areas determined to be outside the 0.2% annual chance floodplain”.

Parcel 1 is in Zone A according to FEMA Map No. 08007C0120D dated September 25, 2009.

Parcel 2 is in Zone A according to FEMA Map No. 08007C0120D dated September 25, 2009.
Parcel 3 is in Zone X according to FEMA Map No. 08007C0120D dated September 25, 2009.

Parcels 4 and 6 are in Zone X according to FEMA Map No. 08007C0480D dated September 25, 2009.

Parcel 5 is in Zones A and X according to FEMA Map No. 08007C0480D dated September 25, 2009.

Parcels 7, 8 and 9 are in Zone X according to FEMA Map No. 08007C0485D dated September 25, 2009.

Parcel 11 is in Zone X according to FEMA Map Nos. 08007C0075D and 08007C00250D both dated September 25, 2009.

Geologic: None

Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain maps.

Parcel 1

Site Description

Parcel 1 is an irregularly shaped tract containing 175.48 acres. It extends three-quarter miles from east to west and approximately three-quarter miles from north to south at the widest and longest points. The north approximately six acres, located in suitable wild and scenic river corridor, is to be encumbered by a conservation easement, a requirement for the exchange. The draft easement dated April 23, 2020 outlines an easement to Colorado Open Lands allowing existing
improvements, which are only roads, irrigation ditches and fencing, and prohibits any other improvements. A copy of the draft is included in my files. The proposed easement will only encumber a small portion of the property in a sloping location and has very little impact on value.

A portion of the southwest part of Parcel 1 is an irrigated meadow and the remainder is sloping hillside ranging in elevation from 7,640 feet at the northwest corner to 8,640 feet in the southeast corner. It is mostly timbered with spruce, fir and aspen. Johnny Creek, Deer Creek and a tributary to Deer Creek cross the parcel.

Parcel 1 has developed, private access from the adjoining Bootjack Ranch interior roads, but this is not legal access. Legal, public access through National Forest lands is by non-motorized travel approximately .3 mile cross country from the East Fork Road, 667, or three miles cross country from the Fawn Gulch Road, 666. The lack of legal access restricts the highest and best use.

Please refer to the topographic map contained after the discussions of Parcels 1, 2 and 3 and the prior photographs.

### Parcel 2

Parcel 2 is a tiny triangle containing .66 acres. It encompasses a small, private road that is authorized through a private road easement. There is no legal, public or administrative access to this road. This road is used by a non-Federal party for ranch access. Any legal public access is non-motorized travel from about one mile away on the Allen’s Park Road, Road 112.

This is a sloping parcel at an elevation of 7,680 feet to 7,720 feet.
property consists of a northeast slope of open meadow.

Parcel 3

Parcel 3 is a 16.4 acre bench, 100 feet east and south of the San Juan River. The elevations range between 7,520 feet to 7,680 feet. The parcel is predominantly spruce and fir forest with some ponderosa pine. Johnny Creek crosses the parcel. The property does not have legal access from the adjoining private land owner. Public access would be non-motorized travel for .2 mile and crossing the San Juan River.
NOTE: Parcels as shown may differ from the final land exchange proposal. Differences may need additional review. GIS data does not replace an actual survey.
Parcel 4

Parcel 4 is an 80 acre parcel surrounded by private property on three and one-half sides. Public access is non-motorized travel for over a mile from the closest roads. It is sloping hillside ranging in elevation from 8,080 feet to 8,440 feet. Vegetation includes spruce, firs, ponderosa pine, aspen and a few small meadows. It does not have legal or developed access.

Parcel 5

Parcel 5 is an irregularly shaped bench on the south side of the Blanco River. It contains 33 acres and has developed access from a private road, but not legal access. This property does have electricity and will be subject to an electric line easement. Elevations range from 7,760 feet to 8,000 feet. It is heavily timbered with spruce, firs and pines. It overlooks the Blanco River, but has a steep bank between the property and the river.

Parcel 6

Parcel 6 is a 20 acre parcel. There is no legal or public access. It is a sloping hillside ranging in elevation from 7,980 feet to 8,080 feet. The vegetation is spruce, firs and pines, with very few openings.
Parcel 7

Parcel 7 is a long, thin parcel containing 55 acres. The entirety of Forest Service Road 660.A, approximately .6 mile, is located within the property. It is mostly level at elevations between 8,000 feet and 8,120 feet. The property is vegetated with spruce, firs and some ponderosa pine with limited views.

Parcel 8

Parcel 8 is a square parcel containing 3.486 acres. It consists of sloping hillside ranging in elevation from 8,100 feet to 8,200 feet. The vegetation is open meadows and aspen. It does not have developed access which would be cross country for one-quarter mile. This property does have excellent views of the Continental Divide to the north.

Parcel 9

Parcel 9 is a tiny triangle containing .02 acres. It consists of a level irrigated meadow on the southeast side of the Blanco Basin Road, County Road 326. It has legal public access, but is too small for any development.
Parcel 11

The Corral Mountain Parcel contains 68 acres. The property has developed, but not legal access from an authorized road. Non-legal, non-motorized access requires approximately three miles of travel. Elevations range from 8,520 feet to 8,850 feet on the north. The vegetation includes meadows, ponderosa pines, spruce, fir and some aspen.
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as “The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property’s highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value.” (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Most of the Subjects have useable topography which allows most uses. However, there are physical constraints to the uses of most of the parcels. Parcel 1 has relatively steep topography and an unusual shape. Parcel 11 also has a long, narrow shape which is less desirable for most uses. Parcel 9 is too small to be usable for anything except for agriculture in conjunction with adjoining properties.

Legally Permissible

The lack of legal access constrains development on all of the parcels except for Parcels 7 and 9. The only possible uses would be agriculture and recreation with adjoining lands.
Financially Feasible

The demand for residential recreational uses has driven land values in Archuleta County beyond the price that can be supported by agriculture, grazing. Thus, the financially feasible uses for the Subjects are residential in conjunction with agriculture, recreation and wildlife habitat. The highest and best use of each parcel is for assemblage into an adjoining, residential/recreation homesite except for Parcel 7 which has sufficient access and a large enough size to be a homesite.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110). “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.” None of the Federal parcels are physically contiguous and each comprise individual larger parcels as described in the following paragraphs.

Parcel 1

Parcel 1 has a large enough size to allow residential development. But, it is heavily wooded with an irregular shape and does not have vehicular access. It comprises its own larger parcel considering these constraints and the proposed conservation easement on a small portion.
Parcel 2

Parcel 2 is too small, .66 acres, to be physically and legally usable as a stand-alone larger parcel. This larger parcel is estimated to comprise 35 acres including adjoining Forest Service lands, the minimum legal lot size in this portion of Archuleta County. The value of Parcel 2 will be based on the contributory value as part of 35 acres.

Parcel 3

Parcel 3 is also too small to be legally usable as a 16.4 acre tract.

Parcel 4

Parcel 4 contains 80 acres and is on three and one-half of the four sides. It is its own larger parcel, an 80 acre hillside with no vehicular access.

Parcel 5

This 33 acres has developed access and electricity, but not legal access. It is a stand along larger parcel.
Parcel 6

Parcel 6 is a 20 acre larger parcel completely surrounded by National Forest with no access. It does qualify for a Senate Bill 35 Variance because it has been physically severed by adjoining National Forest ownership. But, it does not have legal access.

Parcel 7

This parcel has access and is large enough to be a legal, developable lot. It is a stand-alone larger parcel.

Parcel 8

The larger parcel of Parcel 8 is considered to (b) (5) DPP 3.486 acre (b) (5) DPP .

Parcel 9

Parcel 9, containing .02 acres, is neither legally nor physically developable.

Parcel 11

Parcel 11 is a 68 acre larger parcel.
LAND VALUE

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the public records, supplied by the Archuleta County Assessor’s Office, for sales greater than 34 acres in Archuleta County. My research extends from 2012 through approximately the date of the appraisal. I have inspected all of the nearby sales. I also searched for smaller sales in the Blanco Basin Area because of the smaller sizes of (b) (5) DPP

The following chart arrays the sales considered most comparable to each area as well as the sale uncovered by the research that lacks access. This sale is not sufficiently similar to any of the Subjects in location or physical characteristics to be used for direct comparison. To arrive at the indicated values, I compare the Subjects to the most similar sales, which have access, and then use a paired sales analysis to supply a market derived discount for the lack of access.

Details of the Comparable Sales are included in the Addenda. A location map for the sales will be included with the valuations of the individual parcels.
### San Juan River Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeiler/Harrington</td>
<td>12/12</td>
<td>$550,000</td>
<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
<tr>
<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
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### Blanco Basin Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aquarius/Southern Baptists</td>
<td>08/20</td>
<td>$205,000</td>
<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

### Corral Mountain Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

### Sale Lacking Access

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>
All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. They had varying mineral interests, but real estate professionals agree that the mineral estate does not contribute to value in this portion of Archuleta County. There were no leases or permits associated with any of the sales. Blanco Basin Sale 3 has a conservation easement, but the seller confirms it did not impact the price. Likewise, I do not think the small, six acre conservation easement on Parcel 1 impacts the value. It is on a steep, undevelopable hillside.

All of the sales had cash equivalent financing and typical conditions of sale with willing sellers and willing buyers.

Market Conditions-Time

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 sales went up. Basically, the dichotomous trends make it difficult to discern if a time adjustment is appropriate. For instance, these following two resales in the San Juan River Area, also show contradicting trends.

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.

San Juan River Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map is included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeiler/Harrington</td>
<td>12/12</td>
<td>$550,000</td>
<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
<tr>
<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

The sizes of the larger parcels range from 35 acres for Parcels 2 and 3 to 175.4 acres for Parcel 1. The sales bracket these sizes and suggest that a size adjustment is not recognized in this market. I deem that the three parcels are sufficiently similar in physical characteristic, timbered, sloping tracks with good potential views, to have the same applicable unit price. The discount for lack of access will be considered in the following paragraphs.

Giving equal weight to Sales 1 and 2 gives a unit price of $17,000 per acre as if the Federal parcels had access. Sale 3 is superior because it includes irrigation and seven miles of river frontage. The adjustments to the comparable sales are summarized on the grid following the location map.
Discount for Lack of Access

No sales lacking legal access are available that are directly comparable to the Subjects. The one sale lacking access uncovered by the research for this appraisal is inferior in all characteristics. Therefore, I develop a paired sales analysis in order to adjust for the lack of access.

I have searched throughout my appraisal career for land sales lacking public access. Most of the sales sell to adjoining landowners for buffer and expansions of residential and recreational uses. Typical declines for lack of access range from 30% to greater than 70% depending on the desirability of the tract. There is even the occasional assemblage sale which shows a premium when the assembled parcel is essential to the adjoining owner.

The most recent Archuleta County sale lacking access is arrayed below. The details of the sale are included in the Addenda.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>

The closest sale is arrayed below. A photograph and location map are included on the following page. The location map also depicts the sale lacking access.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martinez/Hilbert</td>
<td>05/20</td>
<td>$320,094</td>
<td>104.76</td>
<td>$3,055</td>
</tr>
</tbody>
</table>

Pairing this sale to the sale lacking access indicates a 69% decline (1-$938/$3,055). The actual decline would be less because the sale with access has superior physical features of same irrigated meadow and severed river frontage.
I found another older sale lacking legal access located east of Pagosa Springs on the San Juan River. It can be paired with the sale of the adjacent tract. The two parcels meet at the center of the San Juan River and are similar except for a superior amount of level meadow land on the sale with access.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/98</td>
<td>Macht/Klein</td>
<td>$420,000</td>
<td>105</td>
<td>$4,000</td>
<td>Landlocked and on side of river away from highway</td>
</tr>
<tr>
<td>7/98</td>
<td>King Brown/King Capital</td>
<td>$743,900</td>
<td>87.36</td>
<td>$8,515</td>
<td>San Juan River frontage and Hwy 160 frontage</td>
</tr>
</tbody>
</table>

The unit price for the tract without access reflects a 53% downward adjustment from the sale with access. However, the sale without access had steeper topography on a portion of the tract, indicating a portion of the downward adjustment may be for topography rather than access. The buyer of the land without access was able to obtain a small tract of adjacent land between his parcel and the highway and build an expensive bridge in order to end up with a parcel with access.

For additional support, I have analyzed paired sales from near Mancos in southwestern Colorado which were landlocked at the time of the sale. The same purchaser bought adjoining tracts, similar in all ways except for access. These sales are summarized as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/98</td>
<td>Bayles/Redstone</td>
<td>$224,000</td>
<td>625</td>
<td>$350</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Hindmarsh/Redstone</td>
<td>$200,000</td>
<td>480</td>
<td>$417</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Aramark/Redstone</td>
<td>$760,000</td>
<td>755</td>
<td>$1,007</td>
<td>access to Hwy. 160</td>
</tr>
</tbody>
</table>
Combining the two landlocked sales results in a unit price of $377 which reflects a 62% downward adjustment from the sale with access.

Two more sets of paired sales show similar percentage declines for lack of access.

### Montezuma County, East Canyon

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/05</td>
<td>Mathews/Malouff</td>
<td>$40,000</td>
<td>40</td>
<td>$1,000</td>
<td>Totally landlocked by steep BLM hillside</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Hoffman</td>
<td>$120,000</td>
<td>80</td>
<td>$1,500</td>
<td>Horseback access</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Truaz</td>
<td>$216,000</td>
<td>120</td>
<td>$1,800</td>
<td>Horseback access</td>
</tr>
<tr>
<td>11/05</td>
<td>Malouff/Truaz</td>
<td>$250,000</td>
<td>120</td>
<td>$2,083</td>
<td>County road</td>
</tr>
</tbody>
</table>

These paired sales show 33% to 44% declines for the landlocked parcel compared to those accessible by horseback and a 52% decline compared to county road access.

### La Plata County, Hillside Sales near Durango

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/10</td>
<td>Crader/City of Durango</td>
<td>$670,000</td>
<td>222</td>
<td>$3,018</td>
<td>Horse Gulch, no access</td>
</tr>
<tr>
<td>11/10</td>
<td>1401 Inv./McCutchin</td>
<td>$500,000</td>
<td>76.42</td>
<td>$6,543</td>
<td>West of Durango, easement access</td>
</tr>
<tr>
<td>02/10</td>
<td>Corallo/McCready</td>
<td>$250,000</td>
<td>35.17</td>
<td>$7,108</td>
<td>Durango Ridge, subdivision road</td>
</tr>
<tr>
<td>06/10</td>
<td>Bruns/End-IRA, Inc. (Malcolm)</td>
<td>$294,000</td>
<td>35.11</td>
<td>$8,374</td>
<td>Trappers Crossing, subdivision road.</td>
</tr>
</tbody>
</table>

These recent paired sales show 54% to 64% declines for lack of access.
I conclude that a 50% discount is appropriate for the lack of access. This adjustment is well supported by the paired sales.

The calculations showing the estimated unit price for each parcel, the discount for lack of access and the estimated values will be provided in a summary at the end of this discussion.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>12/12</td>
<td>09/14</td>
<td>09/14</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Location</td>
<td>San Juan River</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior river frontage</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$15,647-</td>
<td>$18,571-</td>
<td>$21,569---</td>
</tr>
</tbody>
</table>
Blanco Basin Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aquarius/Southern Baptists</td>
<td>08/20</td>
<td>$205,000</td>
<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CI Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

Sales 1 and 2 are most similar to Parcels 4 and 6, sloping hillsides with limited views because of topography and timber. Sale 2 requires upward adjustment for the seller duress. It was “priced to sell” for $275,000 or $8,105 per acre and sold in 97 days. The seller had paid $492,000 in 2006 (Time Trend Sale A).

Sale 1 has 12 miles of seasonal access, inferior to Sale 2. The estimated unit price for Parcels 4 and 6 relies on Sale 2 with upward adjustment to $7,000 per acre is these parcels had access.

Parcels 5, 7, 8 and 9 are superior with some open, level topography allowing the mountain views. Sale 3 shows the top of the price range for land in the Blanco Basin Area. This property included a new custom house with a cost of $850,000 or $2,125 per acre, leaving a land value of $17,875 per acre. However, the sale has superior irrigation and superior views further north in the Blanco Basin Area and
closer to the mountains. Adjusting this sale downward for superior features, yields an estimated unit price of $15,000 per acre for Parcels 5, 7, 8 and 9. Parcels 5 and 8, however, lack access and require a discount.

The calculations depicting the estimated values, including the previously described discount for lack of access, are summarized at the end of this discussion.

<table>
<thead>
<tr>
<th></th>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td></td>
<td>$5,835</td>
<td>$6,926</td>
<td>$20,000</td>
</tr>
<tr>
<td>Property Rights</td>
<td></td>
<td>Fee</td>
<td>Fee</td>
<td>Fee simple estate w/ conservation easement</td>
</tr>
<tr>
<td>Conveyed</td>
<td></td>
<td>simple estate</td>
<td>simple estate</td>
<td></td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td></td>
<td>Typical</td>
<td>Duress +</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td></td>
<td>08/20</td>
<td>01/04</td>
<td>12/16</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td></td>
<td>$5,835</td>
<td>$6,926+</td>
<td>$20,000</td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td>Blanco Basin Area</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td></td>
<td>Seasonal -</td>
<td>Private -</td>
<td>Superior -</td>
</tr>
<tr>
<td>Appeal</td>
<td></td>
<td>Timber</td>
<td>Timber</td>
<td>Superior</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td></td>
<td></td>
<td>Custom house ($2,126)</td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td></td>
<td>$5,835-</td>
<td>$6,926</td>
<td>$17,875-</td>
</tr>
</tbody>
</table>
Corral Mountain Area

The closest sales to the Corral Mountain Parcel 11 are arrayed on the following chart. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

Corral Mountain is a strip containing 68 acres. It is most similar to Sale 1 and 2 if it had legal access. Sales 3 and 4 are superior because they have live water. Sales 1 and 2 bracket a price of $8,000 per acre rounded if Parcel 11 had access. Again, the access discount is applied in the following summary.
<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
<th>Sale 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$7,400</td>
<td>$8,227</td>
<td>$8,818</td>
<td>$8,800</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Motivations</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>11/15</td>
<td>09/16</td>
<td>01/20</td>
<td>02/17</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Corral Mtn. area</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$7,400-</td>
<td>$8,227-</td>
<td>$8,818-</td>
<td>$8,800-</td>
</tr>
</tbody>
</table>
Summary of Estimated Values

The calculations arriving at the estimated value for each parcel are arrayed below.

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-acres</th>
<th>$/Acre</th>
<th>Less discount</th>
<th>Adj. $/Acre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>175.48</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$1,491,580</td>
</tr>
<tr>
<td>2</td>
<td>0.66</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$5,610</td>
</tr>
<tr>
<td>3</td>
<td>16.40</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$139,400</td>
</tr>
<tr>
<td>4</td>
<td>80.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$280,000</td>
</tr>
<tr>
<td>5</td>
<td>33.00</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$247,500</td>
</tr>
<tr>
<td>6</td>
<td>20.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$70,000</td>
</tr>
<tr>
<td>7</td>
<td>55.00</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$825,000</td>
</tr>
<tr>
<td>8</td>
<td>3.486</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$26,145</td>
</tr>
<tr>
<td>9</td>
<td>0.02</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$300</td>
</tr>
<tr>
<td>11</td>
<td>68.00</td>
<td>$8,000</td>
<td>50%</td>
<td>$4,000</td>
<td>$272,000</td>
</tr>
<tr>
<td>Total</td>
<td>452.05</td>
<td></td>
<td></td>
<td></td>
<td>$3,357,535</td>
</tr>
<tr>
<td>Rounded</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,358,000</td>
</tr>
</tbody>
</table>

The total includes ten parcels which could be sold in at least four separate transactions with the adjoining private lands. The purpose of this appraisal is to derive a single market value conclusion of a fee simple interest in the package of Federal lands. USPAP Standards Rule 1-4(e) requires “when analyzing the assemblage of the various estates or component parts of a property, an appraiser much analyze the effect on value, if any, of the assemblage. An appraiser must refrain from valuing the whole solely by adding together the individual values of the various estates or component parts”. Needless to say, there is no good market evidence to indicate if an adjustment is necessary to arrive at a single value. The
following chart and map illustrate the only sales in Southwest Colorado that I know of with multiple parcels.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size – Acres</th>
<th>$/acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fox Fire Farms/Keyah Grande/USA</td>
<td>10/07</td>
<td>$756,000</td>
<td>1,080</td>
<td>$700</td>
<td>Three parcels</td>
</tr>
<tr>
<td>2</td>
<td>Wallace/TCF/USA</td>
<td>11/09</td>
<td>$3,315,000</td>
<td>4,573</td>
<td>$725</td>
<td>Eight parcels</td>
</tr>
<tr>
<td>3</td>
<td>Zwicker/TCF/USA</td>
<td>05/14</td>
<td>$347,000</td>
<td>441.6</td>
<td>$786</td>
<td>One parcel</td>
</tr>
<tr>
<td>4</td>
<td>Alexander/TCF/USA</td>
<td>04/14</td>
<td>$780,000</td>
<td>800</td>
<td>$975</td>
<td>One parcel</td>
</tr>
</tbody>
</table>
All of the sales sold to the USA for incorporation into Canyons of the Ancients National Monument. These sales require extraordinary verification and treatment. But, I determined that they are arms-length because they involved willing sellers and buyers, had no threat of condemnation and was based on extensive approved appraisals. I confirmed the sales with the buyer/seller, appraiser and the review appraiser. Pairing Sale 2, which comprised eight parcels, to the nearby remaining sales does not show a discount for the multi-parcel sale. Instead, it is bracketed by the inferior sale which have less interesting canyon topography and the two superior sales which have more dramatic topography.

I conclude that neither a discount, nor a premium is necessary in this appraisal.
ADDENDA
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since 1970. In [b].(6) she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation; United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipe Line Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From [b] to the present, she has worked as a full time fee appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since 1988.

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U.S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

**Education**

Bachelor of Arts with Distinction, International Affairs, \((b) (6)\)

\((b) (6)\)

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers’ Courses:

- Appraisal Principles
- Basic Valuation Procedure
- Litigation Valuation
- Capitalization Theory & Techniques, Parts I, II and III
- Standards of Professional Practice, Parts A, B and C
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Advanced Market Analysis and Highest and Best Use
- Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate's required Conservation Easement Appraiser Update Courses.

**Professional Affiliations and Activities**

Member of the Appraisal Institute, professionally designated MAI
- Colorado Chapter Board of Directors, (b) (6)
- Appraisal Institute Unification Task Force, (b) (6)
- Colorado Chapter 22 Admissions Committee, (b) (6)
- Regional Representative, (b) (6)
- Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6)
- Chair, (b) (6)

Member of the Nominating Committee for Judicial District No. 22, (b) (6)

Associate Member Four Corners Board of Realtors
- Board of Directors (b) (6)
- Chair, Membership Committee, (b) (6)

Member International Right-of-Way Association
- Chair, Four Corners Satellite Chapter

Member Cortez Chamber of Commerce
- Board of Directors, (b) (6)

Victims Assistance and Law Enforcement Board (VALE), (b) (6)
- Chair, (b) (6)

Colorado Certified General Appraiser No. CG00001753

New Mexico General Certified Appraiser No. 00523-G

Arizona Certified General Appraiser No. 31796

Utah Certified General Appraiser No. 5510046-CG00
SALE LACKING ACCESS

Photograph taken looking west from two miles east on June 10, 2020 by Maggie Love.

Grantor: Sara D. Tuck and Kevin F. Dudley  Date: 06/20/2012
Grantee: Eagle Shadow Ranch, LLC  Instrument: WD

Reception No.: 21203868

Legal Description: Lots 1, 2, 6 and 7, Section 8, Township 33 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $150,000

Size: 160 acres  $/Acre: $938

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical - sold to adjoining landowner

Description: sloping pinon and juniper
Verification: Jess Ketchum, appraiser, 970-731-1986
Location: Southwest of Pagosa Springs
Buyer Motivation: assemblage into adjoining ranch
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel No.: 5965-082-00-010
Taxes: $3,297.28
Highest and Best Use: same as Subject
Physical Address: County Road 500, Pagosa Springs
Utilities: none
Water: none
Hazards: none
Marketing Time: none
Resale Information: none
SAN JUAN RIVER AREA SALES

COMPARABLE SALE NO. 1
Photograph taken looking north on February 6, 2013 by Maggie Love.

Grantor: Ken Zeiler and Martha Zeiler
Grantee: Donald R. Harrington and Nita H. Harrington

Date: 12/12/2012
Instrument: WD
Reception No.: 21208708

Legal Description: A tract of land in the SE1/4SW1/4 of Section 13, Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $550,000
Size: 35.15 acres 
$/Acre: $15,647

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical

83
Description: sloping hillside overlooking the San Juan River, good views, developed easement access

Verification: Mike Heraty, agent, 970-264-7000

Location: north of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5579-133-00-038

Taxes: $4,322.88

Highest and Best Use: same as Subject

Physical Address: 8091 B East U.S. Highway 160

Utilities: electricity and phone on property

Water: none

Hazards: none

Marketing Time: 48 DOM

Resale Information: Prior sale for $610,000 in July 2001, Time Trend Sale M.
COMPARABLE SALE NO. 2
Photograph taken looking northwest from the locked gate one mile east on July 9, 2020 by Maggie Love.

Grantor: Kevin T. Schaffer and Ronald P. Schaffer  Date: 09/16/2014  Instrument: WD
Grantee: Francis Marion Slack III  Reception No.: 21405344

Legal Description: A tract of land located in Sections 9 and 10, Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $650,000
Size: 35 acres  $/Acre: $18,571

Property Rights Conveyed: fee simple estate
Financing: owner financing of $300,000 at 5.5% interest for five years - cash equivalent

Conditions of Sale: typical
Description: 2.5 miles from Highway 160 on seasonal Forest Service Road 647; private seasonal access, National Forest on two sides, Turkey Creek, good views

Verification: MLS and Jess Ketchum, appraiser, 970-731-1986

Location: northeast of Pagosa Springs

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5579-091-00-004

Taxes: $13.16

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 647 to private, developed driveway

Utilities: none

Water: none

Hazards: none

Marketing Time: 234 days

Resale Information: prior sale $500,000 in November 2006, Time Trend Sale Z
COMPARABLE SALE NO. 3
Photograph taken looking north on October 15, 2014 by Maggie Love.

Grantor: Saddleback Ranch, LLC  Date: 07/15/2014
Grantee: Bootjack Ranch, LLC  Instrument: SWD
Reception No.: 21403926

Legal Description: A tract of land in Sections 7, 12, and 13 in Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,800,000
Size: 408 acres  $/Acre: $21,569

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical

Description: property is at the confluence of the East Fork and the West Fork of the San Juan River. It has seven miles of river frontage. It is mostly irrigated meadows and timbered ridges.
Verification: David Smith, Ranch Manager

Location: North of Pagosa Springs

Buyer Motivation: recreational homesite

Improvements: house built in 2003 containing 2,800 square feet

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: recreation

Assessor’s Parcel No.: 5579-124-00-010

Taxes: $7,029.32

Highest and Best Use: same as Subject

Physical Address: 401 Forest Service Road 667

Utilities: electricity and gas

Water: irrigation and well

Hazards: none

Marketing Time: 181 DOM

Resale Information: none
BLANCO AREA SALES

COMPARABLE SALE NO. 1
Photograph taken looking east on June 9, 2020 by Maggie Love.

Grantor: The Aquarius Foundation  Date: 04/07/2020
Grantee: Southern Baptists of Texas       Instrument: SWD
Reception No.: 22001975

Legal Description: Tract 3, Rito Blanco Ranch filing Number One, according to the map filed for record November 19, 1997 as Reception No. 97009086

Sale Price: $257,398 - donation based on appraisal; under contract for $205,000 in August 2020

Size: 35.13 acres       $/Acre: $5,835

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical
Description: timbered tract with 12 miles of seasonal Forest Service access, good views

Verification: Bart McDonald, Executive Director of Southern Baptists of Texas Foundation, 844-351-8804

Location: Rito Blanco Ranch Subdivision

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5703-191-01-003

Taxes: $211.76

Highest and Best Use: same as Subject

Physical Address: Tract 3, Needles View Place

Utilities: none

Water: none

Hazards: none

Marketing Time: four months

Resale Information: none
COMPARABLE SALE NO. 2
Photograph taken looking southwest from locked gate ½ mile north on June 10, 2020 by Maggie Love.

Grantor: CJ Brimhall Properties, IV
Date: 01/31/2014
Instrument: WD

Grantee: Ralph J. Clayton and Kimberly Jean Clayton
Reception No.: 21400634

Legal Description: A tract of land in the W1/2 of Section 13, Township 34 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $235,000
Size: 33.93 acres
$/Acre: $6,926

Property Rights Conveyed: fee simple estate
Financing: cash

Conditions of Sale: seller in duress; paid $492,000 in 2006; listed for $275,000 and was “priced to sell”; sold in 97 days.
Description: One-half mile developed private road access, sloping timbered hillside, National Forest on two sides
Verification: listing agent, LaWana DeWees, (b) (6)
Location: South of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5887-133-00-043
Taxes: $1,451.08
Highest and Best Use: same as Subject
Physical Address: 1445C County Road 326
Utilities: electricity and telephone
Water: none
Hazards: none
Marketing Time: 97 DOM
Resale Information: prior sale for $492,000 in June 2006, Time Trend Sale A
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Blanco Basin Land and Cattle, LLC  Date: 12/29/2016
Grantee: RTN-LGN II, LLC  Instrument: WD

Reception No.: 21609318

Legal Description: A tract of land in Sections 20 and 29, Township 35 North, Range 2 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,000,000
Size: 400 acres  $/Acre: $20,000

Property Rights Conveyed: fee simple estate subject to a conservation easement with one building envelope

Financing: cash

Conditions of Sale: typical - not marketed, sold to neighbor

Description: irrigated tract, great views

Verification: Ken Hare, Blanco Land and Cattle, (b) (6)
Location: southeast of Pagosa Springs

Buyer Motivation: homesite

Improvements: $850,000 new custom construction

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: homesite and grazing

Assessor’s Parcel No.: 5705-292-00-004

Taxes: $3,385.60

Highest and Best Use: same as Subject

Physical Address: 12130 County Road 326

Utilities: electricity

Water: well and irrigation

Hazards: none

Marketing Time: none

Resale Information: none
CORRAL MOUNTAIN AREA

COMPARABLE SALE NO. 1
Photograph taken looking west on March 15, 2018 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft          Date: 11/06/2015
Grantee: GC Colorado, LLC                        Instrument: WD

Reception No.: 21508252

Legal Description: A tract of land in Sections 19 and 20, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $370,000
Size: 50 acres          $/Acre: $7,400

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: open, rolling meadow
Verification: Clif Davis, GC Colorado, [b] (6) [\textendash] (b) (6)

Location: North of Pagosa Springs

Buyer Motivation: assemblage into larger homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5581-202-00-121

Taxes: $61.76

Highest and Best Use: same as Subject

Physical Address: Raptor Place

Utilities: none

Water: none

Hazards: none

Marketing Time: none

Resale Information: none
COMPARABLE SALE NO. 2
Photograph taken looking west on March 15, 2019 by Maggie Love.

Grantor: LD Radcliff Herzog and Bobbie Jayne Herzog
Grantee: Donald L. Wullschleger and Melanie J. Wullschleger

Date: 09/26/2016
Instrument: WD
Reception No.: 21606325

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $290,000
Size: 35.25 acres
$/Acre: $8,227

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: National Forest on two sides, meadow and ridge

Verification: Lindy Moore, sales agent
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-194-00-132
Taxes: $1,051.00
Highest and Best Use: same as Subject
Physical Address: 2253 Preservation Place
Utilities: none
Water: available
Hazards: none
Marketing Time: 306 days, listing $324,000
Resale Information: prior sale for $265,000 in May 2012 (Time Trend Sale J)
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Frank Perry and Margaret Perry  Date: 01/22/2020
Grantee: Bradley Tomlin Stansberry  Instrument: SWD
Catherine Clapp Stansberry  Reception No.: 22000565

Legal Description: A tract of land in Section 19, Township 36 North, Range 2
West, N.M.P.M., Archuleta County, Colorado

Sale Price: $485,000
Size: 55 acres  $/Acre: $8,818

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: National Forest on one side, meadow and ridge, Martinez Creek

Verification: JR Ford, agent, 970-264-5000
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-192-00-114
Taxes: $68.56
Highest and Best Use: same as Subject
Physical Address: Lot 12C Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 3,094 total DOM; 144 days listed at $545,000
Resale Information: prior sale in March 1994
COMPARABLE SALE NO. 4
Photograph taken looking north on March 15, 2019 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft                Date: 02/27/2017
Grantee: Shawn Goeckner and Vicki Goeckner              Instrument: WD
Reception No.: 21701150

Legal Description: A tract of land situated in Section 13, Township 36 North, Range 2 ½ West, N.M.P.M., Archuleta County, Colorado

Sale Price: $440,000
Size: 50 acres                                      $/Acre: $8,800

Property Rights Conveyed: fee simple estate
Financing: cash to seller - new conventional loan
Conditions of Sale: typical
Description: meadow and ridge, National Forest on two sides, stream
Verification: JR Ford, listing agent, 970-264-5000
Location: north of Pagosa Springs
Buyer Motivation: homesite
Improvements: vacant
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use:
Assessor’s Parcel No.: 5583-131-00-107
Taxes: $2,473.76
Highest and Best Use: same as Subject
Physical Address: 1072B Lot 14A Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 660 DOM, listed for $475,000
Resale Information: none
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td></td>
<td>33.93 acres, easement access, Blanco Area Sales</td>
</tr>
<tr>
<td></td>
<td>06/06</td>
<td>$492,000</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-52%</td>
<td>National Forest on two sides</td>
</tr>
<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td>-41%</td>
<td>Blue Sky Ranch</td>
</tr>
<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td></td>
<td>1,350+ acres</td>
</tr>
<tr>
<td>C</td>
<td>05/10</td>
<td>$337,700</td>
<td>-31%</td>
<td>47 acres, south</td>
</tr>
<tr>
<td></td>
<td>12/18</td>
<td>$234,500</td>
<td></td>
<td>Archuleta County</td>
</tr>
<tr>
<td>D</td>
<td>09/12</td>
<td>$145,000</td>
<td>-31%</td>
<td>35 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>08/19</td>
<td>$100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td>44%</td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>04/06</td>
<td>$12,800,000</td>
<td></td>
<td>1,800 acres</td>
</tr>
<tr>
<td></td>
<td>03/13</td>
<td>$9,000,000</td>
<td>-30%</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>02/11</td>
<td>$210,000</td>
<td>-29%</td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>08/13</td>
<td>$150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>06/11</td>
<td>$195,000</td>
<td>-23%</td>
<td>71 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td>-21%</td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>06/18</td>
<td>$685,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>02/11</td>
<td>$225,000</td>
<td>-16%</td>
<td>35 acres, Navajo River Ranch</td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$169,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J</td>
<td>12/12</td>
<td>$325,000</td>
<td>-14%</td>
<td>35 acres, Rito Blanco</td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$260,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>06/16</td>
<td>$140,000</td>
<td>-14%</td>
<td>40 acres, south of</td>
</tr>
<tr>
<td></td>
<td>07/18</td>
<td>$120,000</td>
<td></td>
<td>Pagosa Springs</td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td>-9%</td>
<td>35.25 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access, San Juan River Area Sales</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>N</td>
<td>01/18</td>
<td>$328,640</td>
<td></td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>05/20</td>
<td>$320,094</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date</td>
<td>Price</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>--------</td>
<td>--------</td>
<td>--------------------------------------</td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>03/10</td>
<td>$600,000</td>
<td>70 acres, Two Bear Ranch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>02/15</td>
<td>$600,000</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td>37 acres, Mill Creek</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10/05</td>
<td>$160,000</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>07/15</td>
<td>$156,250</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Q</td>
<td>12/12</td>
<td>$95,000</td>
<td>38 acres, Cool Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/17</td>
<td>$100,000</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>10/12</td>
<td>$72,500</td>
<td>35 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/17</td>
<td>$111,000</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/18</td>
<td>$118,000</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>04/12</td>
<td>$265,000</td>
<td>35 acres, Eagle Peak Corral Mountain Area Ranch</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>09/16</td>
<td>$290,000</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>06/19</td>
<td>$275,000</td>
<td>44 acres, CR 500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>08/19</td>
<td>$300,000</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>U</td>
<td>08/13</td>
<td>$2,300,000</td>
<td>340 improved acres after remodel</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/17</td>
<td>$4,425,000</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>06/12</td>
<td>$325,000</td>
<td>35 acres, west of Pagosa Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$391,500</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>W</td>
<td>03/10</td>
<td>$600,000</td>
<td>191 acres, South Archuleta County</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/12</td>
<td>$750,000</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>04/10</td>
<td>$350,000</td>
<td>70 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/18 &amp; 07/19</td>
<td>$445,000</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>05/12</td>
<td>$70,000</td>
<td>38 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/19</td>
<td>$90,000</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td>35 acres, Forest Service inholding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>10/12</td>
<td>$116,500</td>
<td>38 acres, west Archuleta County</td>
<td></td>
</tr>
<tr>
<td></td>
<td>03/14</td>
<td>$152,500</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>BB</td>
<td>12/11</td>
<td>$307,463</td>
<td>35 acres, Cimarron Ranch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$410,000</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>CC</td>
<td>07/11</td>
<td>$1,100,000</td>
<td>158 acres and residence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/16</td>
<td>$1,585,000</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Code</td>
<td>Date</td>
<td>Amount</td>
<td>Percentage</td>
<td>Details</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>---------</td>
<td>------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>DD</td>
<td>11/16 &amp; 02/17</td>
<td>$174,000</td>
<td></td>
<td>70 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>02/19</td>
<td>$253,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>06/11</td>
<td>$195,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12/14</td>
<td>$110,000</td>
<td>-44%</td>
<td>Alpine Lakes, 71 acres</td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$160,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>03/14</td>
<td>$190,000</td>
<td></td>
<td>36 acres, west of</td>
</tr>
<tr>
<td></td>
<td>07/17</td>
<td>$275,000</td>
<td>45%</td>
<td>Pagosa Springs</td>
</tr>
</tbody>
</table>
APPRAISAL STATEMENT OF WORK FOR THE PROPOSED VALLE SECO 2019 LAND EXCHANGE

ONE NON-FEDERAL PARCEL TOTALING $80.00 ACRES +/- IN SIZE WITHIN THE BOUNDARY OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO

AND TEN FEDERAL PARCELS TOTALING 452.06 ACRES +/- IN SIZE CURRENTLY PART OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on May 17, 2019. Modification #1 of Agreement to Initiate was executed on May 5, 2020. Modification #2 of the Agreement to Initiate was executed on July 24, 2020.

<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 – Valle Seco</td>
<td>80.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>Bootjack Ranch, LLC</td>
</tr>
<tr>
<td>Non-Federal Property: maximum of 80.00 acres</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Parcel 1 – Bootjack Ranch Johnnie Creek</td>
<td>3.85</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 2 – Bootjack Ranch Road</td>
<td>0.66</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 3 – Bootjack Ranch River Ranch</td>
<td>14.80</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 4 – Rancho del Sot Mudder</td>
<td>80.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 5 – Rancho del Sot Ranch Pasture</td>
<td>3.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 6 – Rancho del Sot Holding</td>
<td>20.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 7 – El Rancho Pinas J.T. Farm</td>
<td>55.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 8 – El Rancho Pinas Ranch</td>
<td>3.49</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 9 – El Rancho Pinas Corner</td>
<td>0.02</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 11 – Corral Mountain</td>
<td>68.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Property: maximum of 452.06 acres</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The non-Federal parcel A includes two water rights as identified in the RFVS to be conveyed in the exchange. Some of the Federal parcels will include power line, access easements, conservation easements, and unauthorized improvements as identified in the AAI as modified and are to be conveyed "as-is.

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.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-Federal property as a whole, and a unit value (per acre) for the Federal property as a whole, and acreage ranges in which those unit values remain valid for use.


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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 San Juan National Forest as the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard, Lakewood, CO 80401
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Modification #2 of Agreement to Initiate, Commitment for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3 (Amended), the Preliminary Land Description Verification forms, and other documents included in this SOW and/or to be provided to the contract appraiser.

Please note that Federal Parcel 10 and non-Federal Parcel B are illustrated on the following Vicinity Map, however, they have been removed from the proposed land exchange per Modification #2 of Agreement to Initiate.
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GENERAL SPECIFICATIONS

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.

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 Senior 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 over-riding federal policy, rule, or regulation that requires it. Any jurisdictional exceptions not specifically cited in the UASFLA must be discussed with the Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.
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 Senior 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 uninstructed 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 Senior 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 San Juan National Forests as the client.

**Intended Users** – The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan

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National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users—other than the Senior Review Appraiser—will be after the technical review is completed by the Senior 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 modified), “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 Senior 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 – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B – Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.
Three water rights for stock ponds (WDID 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WDID 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WDID 2903646 will not be transferred to the USA and it 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 of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the ATI.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easement to be placed on a portion of Federal Parcel 1 as part of the exchange. A draft easement will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

**Legal Description** – The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate, Modification #1 of the Agreement to Initiate, and Modification #2 of 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., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

**Additional Information** – The following documents are included as attachments to this SOW:

- Request for Appraisal Services dated November 5, 2019
- Agreement to Initiate executed May 17, 2019
- Modification #1 of Agreement to Initiate
- Modification #2 of Agreement to Initiate

REVISED FINAL SOW – Proposed Valle Seco Land Exchange
- 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. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
- Preliminary Federal Land Status Report
- Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 1)

**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 un instructed 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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel:

_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._

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance._

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 Senior 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 (as amended by Modification #1 of the Agreement to Initiate and Modification #2 of 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/marketability 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 supportos 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 Senior Review Appraiser a final appraisal report. “Draft” copies will not be accepted. The Senior Review

REVISED FINAL SOW – Proposed Valle Seco Land Exchange

Page 14
Appraiser will then review the final appraisal report for acceptance or recommended revisions. Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
**Preliminary Land Description Verification**

**Federal Land**

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 1  
**Forest Name:** San Juan NF, Pagosa RD  
**Assessor's Parcel Number:**  
**County, Town, or Borough:** Archuleta County  
**State:** Colorado

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

New Mexico Principal Meridian, Colorado  
T. 36 N., R. 1 E.,  
sec. 7, SW1/4SW1/4SW1/4NE1/4, S1/2SE1/4SW1/4, W1/2NE1/4NE1/4SE1/4,  
W1/2SW1/4NE1/4SE1/4, W1/2NW1/4SW1/4SE1/4, and W1/2SW1/4SW1/4SE1/4.  
sec. 8, lot 1, W1/2NW1/4NW1/4NE1/4, W1/2SW1/4NW1/4NE1/4, and NE1/4NW1/4.  
T. 36 N., R. 1 W.,  
sec. 13, NE1/4NE1/4

### 2. Area:

<table>
<thead>
<tr>
<th>Official</th>
<th>Record</th>
<th>Actual</th>
<th>Tax Assessor's</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Public Land Survey)</td>
<td>(title/ deed/ county)</td>
<td>(land survey, infor.)</td>
<td>(taxing authority)</td>
</tr>
<tr>
<td>175.48 acres</td>
<td>175.48 acres</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3. Record Documents:

BLM Master Title Plat, Original and Resurvey Plats, BLM Supplemental Plat of Section 7 approved in 1943 and Patent Records

### 4. Comments:

Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 175.48 acres.

_Cadastral Surveyor, Bureau of Land Management_  
**Date:** 11/14/2018

(attach additional pages as necessary for items 1 thru 4)  
Page 1 of 1
**USDA - Forest Service**

**File Code:** 5400 Landownership  
**5500 Landownership Title Management**

**PRELIMINARY LAND DESCRIPTION VERIFICATION**  
**FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name</td>
<td>San Juan NF, Pugonia RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough</td>
<td>Archuleta County</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.)

   A portion of land situated in the SE1/4SW1/4 of section 1, township 36 north, range 1 west, New Mexico Principal Meridian, Colorado, being the result of a local survey filed in the Archuleta County Clerk and Recorder on October 3, 2007, labeled as “Exhibit A” performed by Thomas E. Au, Colorado Professional Land Surveyor 34996 and being more particularly described as follows:

   **BEGINNING** at the C-S 1/16 sec. cor. of sec. 1, marked with an iron post, 2 1/2 ins. diam., with a brass cap mbl: as described in the official record of the 1972 Dependant Ressurvey of T. 36 N., R. 1 W., N.M.P.M, under Group 569;

   **TRENCE**, S. 3° 05' W., along the N-S centerline of section 1, a distance of 320.00 feet to a point on the southwesterly right-of-way of a gravel road;

   **TRENCE**, N. 26° 58' W., along the southwesterly right-of-way of a gravel road, a distance of 359.08 feet to the intersection of the E-W centerline of the SW1/4 of section 1;

   **TRENCE**, S 89° 50' E., along the E-W centerline of the SW1/4 of section 1, a distance of 180.00 feet to the **POINT OF BEGINNING** containing 0.66 acres of land.

   **Exhibit “A”:** Attached hereto and made part of.

2. **Area:**

<table>
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<tr>
<th>Official (Public Land Survey)</th>
<th>0.66 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record (title/describe/county)</td>
<td>0.66 acres</td>
</tr>
<tr>
<td>Actual (land survey, infor.)</td>
<td>0.66 acres</td>
</tr>
<tr>
<td>Tax Assessor’s (taxing authority)</td>
<td>0.66 acres</td>
</tr>
</tbody>
</table>

3. **Record Documents:**

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

For purposes of acquisition, the acreage is 0.66 acres.

R. [Signature]

Cadastral Surveyor, Bureau of Land Management

Date 3/23/17

(attach additional pages as necessary for items 1 thru 4)
Preliminary

LAND DESCRIPTION VERIFICATION
FEDERAL LAND

<table>
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<tr>
<th>Purchase/Exchange Name</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 3</th>
</tr>
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<tbody>
<tr>
<td>Forest Name</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number</td>
<td></td>
</tr>
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<table>
<thead>
<tr>
<th>County, Town, or Borough</th>
<th>Archuleta County</th>
</tr>
</thead>
<tbody>
<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.)

New Mexico Principal Meridian, Colorado
T. 36 N., R. 1 W.,
Sec. 13, that part of the NE1/4NW1/4 lying 100 feet east of the medial line of the San Juan River

2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title deed county)</th>
<th>GIS (Calc from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>16.4 acres</td>
<td></td>
</tr>
</tbody>
</table>

3. Record Documents:
BLM Master Title Plat, BLM Dependent Survey approved in 1972 and Patent Records.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. The following errors and/or concerns, need to be corrected/addressed before this description should be used. A proper legal description will need to be determined from a Dependent Survey. A Dependent Survey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 16.4 acres.

[Signature] 10/3/16
Cadastral Surveyor, Bureau of Land Management

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

<table>
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<th>Purchase/Exchange Name:</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 4</th>
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</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County                   State: Colorado</td>
</tr>
</tbody>
</table>

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block,\n    quarter, parcel, grant, etc., as appropriate.)
   New Mexico Principal Meridian, Colorado
   T: 34 N., R. 1 E.,
   Sec. 11, E1/2SW1/4.

80 acres | 80 acres | 80 acres |

3. Record Documents:
   BLM Master Title Plat, GLO Original Survey in 1883 and Patent Records.

4. Comments:
   Do to the age of the PLSS the land description has potential problems; however, the risk
   appears minor and the conveyance/activity should not be affected.

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

   For purposes of acquisition, the acreage is 80 acres.

   Cadastral Surveyor, Bureau of Land Management
   Date
**USDA - Forest Service**  
**File Code:** 5400 Landownership  
5500 Landownership Title Management  

**PRELIMINARY**  
**LAND DESCRIPTION VERIFICATION**  
**FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel</th>
<th>5</th>
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<tbody>
<tr>
<td>Forest Name</td>
<td>San Juan NF, Pagosa RD</td>
<td></td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</td>
<td>State:</td>
</tr>
</tbody>
</table>

1. **Legal Description:**  
   (Include subdivision part, Section, Township, Range, Meridian; or lot, block,  
   warrant, parcel, grant, etc., as appropriate.)  
   New Mexico Principal Meridian, Colorado  
   T. 34 N., R. 1 E.,  
   sec. 10, a portion of the N1/2SE1/4NE1/4 to include existing “Bench Pasture”;  
   sec. 11, a portion of the W1/2NW1/4 to include existing “Bench Pasture”,  
   N1/2SW1/4SW1/4NW1/4, and N1/2SE1/4SW1/4NW1/4.

2. **Area:**  
<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **Record Documents:**  
   BLM Master Title Plat, GLO Original Survey in 1883.

4. **Comments:**  
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 33 acres.

**Cadastral Surveyor, Bureau of Land Management**  
**1/14/2018**  
(attach additional pages as necessary for items 1 thru 4)  
**Page 1 of 1**

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137

0482
**USDA - Forest Service**

**File Code: 5400 Landownership**

**5500 Landownership Title Management**

**PRELIMINARY**

**LAND DESCRIPTION VERIFICATION**

**FEDERAL LAND**

<table>
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<th>Purchase/Exchange Name:</th>
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<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
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<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>State:</td>
<td>Colorado</td>
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</table>

1. **Legal Description:** (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
   New Mexico Principal Meridian, Colorado
   T. 34 N., R. 1 E.,
   Sec. 11, N1/28E1/4NE1/4.

2. **Area:**
   - **Official** (Public Land Survey) 20 acres
   - **Record** (title/deed/county) 20 acres
   - **Actual** (land survey, infr.)
   - **Tax Assessor's** (taxing authority)

3. **Record Documents:**
   BLM Master Title Plat, Original Survey in 1883 and Patent Records.

4. **Comments:**
   Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 20 acres.

_Cadastral Surveyor, Bureau of Land Management_ 1/14/2019

(attach additional pages as necessary for items 1 thru 4) **Page 1 of 1**
**USDA - Forest Service**

File Code: 5400 Landownership
5500 Landownership Title Management

**PRELIMINARY**
**LAND DESCRIPTION VERIFICATION**
**FEDERAL LAND**

<table>
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<td>Forest Name: San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
</tr>
<tr>
<td>County, Town, or Borough: Archuleta County</td>
</tr>
<tr>
<td>State: Colorado</td>
</tr>
</tbody>
</table>

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

   New Mexico Principal Meridian, Colorado
   
   T. 34 N., R. 1 E.,
   
   Sec. 1, a portion of the SE1/4SE1/4 lying 30 feet northerly of the centerline of National Forest System Road 660.
   
   T. 34 N., R. 2 E.,
   
   Sec. 6, a portion of lot 7 lying 30 feet northerly of the centerline of National Forest System Road 660, N1/2SE1/4SW1/4, and NW1/4SW1/4SE1/4

2. **Area:**

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (tide/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 acres</td>
<td></td>
<td>55 acres</td>
<td></td>
</tr>
</tbody>
</table>

3. **Record Documents:**

   BLM Master Title Plat, GLO original surveys and BLM Dependent Resurvey approved in 1992.

4. **Comments:**

   The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

   For purposes of acquisition, the acreage is 55 acres.

   *Signature*

   **Cadastral Surveyor, Bureau of Land Management**

   **3/22/17**

   (attach additional pages as necessary for items 1 thru 4)  Page 1 of 1
**Preliminary Land Description Verification**  
Federal Land

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 8

**Forest Name:** San Juan NF, Pagosa RD

**Assessor's Parcel Number:**

**County, Town, or Borough:** Archuleta County

**State:** Colorado

1. **Legal Description:** (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrants, parcel, grant, etc., as appropriate.)
   New Mexico Principal Meridian, Colorado
   T. 34 N., R. 2 E.,
   Sec. 5, a portion of the NW1/4NW1/4SW1/4.

2. **Area:**

<table>
<thead>
<tr>
<th>Official</th>
<th>Record</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (owning authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3.486</td>
<td></td>
</tr>
</tbody>
</table>

3. **Record Documents:**
   BLM Master Title Plat and original survey approved in 1892.

4. **Comments:**
   The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to segregate land based on acreage.

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

For purposes of acquisition, the acreage is **3.486** acres.

**Cadastral Surveyor, Bureau of Land Management**

**Date:** 10/21/16

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
**LOVE APPRAISALS, INC.**


---

**File Code:** 5400 Landownership  
5500 Landownership Title Management

**PRELIMINARY LAND DESCRIPTION VERIFICATION**  
**FEDERAL LAND**

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 9  
**Forest Name:** San Juan NF, Pagosa RD

**Assessor's Parcel Number:**

<table>
<thead>
<tr>
<th>County, Town, or Borough</th>
<th>Archuleta County</th>
</tr>
</thead>
<tbody>
<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.)

   New Mexico Principal Meridian, Colorado  
   1. 34 N., R. 1 E..  
   Sec. 1, a portion of Lot 1, lying northerly and westerly of E, F, E and S, line of E. F. E. line.

2. **Area:**

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title deed county)</th>
<th>Actual (land survey, info)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
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</table>

3. **Record Documents:**


4. **Comments:**

   The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

   For purposes of acquisition, the acreage is **0.02** acres.

   **Signature:**  
   **Date:** 3/27/17  
   **Cadastral Surveyor, Bureau of Land Management**

---

(attach additional pages as necessary for item 1 thru 4) **Page 1** of **1**
LOVE APPRAISALS, INC.

USDA - Forest Service
File Code: 5400 Landownership
5500 Landownership Title Management

**PRELIMINARY LAND DESCRIPTION VERIFICATION**
**FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name:</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</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.)
   New Mexico Principal Meridian, Colorado
   T. 36 N., R. 3 W.,
   Sec. 17, a portion of the SE1/4SE1/4 lying southerly and easterly of existing fenceline;
   Sec. 20, a portion of the NE1/4NE1/4 lying easterly of existing fenceline, a portion of the SE1/4NE1/4 lying easterly of existing fenceline, a portion of the NE1/4SE1/4 lying easterly of existing fenceline, and a portion of the SE1/4SE1/4 lying easterly of existing fenceline;
   Sec. 29, a portion of the E1/2NE1/4 lying northerly and easterly of existing fenceline.

2. **Area:**
<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td>68 acres</td>
<td>68 acres</td>
<td></td>
<td>68 acres</td>
</tr>
</tbody>
</table>

3. **Record Documents:**
   BLM Master Title Plat, Original Survey approved in 1883, BLM Dependent Resurvey approved in 1987.

4. **Comments:**
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged.

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

For purposes of acquisition, the acreage is 68 acres.

_Cadastral Surveyor, Bureau of Land Management_  
_Date: 11/14/2018_  
(attach additional pages as necessary for items 1 thru 4)  
Page 1 of 1
<table>
<thead>
<tr>
<th>Legal Description</th>
<th>Acres</th>
<th>In/Out</th>
<th>Surface Status</th>
<th>Sub-Sur Status</th>
<th>Acq. Date/Auth</th>
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<td>Parcel 1</td>
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<tr>
<td>Sec. 13, NE1/4NE1/4;</td>
<td>40.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
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<td>Sec. 18, Lot 1 (42.98 acres), NE1/4NW1/4, W1/2W1/2NW1/4NE1/4;</td>
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<td>Sec. 7, S1/2SE1/4SW1/4, W1/2W1/2W1/2SE1/4, SW1/4SW1/4SW1/4NE1/4;</td>
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<td>PD</td>
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<td>Parcel 3</td>
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<td>Sec.13, a portion of the NE1/4NW1/4 lying 100' east of the San Juan River;</td>
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<td>PD</td>
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<td>PD</td>
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<td>PD</td>
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<td>Sec. 6, portion of lot 7 north</td>
<td>46.00</td>
<td>IN</td>
<td>PD</td>
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<td>3-2-1905/3-3-1891</td>
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<td>of NSFR 660,</td>
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<tr>
<td>N1/2SE1/4SW1/4, portion of</td>
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<tr>
<td>NW1/4SW1/4SE1/4 to</td>
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<tr>
<td>include the headgate for the</td>
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<tr>
<td>J.T. Tiernan No. 1 Ditch;</td>
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</tbody>
</table>

See Note 5

See Note 6
<table>
<thead>
<tr>
<th>Parcel 8</th>
<th>T. 34 N., R. 2 E., NMPM, Archuleta County, Colorado</th>
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<td>Sec. 5, portion of the NW1/4NW1/4SW1/4</td>
<td>3.486</td>
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<td>Parcel 9</td>
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<tr>
<td>Sec. 1, portion of the Lot1 within the ELP fence line</td>
<td>0.02</td>
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<td>Toner Ranch, Middle Fork of the Piedra River</td>
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<td>Parcel 10</td>
<td>T. 37 N., R. 3 W., NMPM, Hinsdale County, Colorado</td>
</tr>
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<td>Sec. 10, S1/2SW1/4SE1/4</td>
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</tr>
<tr>
<td>Corral Mountain</td>
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<td>Federal Parcel 11</td>
<td>T. 36 N., R. 3 W., NMPM, Archuleta County, Colorado</td>
</tr>
<tr>
<td>Sec. 17, Portion of SE1/4SE1/4</td>
<td>20.00</td>
</tr>
<tr>
<td>Sec. 20, Portion of E1/2E1/2</td>
<td>40.00</td>
</tr>
<tr>
<td>Sec. 29, Portion of the E1/2NE1/4 All of the above within the existing fence</td>
<td>8.00</td>
</tr>
<tr>
<td>TOTAL ACREAGE:</td>
<td>472.05</td>
</tr>
</tbody>
</table>

See Note 7

See Note 8

See Note 8,9
NOTES:

*BLM Index to Unpatented Mining Claims Report regarding the above-selected lands shows an active claim in NMPM, T. 36. N., R. 1 E., Sec. 7, NE1/4.

The SUDS Report depicting additional SUPs that may or may not affect the above-selected lands will need to be generated at the forest level.


2. ALP Veiver’s Other Surface Right layer shows a separated right (SJN194) for a ditch and canal dated 3/3/2009. The case name is Saddleback Ranch, LLC.

3. ALP Veiver’s Title Claims and Encroachment Cases layer shows a suspected encroachment with a case number of 0213-0006-792.

4. ALP Veiver’s Right of Way layer shows a Road ROW (SJN110) which might be near the parcel. The casename is Bootjack Management Company (aka Koinonia LLC), and the action date is 6/17/2008.


6. ALP Veiver’s Other Surface Right layer shows separated rights (SJN166 & SJN169) for a ditch and canal both dated 3/9/2012. The case name on both is Robert D. Lindner Family Trust.

7. ALP Veiver’s Title Claims and Encroachment Cases layer shows a suspected encroachment might be near the parcel with a case number of 0213-0006-794.

8. ALP Veiver’s Other National Designated Area layer shows the Piedra Special Management Area is near the parcel.

9. ALP Veiver’s Right of Way layer shows a Road ROW which might be near the parcel. The casename is Double Springs Partnership LTD, and the action date is 12/11/1992.

Prepared by Rob Duivcin
Date 11/13/2018
Appraisal Report
For

Proposed
Valle Seco 2019 Land Exchange
Federal Parcels

August 13, 2020

BY
WILLIAM B. LOVE APPRAISALS, INC.
216 WEST MONTEZUMA AVENUE
P.O. DRAWER C
CORTEZ, COLORADO 81321
(970) 565-8578

MAGGIE LOVE, MAI
August 13, 2020

Charles Brown, MAI, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard
Lakewood, Colorado 80401
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the Federal Parcels for the Proposed Valle Seco 2019 Land Exchange. These properties will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
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- Photographs ............................................................................................................... 8
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- Description of Scope of Work .................................................................................. 25

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APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief, ...

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this certification.

13. the appraiser has made a physical inspection of the property appraised and that the property owner, or his designated representative, was given the opportunity to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: $3,358,000 (THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name: Proposed Valle Seco 2019 Land Exchange
Federal Parcels 1 through 9, 11

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Effective date of Value: August 13, 2020. The ranch managers have confirmed that the condition of the properties remains the same as of the dates of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is very busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres for 2020, 121, is up from the same time period in 2019, 104. Likewise, the number...
of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS
All of the photographs were taken by Maggie Love on October 22 and 23, 2019.

Parcel 1

Looking west at the south portion

Looking northwest at the south portion
Looking east at the north portion
Parcel 2

Looking west at Parcel 2

Looking west at Parcel 2
Parcel 3

Looking west at Parcel 3

Looking southwest at Parcel 3
Parcel 4

Looking southeast from the pond one-quarter mile away

Looking south from the northwest corner
Looking south along the west boundary
Parcel 5

Looking east at Parcel 5

Looking north at Parcel 5
Parcel 6

Looking south at Parcel 6

Looking east at Parcel 6
Parcel 7

Looking south at Parcel 7

Looking northwest at Parcel 7
Looking east from the northwest corner
Parcel 8

Looking south at Parcel 8

View from Parcel 8
Parcel 9

Looking northeast at Parcel 9
Parcel 11

Looking north from the south boundary

Looking north from the south portion
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.
2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.
3. There are no encumbrances or defects of title other than those mentioned in this report.
4. The property is free and clear of all liens other than those mentioned in this report.
5. The property is efficiently managed and properly maintained.
6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.
7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.
8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable Federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

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.

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name                  Proposed Valie Seco 2019 Land Exchange - Federal Parcels 1 through 9 and 11

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cythia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, the (b) (5) DPP and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture, recreation and homesites

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000

(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Descriptions:

<table>
<thead>
<tr>
<th>San Juan River Area</th>
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<tbody>
<tr>
<td><strong>Parcel No.</strong></td>
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<tr>
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<td>2</td>
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<th>Blanco Basin Area</th>
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<td><strong>Parcel No.</strong></td>
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<td>5</td>
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<td>8</td>
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<table>
<thead>
<tr>
<th>Corral Mountain Area</th>
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<tbody>
<tr>
<td><strong>Parcel No.</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>11</td>
</tr>
</tbody>
</table>

**Total** 452.06
This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.

   As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).

   “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.”

   In this appraisal, the larger parcels vary. Refer to the further discussion in “Analysis of Highest and Best Use”.

2. I inspected the properties on October 22 and 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraisal, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the properties. I have confirmed that the conditions remain the same with the ranch managers.

3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers' and buyers' motivations for remote, recreational and agricultural properties.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice
(USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

The property interest corresponds to the fee simple estate. The fee simple estate 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." (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)

The Preliminary Land Status Report included in the Addenda shows a few exceptions. The following quote from the Statement of Work, describes these exceptions.

For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easements to be placed on a portion of Federal Parcel 1 as part of the exchange. Draft easements will be provided to the appraiser.

The following unauthorized improvements exist on the Federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".
The exceptions for ditches, canals, electric lines, roads and fences are typical of the market. The impact of the conservation easement on a portion of Federal Parcel 1 will be considered in “Land Value”. The appraisal includes the mineral interests except that Federal Parcels 2 and 5 have outstanding mineral rights. The Federal government does not own the oil and gas minerals on Federal Parcel 3 or any of the minerals on a small portion of Parcel 5.
LEGAL DESCRIPTIONS

The legal descriptions are provided by the Statement of Work, Land Description Verifications and Preliminary Land Status Reports included in the Addenda.
AREA DATA

General information, such as the area's environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

The Subject tracts are located in Archuleta County, Colorado. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page. Parcels 10 and B are now excluded from the appraisal.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
LOVE APPRAISALS, INC.

Valle Seco Proposed Land Exchange
Vicinity Map
Map Date: 11/9/2018

Legend
- Proposed Federal Parcels
- Proposed Non-Federal Parcels
- Bureau of Reclamation
- Colorado Parks and Wildlife
- State, State Land Board
- Tribal Lands
- National Forest
- Private Lands
- Waters
- State vs US Highway
- H.F. System Road
- Suitable Wind & Solar Resource Corridor
- Other Public Roads

NOTE: GIS data shown for parcels may differ from the final land exchange proposed. Differences may need additional review. GIS data does not replace an actual survey.

Miles
0 1 2 3 4 5 10

Parcels B, 11, 10, 2, 3, 1, 5, 6, 4, 7, 8, 9

Pegosa Ranger District - San Juan National Forest
Colorado Counties of Archuleta, Hinsdale, and Mineral
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
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<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a "face-lift" of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

**Governmental Forces**

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area's tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
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<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
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<td>2016</td>
<td>38</td>
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<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
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</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The ten Federal parcels are located in three distinct neighborhoods described as follows.

San Juan River Area

Parcels 1, 2 and 3 are located approximately ten miles northeast of Pagosa Springs with primary access from U.S. Highway 160 going up to Wolf Creek Pass on the north. The neighborhood extends from Wolf Creek Pass on the north to the National Forest boundary on the south, approximately four miles northeast of Pagosa Springs. The neighborhood is surrounded by the National Forest on the east and west and has the amenities of river bottom with exceptional views of the surrounding mountains. It has historically been devoted to large landholdings traditionally used for agriculture, but there has been increasing subdivision activity in the southern portion of the neighborhood.

The highest and best use of the neighborhood, like the entire county, has evolved from agriculture to rural homesites with corresponding agricultural uses. A few subdivisions and some small rural homesites, both primary and secondary, are located in this area. Scattered historic and new commercial uses are located in the neighborhood such as guest cabins, a bed and breakfast and an RV park.

The San Juan River valley has enjoyed strong demand for large and small rural homesites. San Juan River Ranch (SJRR). A 35+ acres subdivision overlooking the river and the Continental Divide, was developed in the 2000s.
Blanco Basin Area

The neighborhood of Parcels 4 through 9 may be defined as the Blanco Basin. This area is transected by Forest Service Road 657 and the Rio Blanco. It is confined on all sides by the San Juan National Forest. The boundaries of the National Forest closely follow the river valley.

This neighborhood has convenient access, 10 miles from Pagosa Springs via U.S. Highway 84 and five to 13 miles on Forest Service Road 657, also known as County Road 326 and the Blanco Basin Road. The neighborhood has excellent views plus the amenity of river frontage and attractive river bottom land. Demand for rural homesites within the neighborhood has remained strong, but very little supply is available. Blue Mountain Ranches Subdivision provided 41 small lots in the early 1970s.

Corral Mountain Area

The neighborhood of Parcel 11 may be described as the land along the Piedra Road, County Road 600, extending from its origin at U.S. Highway 160 on the south to the boundary to the Hinsdale County line on the north. Subject is in the center of the neighborhood. The land to the west of this road is heavily developed into small lots, in a variety of subdivisions collectively known as Pagosa Lakes. The southern portion of the neighborhood features commercial development at the intersection with the highway and a golf course and airport. North of the airport, and east of the Piedra Road, the land is primarily residential in nature and in larger parcels of 35
acres or more in size. There is a new subdivision of smaller lots known as the Reserve. The older 35+ acre subdivision of Eagle Peak Ranches is east of Subject.

This was a rapidly developing, desirable neighborhood with good access provided by Piedra Road and water and sanitation provided by the Pagosa Area Water and Sanitation System (PAWS) throughout most of the neighborhood. It is a transitional neighborhood between the small lot subdivisions to the west and the larger lot development to the east and the National Forest boundary to the north. Many portions of this neighborhood offer excellent scenic views of the mountains to the north and east. Virtually all of the land in the south portion of the neighborhood has been subdivided for residential use. A few large ranches remain in the north portion of the neighborhood.
PROPERTY DATA

Site Description

The following paragraphs will first provide descriptions applicable to all ten parcels and then will supply individual site descriptions. The properties have no utilities, no mineral deposits, no water rights, nor hazardous substances.

Improvements

None. The unauthorized improvements existing on the Federal parcels, ditches, roads, fencing and a stock pond, are typical of the market and are encompassed in land value.

Fixtures

None

Use History

Vacant

Sales History

None

Rental History

None
Assessed Value and Annual Tax Load

The Federal land is currently exempt from taxation.

Zoning

The appraisal is subject to the following hypothetical condition as outlined in the Statement of Work.

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.

Under this hypothetical condition, the Subject parcels, like all unincorporated land in the county, would be zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.

Potential Hazards

Flood Plain: Zone A is defined as “No Base Flood Elevations determined”. Zone X is defined as “Areas determined to be outside the 0.2% annual chance floodplain”.

Parcel 1 is in Zone A according to FEMA Map No. 08007C0120D dated September 25, 2009.

Parcel 2 is in Zone A according to FEMA Map No. 08007C0120D dated September 25, 2009.
Parcel 3 is in Zone X according to FEMA Map No. 08007C0120D dated September 25, 2009.

Parcels 4 and 6 are in Zone X according to FEMA Map No. 08007C0480D dated September 25, 2009.

Parcel 5 is in Zones A and X according to FEMA Map No. 08007C0480D dated September 25, 2009.

Parcels 7, 8 and 9 are in Zone X according to FEMA Map No. 08007C0485D dated September 25, 2009.

Parcel 11 is in Zone X according to FEMA Map Nos. 08007C0075D and 08007C00250D both dated September 25, 2009.

Geologic: None

Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain maps.

Parcel 1

Site Description

Parcel 1 is an irregularly shaped tract containing 175.48 acres. It extends three-quarter miles from east to west and approximately three-quarter miles from north to south at the widest and longest points. The north approximately six acres, located in suitable wild and scenic river corridor, is to be encumbered by a conservation easement, a requirement for the exchange. The draft easement dated April 23, 2020 outlines an easement to Colorado Open Lands allowing existing
improvements, which are only roads, irrigation ditches and fencing, and prohibits any other improvements. A copy of the draft is included in my files. The proposed easement will only encumber a small portion of the property in a sloping location and has very little impact on value.

A portion of the southwest part of Parcel 1 is an irrigated meadow and the remainder is sloping hillside ranging in elevation from 7,640 feet at the northwest corner to 8,640 feet in the southeast corner. It is mostly timbered with spruce, fir and aspen. Johnny Creek, Deer Creek and a tributary to Deer Creek cross the parcel.

Parcel 1 has developed, private access from the adjoining Bootjack Ranch interior roads, but this is not legal access. Legal, public access through National Forest lands is by non-motorized travel approximately .3 mile cross country from the East Fork Road, 667, or three miles cross country from the Fawn Gulch Road, 666. The lack of legal access restricts the highest and best use.

Please refer to the topographic map contained after the discussions of Parcels 1, 2 and 3 and the prior photographs.

**Parcel 2**

Parcel 2 is a tiny triangle containing .66 acres. It encompasses a small, private road that is authorized through a private road easement. There is no legal, public or administrative access to this road. This road is used by a non-Federal party for ranch access. Any legal public access is non-motorized travel from about one mile away on the Allen’s Park Road, Road 112.

This is a sloping parcel at an elevation of 7,680 feet to 7,720 feet. The
property consists of a northeast slope of open meadow.

Parcel 3

Parcel 3 is a 16.4 acre bench, 100 feet east and south of the San Juan River. The elevations range between 7,520 feet to 7,680 feet. The parcel is predominantly spruce and fir forest with some ponderosa pine. Johnny Creek crosses the parcel. The property does not have legal access from the adjoining private land owner. Public access would be non-motorized travel for .2 mile and crossing the San Juan River.
NOTE: Parcels as shown may differ from the final land exchange proposal. Differences may need additional review. GIS data does not replace an actual survey.
Parcel 4

Parcel 4 is an 80 acre parcel surrounded by private property on three and one-half sides. Public access is non-motorized travel for over a mile from the closest roads. It is sloping hillside ranging in elevation from 8,080 feet to 8,440 feet. Vegetation includes spruce, firs, ponderosa pine, aspen and a few small meadows. It does not have legal or developed access.

Parcel 5

Parcel 5 is an irregularly shaped bench on the south side of the Blanco River. It contains 33 acres and has developed access from a private road, but not legal access. This property does have electricity and will be subject to an electric line easement. Elevations range from 7,760 feet to 8,000 feet. It is heavily timbered with spruce, firs and pines. It overlooks the Blanco River, but has a steep bank between the property and the river.

Parcel 6

Parcel 6 is a 20 acre parcel. There is no legal or public access. It is a sloping hillside ranging in elevation from 7,980 feet to 8,080 feet. The vegetation is spruce, firs and pines, with very few openings.
Parcel 7

Parcel 7 is a long, thin parcel containing 55 acres. The entirety of Forest Service Road 660.A, approximately .6 mile, is located within the property. It is mostly level at elevations between 8,000 feet and 8,120 feet. The property is vegetated with spruce, firs and some ponderosa pine with limited views.

Parcel 8

Parcel 8 is a square parcel containing 3.486 acres. It consists of sloping hillside ranging in elevation from 8,100 feet to 8,200 feet. The vegetation is open meadows and aspen. It does not have developed access which would be cross country for one-quarter mile. This property does have excellent views of the Continental Divide to the north.

Parcel 9

Parcel 9 is a tiny triangle containing .02 acres. It consists of a level irrigated meadow on the southeast side of the Blanco Basin Road, County Road 326. It has legal public access, but is too small for any development.
LOVE APPRAISALS, INC.
Parcel 11

The Corral Mountain Parcel contains 68 acres. The property has developed, but not legal access from an authorized road. Non-legal, non-motorized access requires approximately three miles of travel. Elevations range from 8,520 feet to 8,850 feet on the north. The vegetation includes meadows, ponderosa pines, spruce, fir and some aspen.
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as “The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property’s highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value.” (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Most of the Subjects have useable topography which allows most uses. However, there are physical constraints to the uses of most of the parcels. Parcel 1 has relatively steep topography and an unusual shape. Parcel 11 also has a long, narrow shape which is less desirable for most uses. Parcel 9 is too small to be usable for anything except for agriculture in conjunction with adjoining properties.

Legally Permissible

The lack of legal access constrains development on all of the parcels except for Parcels 7 and 9. The only possible uses would be agriculture and recreation with adjoining lands.
Financially Feasible

The demand for residential recreational uses has driven land values in Archuleta County beyond the price that can be supported by agriculture, grazing. Thus, the financially feasible uses for the Subjects are residential in conjunction with agriculture, recreation and wildlife habitat. The highest and best use of each parcel is for assemblage into an adjoining, residential/recreation homesite except for Parcel 7 which has sufficient access and a large enough size to be a homesite.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110). “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.” None of the Federal parcels are physically contiguous and each comprise individual larger parcels as described in the following paragraphs.

Parcel 1

Parcel 1 has a large enough size to allow residential development. But, it is heavily wooded with an irregular shape and does not have vehicular access. It comprises its own larger parcel considering these constraints and the proposed conservation easement on a small portion.
Parcel 2

Parcel 2 is too small, .66 acres, to be physically and legally usable as a stand-alone larger parcel. This larger parcel is estimated to comprise 35 acres including adjoining Forest Service lands, the minimum legal lot size in this portion of Archuleta County. The value of Parcel 2 will be based on the contributory value as part of 35 acres.

Parcel 3

Parcel 3 is also too small to be legally usable as a 16.4 acre tract.

Parcel 4

Parcel 4 contains 80 acres and is an on three and one-half of the four sides. It is its own larger parcel, an 80 acre hillside with no vehicular access.

Parcel 5

This 33 acres has developed access and electricity, but not legal access. It is a stand along larger parcel.
Parcel 6

Parcel 6 is a 20 acre larger parcel completely surrounded by National Forest with no access. It does quality for a Senate Bill 35 Variance because it has been physically severed by adjoining National Forest ownership. But, it does not have legal access.

Parcel 7

This parcel has access and is large enough to be a legal, developable lot. It is a stand-alone larger parcel.

Parcel 8

The larger parcel of Parcel 8 is (b) (5) DPP 3.486 acre (b) (5) DPP

Parcel 9

Parcel 9, containing .02 acres, is neither legally nor physically developable.

Parcel 11

Parcel 11 is a 68 acre larger parcel.
LAND VALUE

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the public records, supplied by the Archuleta County Assessor's Office, for sales greater than 34 acres in Archuleta County. My research extends from 2012 through approximately the date of the appraisal. I have inspected all of the nearby sales. I also searched for smaller sales in the Blanco Basin Area because of the smaller sizes of (b) (5) DPP.

The following chart arrays the sales considered most comparable to each area as well as the sale uncovered by the research that lacks access. This sale is not sufficiently similar to any of the Subjects in location or physical characteristics to be used for direct comparison. To arrive at the indicated values, I compare the Subjects to the most similar sales, which have access, and then use a paired sales analysis to supply a market derived discount for the lack of access.

Details of the Comparable Sales are included in the Addenda. A location map for the sales will be included with the valuations of the individual parcels.
<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeiler/Harrington</td>
<td>12/12</td>
<td>$550,000</td>
<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
<tr>
<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

**Blanco Basin Area Sales**

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aquarius/Southern Baptists</td>
<td>08/20</td>
<td>$205,000</td>
<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

**Corral Mountain Area Sales**

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

**Sale Lacking Access**

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>
All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. They had varying mineral interests, but real estate professionals agree that the mineral estate does not contribute to value in this portion of Archuleta County. There were no leases or permits associated with any of the sales. Blanco Basin Sale 3 has a conservation easement, but the seller confirms it did not impact the price. Likewise, I do not think the small, six acre conservation easement on Parcel 1 impacts the value. It is on a steep, undevelopable hillside.

All of the sales had cash equivalent financing and typical conditions of sale with willing sellers and willing buyers.

Market Conditions-Time

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 sales went up. Basically, the dichotomous trends make it difficult to discern if a time adjustment is appropriate. For instance, these following two resales in the San Juan River Area, also show contradicting trends.

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.

San Juan River Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map is included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>$15,647</td>
<td>hills ide overlooking the San Juan River</td>
</tr>
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<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

The sizes of the larger parcels range from 35 acres for Parcels 2 and 3 to 175.4 acres for Parcel 1. The sales bracket these sizes and suggest that a size adjustment is not recognized in this market. I deem that the three parcels are sufficiently similar in physical characteristic, timbered, sloping tracks with good potential views, to have the same applicable unit price. The discount for lack of access will be considered in the following paragraphs.

Giving equal weight to Sales 1 and 2 gives a unit price of $17,000 per acre as if the Federal parcels had access. Sale 3 is superior because it includes irrigation and seven miles of river frontage. The adjustments to the comparable sales are summarized on the grid following the location map.
Discount for Lack of Access

No sales lacking legal access are available that are directly comparable to the Subjects. The one sale lacking access uncovered by the research for this appraisal is inferior in all characteristics. Therefore, I develop a paired sales analysis in order to adjust for the lack of access.

I have searched throughout my appraisal career for land sales lacking public access. Most of the sales sell to adjoining landowners for buffer and expansions of residential and recreational uses. Typical declines for lack of access range from 30% to greater than 70% depending on the desirability of the tract. There is even the occasional assemblage sale which shows a premium when the assembled parcel is essential to the adjoining owner.

The most recent Archuleta County sale lacking access is arrayed below. The details of the sale are included in the Addenda.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>

The closest sale is arrayed below. A photograph and location map are included on the following page. The location map also depicts the sale lacking access.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martinez/Hilbert</td>
<td>05/20</td>
<td>$320,094</td>
<td>104.76</td>
<td>$3,055</td>
</tr>
</tbody>
</table>

Pairing this sale to the sale lacking access indicates a 69% decline (1-$938/$3,055). The actual decline would be less because the sale with access has superior physical features of same irrigated meadow and severed river frontage.
I found another older sale lacking legal access located east of Pagosa Springs on the San Juan River. It can be paired with the sale of the adjacent tract. The two parcels meet at the center of the San Juan River and are similar except for a superior amount of level meadow land on the sale with access.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size - Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/98</td>
<td>Macht/Klein</td>
<td>$420,000</td>
<td>105</td>
<td>$4,000</td>
<td>Landlocked and on side of river away from highway</td>
</tr>
<tr>
<td>7/98</td>
<td>King Brown/King Capital</td>
<td>$743,900</td>
<td>87.36</td>
<td>$8,515</td>
<td>San Juan River frontage and Hwy 160 frontage</td>
</tr>
</tbody>
</table>

The unit price for the tract without access reflects a 53% downward adjustment from the sale with access. However, the sale without access had steeper topography on a portion of the tract, indicating a portion of the downward adjustment may be for topography rather than access. The buyer of the land without access was able to obtain a small tract of adjacent land between his parcel and the highway and build an expensive bridge in order to end up with a parcel with access.

For additional support, I have analyzed paired sales from near Mancos in southwestern Colorado which were landlocked at the time of the sale. The same purchaser bought adjoining tracts, similar in all ways except for access. These sales are summarized as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size - Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/98</td>
<td>Bayles/Redstone</td>
<td>$224,000</td>
<td>625</td>
<td>$350</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Hindmarsh/Redstone</td>
<td>$200,000</td>
<td>480</td>
<td>$417</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Aramark/Redstone</td>
<td>$760,000</td>
<td>755</td>
<td>$1,007</td>
<td>access to Hwy. 160</td>
</tr>
</tbody>
</table>
Combining the two landlocked sales results in a unit price of $377 which reflects a 62% downward adjustment from the sale with access.

Two more sets of paired sales show similar percentage declines for lack of access.

### Montezuma County, East Canyon

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/05</td>
<td>Mathews/Malouff</td>
<td>$40,000</td>
<td>40</td>
<td>$1,000</td>
<td>Totally landlocked by steep BLM hillside</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Hoffman</td>
<td>$120,000</td>
<td>80</td>
<td>$1,500</td>
<td>Horseback access</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Truaz</td>
<td>$216,000</td>
<td>120</td>
<td>$1,800</td>
<td>Horseback access</td>
</tr>
<tr>
<td>11/05</td>
<td>Malouff/Truaz</td>
<td>$250,000</td>
<td>120</td>
<td>$2,083</td>
<td>County road</td>
</tr>
</tbody>
</table>

These paired sales show 33% to 44% declines for the landlocked parcel compared to those accessible by horseback and a 52% decline compared to county road access.

### La Plata County, Hillside Sales near Durango

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/10</td>
<td>Crader/City of Durango</td>
<td>$670,000</td>
<td>222</td>
<td>$3,018</td>
<td>Horse Gulch, no access</td>
</tr>
<tr>
<td>11/10</td>
<td>1401 Inv./ McCutchin</td>
<td>$500,000</td>
<td>76.42</td>
<td>$6,543</td>
<td>West of Durango, easement access</td>
</tr>
<tr>
<td>02/10</td>
<td>Corallo/McCready</td>
<td>$250,000</td>
<td>35.17</td>
<td>$7,108</td>
<td>Durango Ridge, subdivision road</td>
</tr>
<tr>
<td>06/10</td>
<td>Bruns/End-IRA, Inc. (Malcolm)</td>
<td>$294,000</td>
<td>35.11</td>
<td>$8,374</td>
<td>Trappers Crossing, subdivision road</td>
</tr>
</tbody>
</table>

These recent paired sales show 54% to 64% declines for lack of access.
I conclude that a 50% discount is appropriate for the lack of access. This adjustment is well supported by the paired sales.

The calculations showing the estimated unit price for each parcel, the discount for lack of access and the estimated values will be provided in a summary at the end of this discussion.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>12/12</td>
<td>09/14</td>
<td>09/14</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Location</td>
<td>San Juan River</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>Yes</td>
<td>-</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior river frontage</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
</tbody>
</table>
Blanco Basin Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
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<th>Price</th>
<th>Size-Acres</th>
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<td>1</td>
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<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

Sales 1 and 2 are most similar to Parcels 4 and 6, sloping hillsides with limited views because of topography and timber. Sale 2 requires upward adjustment for the seller duress. It was “priced to sell” for $275,000 or $8,105 per acre and sold in 97 days. The seller had paid $492,000 in 2006 (Time Trend Sale A).

Sale 1 has 12 miles of seasonal access, inferior to Sale 2. The estimated unit price for Parcels 4 and 6 relies on Sale 2 with upward adjustment to $7,000 per acre is these parcels had access.

Parcels 5, 7, 8 and 9 are superior with some open, level topography allowing the mountain views. Sale 3 shows the top of the price range for land in the Blanco Basin Area. This property included a new custom house with a cost of $850,000 or $2,125 per acre, leaving a land value of $17,875 per acre. However, the sale has superior irrigation and superior views further north in the Blanco Basin Area and
closer to the mountains. Adjusting this sale downward for superior features, yields an estimated unit price of $15,000 per acre for Parcels 5, 7, 8 and 9. Parcels 5 and 8, however, lack access and require a discount.

The calculations depicting the estimated values, including the previously described discount for lack of access, are summarized at the end of this discussion.

<table>
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<tr>
<th>Subject</th>
<th>Sale 1</th>
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<td>Price per acre</td>
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<td>$6,926</td>
<td>$20,000</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate w/ conservation easement</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Duress +</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>08/20</td>
<td>01/04</td>
<td>12/16</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$5,835</td>
<td>$6,926+</td>
<td>$20,000</td>
</tr>
<tr>
<td>Location</td>
<td>Blanco Basin Area</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>Seasonal</td>
<td>Private</td>
<td>Superior</td>
</tr>
<tr>
<td>Appeal</td>
<td>Timber</td>
<td>Timber</td>
<td>Superior</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td>Custom house</td>
<td>($2,126)</td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$5,835-</td>
<td>$6,926</td>
<td>$17,875--</td>
</tr>
</tbody>
</table>
Corral Mountain Area

The closest sales to the Corral Mountain Parcel 11 are arrayed on the following chart. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
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<tbody>
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<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

Corral Mountain is a strip containing 68 acres. It is most similar to Sale 1 and 2 if it had legal access. Sales 3 and 4 are superior because they have live water. Sales 1 and 2 bracket a price of $8,000 per acre rounded if Parcel 11 had access. Again, the access discount is applied in the following summary.
<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
<th>Sale 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$7,400</td>
<td>$8,227</td>
<td>$8,818</td>
<td>$8,800</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Motivations</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>11/15</td>
<td>09/16</td>
<td>01/20</td>
<td>02/17</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Corral Mtn. area</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>Superior</td>
<td>-</td>
<td>Superior</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Superior</td>
<td>Superior</td>
<td>-</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior</td>
<td>-</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$7,400-</td>
<td>$8,227-</td>
<td>$8,818--</td>
<td>$8,800--</td>
</tr>
</tbody>
</table>
Summary of Estimated Values

The calculations arriving at the estimated value for each parcel are arrayed below.

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-acres</th>
<th>$/Acre</th>
<th>Less discount</th>
<th>Adj. $/Acre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>175.48</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$1,491,580</td>
</tr>
<tr>
<td>2</td>
<td>0.66</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$5,610</td>
</tr>
<tr>
<td>3</td>
<td>16.40</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$139,400</td>
</tr>
<tr>
<td>4</td>
<td>80.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$280,000</td>
</tr>
<tr>
<td>5</td>
<td>33.00</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$247,500</td>
</tr>
<tr>
<td>6</td>
<td>20.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$70,000</td>
</tr>
<tr>
<td>7</td>
<td>55.00</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$825,000</td>
</tr>
<tr>
<td>8</td>
<td>3.486</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$26,145</td>
</tr>
<tr>
<td>9</td>
<td>0.02</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$300</td>
</tr>
<tr>
<td>11</td>
<td>68.00</td>
<td>$8,000</td>
<td>50%</td>
<td>$4,000</td>
<td>$272,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>452.05</td>
<td></td>
<td></td>
<td></td>
<td><strong>$3,357,535</strong></td>
</tr>
<tr>
<td><strong>Rounded</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$3,358,000</strong></td>
</tr>
</tbody>
</table>

The total includes ten parcels which could be sold in at least four separate transactions with the adjoining private lands. The purpose of this appraisal is to derive a single market value conclusion of a fee simple interest in the package of Federal lands. USPAP Standards Rule 1-4(e) requires “when analyzing the assemblage of the various estates or component parts of a property, an appraiser must analyze the effect on value, if any, of the assemblage. An appraiser must refrain from valuing the whole solely by adding together the individual values of the various estates or component parts”. Needless to say, there is no good market evidence to indicate if an adjustment is necessary to arrive at a single value. The
following chart and map illustrate the only sales in Southwest Colorado that I know of with multiple parcels.

**Chart of Comparable Sales**

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size – Acres</th>
<th>$/acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fox Fire Farms/Keyah Grande/USA</td>
<td>10/07</td>
<td>$756,000</td>
<td>1,080</td>
<td>$700</td>
<td>Three parcels</td>
</tr>
<tr>
<td>2</td>
<td>Wallace/TCF/USA</td>
<td>11/09</td>
<td>$3,315,000</td>
<td>4,573</td>
<td>$725</td>
<td>Eight parcels</td>
</tr>
<tr>
<td>3</td>
<td>Zwicker/TCF/USA</td>
<td>05/14</td>
<td>$347,000</td>
<td>441.6</td>
<td>$786</td>
<td>One parcel</td>
</tr>
<tr>
<td>4</td>
<td>Alexander/TCF/USA</td>
<td>04/14</td>
<td>$780,000</td>
<td>800</td>
<td>$975</td>
<td>One parcel</td>
</tr>
</tbody>
</table>
All of the sales sold to the USA for incorporation into Canyons of the Ancients National Monument. These sales require extraordinary verification and treatment. But, I determined that they are arms-length because they involved willing sellers and buyers, had no threat of condemnation and was based on extensive approved appraisals. I confirmed the sales with the buyer/seller, appraiser and the review appraiser. Pairing Sale 2, which comprised eight parcels, to the nearby remaining sales does not show a discount for the multi-parcel sale. Instead, it is bracketed by the inferior sale which have less interesting canyon topography and the two superior sales which have more dramatic topography.

I conclude that neither a discount, nor a premium is necessary in this appraisal.
ADDENDA
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since 1981. In 1986 she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation; United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipe Line Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From 1981 to the present, she has worked as a full time fee appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since 1988.

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U.S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

**Education**

Bachelor of Arts with Distinction, International Affairs, (b)(6)

(b)(6)

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers' Courses:

- Appraisal Principles
- Basic Valuation Procedure
- Litigation Valuation
- Capitalization Theory & Techniques, Parts I, II and III
- Standards of Professional Practice, Parts A, B and C
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Advanced Market Analysis and Highest and Best Use
- Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate's required Conservation Easement Appraiser Update Courses.

Professional Affiliations and Activities

Member of the Appraisal Institute, professionally designated MAI
  Colorado Chapter Board of Directors, (b) (6) [redacted]
  Member Appraisal Institute Unification Task Force, (b) (6) [redacted]
  Member Colorado Chapter 22 Admissions Committee, (b) (6) [redacted]
  Regional Representative, (b) (6) [redacted]
  Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6) [redacted]
  Chair, (b) (6) [redacted]

Member of the Nominating Committee for Judicial District No. 22, (b) (6) [redacted]

Associate Member Four Corners Board of Realtors
  Board of Directors (b) (6) [redacted]
  Chair, Membership Committee, (b) (6) [redacted]

Member International Right-of-Way Association
  Chair, Four Corners Satellite Chapter

Member Cortez Chamber of Commerce
  Board of Directors, (b) (6) [redacted]

Victims Assistance and Law Enforcement Board (VALE), (b) (6) [redacted]
  Chair, (b) (6) [redacted]

Colorado Certified General Appraiser No. CG00001753

New Mexico General Certified Appraiser No. 00523-G

Arizona Certified General Appraiser No. 31796

Utah Certified General Appraiser No. 5510046-CG00
SALE LACKING ACCESS

Photograph taken looking west from two miles east on June 10, 2020 by Maggie Love.

Grantor: Sara D. Tuck and Kevin F. Dudley
Date: 06/20/2012

Grantee: Eagle Shadow Ranch, LLC
Instrument: WD
Reception No.: 21203868

Legal Description: Lots 1, 2, 6 and 7, Section 8, Township 33 North, Range 2
West, N.M.P.M., Archuleta County, Colorado

Sale Price: $150,000

Size: 160 acres
$/Acre: $938

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical - sold to adjoining landowner

Description: sloping pinon and juniper
Verification: Jess Ketchum, appraiser, 970-731-1986
Location: Southwest of Pagosa Springs
Buyer Motivation: assemblage into adjoining ranch
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel No.: 5965-082-00-010
Taxes: $3,297.28
Highest and Best Use: same as Subject
Physical Address: County Road 500, Pagosa Springs
Utilities: none
Water: none
Hazards: none
Marketing Time: none
Resale Information: none
SAN JUAN RIVER AREA SALES

COMPARABLE SALE NO. 1
Photograph taken looking north on February 6, 2013 by Maggie Love.

Grantor: Ken Zeiler and Martha Zeiler  Date: 12/12/2012
Grantee: Donalrd R. Harrington and  Instrument: WD
Nita H. Harrington  Reception No.: 21208708

Legal Description: A tract of land in the SE1/4SW1/4 of Section 13, Township 36
North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $550,000
Size: 35.15 acres  $/Acre: $15,647
Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: sloping hillside overlooking the San Juan River, good views, developed easement access

Verification: Mike Heraty, agent, 970-264-7000

Location: north of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5579-133-00-038

Taxes: $4,322.88

Highest and Best Use: same as Subject

Physical Address: 8091B East U.S. Highway 160

Utilities: electricity and phone on property

Water: none

Hazards: none

Marketing Time: 48 DOM

Resale Information: Prior sale for $610,000 in July 2001, Time Trend Sale M.
COMPARABLE SALE NO. 2
Photograph taken looking northwest from the locked gate one mile east on July 9, 2020 by Maggie Love.

Grantor: Kevin T. Schaffer and Ronald P. Schaffer  Date: 09/16/2014
Grantee: Francis Marion Slack III  Instrument: WD
Reception No.: 21405344

Legal Description: A tract of land located in Sections 9 and 10, Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $650,000
Size: 35 acres  $/Acre: $18,571

Property Rights Conveyed: fee simple estate
Financing: owner financing of $300,000 at 5.5% interest for five years - cash equivalent

Conditions of Sale: typical
Description: 2.5 miles from Highway 160 on seasonal Forest Service Road 647; private seasonal access, National Forest on two sides, Turkey Creek, good views

Verification: MLS and Jess Ketchum, appraiser, 970-731-1986

Location: northeast of Pagosa Springs

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5579-091-00-004

Taxes: $13.16

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 647 to private, developed driveway

Utilities: none

Water: none

Hazards: none

Marketing Time: 234 days

Resale Information: prior sale $500,000 in November 2006, Time Trend Sale Z
COMPARABLE SALE NO. 3
Photograph taken looking north on October 15, 2014 by Maggie Love.

Grantor: Saddleback Ranch, LLC
Grantee: Bootjack Ranch, LLC
Date: 07/15/2014
Instrument: SWD
Reception No.: 21403926

Legal Description: A tract of land in Sections 7, 12, and 13 in Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,800,000
Size: 408 acres
$/Acre: $21,569

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical

Description: property is at the confluence of the East Fork and the West Fork of the San Juan River. It has seven miles of river frontage. It is mostly irrigated meadows and timbered ridges.
Verification: David Smith, Ranch Manager.

Location: North of Pagosa Springs

Buyer Motivation: recreational homesite

Improvements: house built in 2003 containing 2,800 square feet

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: recreation

Assessor’s Parcel No.: 5579-124-00-010

Taxes: $7,029.32

Highest and Best Use: same as Subject

Physical Address: 401 Forest Service Road 667

Utilities: electricity and gas

Water: irrigation and well

Hazards: none

Marketing Time: 181 DOM

Resale Information: none
BLANCO AREA SALES

COMPARABLE SALE NO. 1
Photograph taken looking east on June 9, 2020 by Maggie Love.

Grantor: The Aquarius Foundation  Date: 04/07/2020
Grantee: Southern Baptists of Texas  Instrument: SWD
Reception No.: 22001975

Legal Description: Tract 3, Rito Blanco Ranch filing Number One, according to the map filed for record November 19, 1997 as Reception No. 97009086

Sale Price: $257,398 - donation based on appraisal; under contract for $205,000 in August 2020

Size: 35.13 acres  $/Acre: $5,835

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical
Description: timbered tract with 12 miles of seasonal Forest Service access, good views

Verification: Bart McDonald, Executive Director of Southern Baptists of Texas Foundation, 844-351-8804

Location: Rita Blanco Ranch Subdivision

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5703-191-01-003

Taxes: $211.76

Highest and Best Use: same as Subject

Physical Address: Tract 3, Needles View Place

Utilities: none

Water: none

Hazards: none

Marketing Time: four months

Resale Information: none
COMPARABLE SALE NO. 2
Photograph taken looking southwest from locked gate ½ mile north on June 10, 2020 by Maggie Love.

Grantor: CJ Brimhall Properties, IV
Date: 01/31/2014
Instrument: WD

Grantee: Ralph J. Clayton and Kimberly Jean Clayton
Reception No.: 21400634

Legal Description: A tract of land in the W1/2 of Section 13, Township 34 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $235,000
Size: 33.93 acres
$/Acre: $6,926

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: seller in duress; paid $492,000 in 2006; listed for $275,000 and was "priced to sell"; sold in 97 days.
Description: One-half mile developed private road access, sloping timbered hillside, National Forest on two sides
Verification: listing agent, LaWana DeWees, [b](6) [b](6)

Location: South of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5887-133-00-043

Taxes: $1,451.08

Highest and Best Use: same as Subject

Physical Address: 1445C County Road 326

Utilities: electricity and telephone

Water: none

Hazards: none

Marketing Time: 97 DOM

Resale Information: prior sale for $492,000 in June 2006, Time Trend Sale A
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor:  Blanco Basin Land and Cattle, LLC  Date: 12/29/2016
Grantee:  RTN-LGN II, LLC  Instrument: WD
Reception No.: 21609318

Legal Description: A tract of land in Sections 20 and 29, Township 35 North, Range 2 East, N.M.P.M., Archuleta County, Colorado

Sale Price:  $8,000,000
Size: 400 acres  $/Acre: $20,000

Property Rights Conveyed: fee simple estate subject to a conservation easement with one building envelope

Financing: cash

Conditions of Sale: typical - not marketed, sold to neighbor

Description: irrigated tract, great views

Verification: Ken Hare, Blanco Land and Cattle, (b) (6)
Location: southeast of Pagosa Springs
Buyer Motivation: homesite
Improvements: $850,000 new custom construction
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: homesite and grazing
Assessor’s Parcel No.: 5705-292-00-004
Taxes: $3,385.60
Highest and Best Use: same as Subject
Physical Address: 12130 County Road 326
Utilities: electricity
Water: well and irrigation
Hazards: none
Marketing Time: none
Resale Information: none
CORRAL MOUNTAIN AREA

COMPARABLE SALE NO. 1
Photograph taken looking west on March 15, 2018 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft         Date: 11/06/2015
Grantee: GC Colorado, LLC                           Instrument: WD

Legal Description: A tract of land in Sections 19 and 20, Township 36 North,
Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $370,000

Size: 50 acres          $/Acre: $7,400

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: open, rolling meadow
Verification: Clif Davis, GC Colorado.

Location: North of Pagosa Springs

Buyer Motivation: assemblage into larger homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5581-202-00-121

Taxes: $61.76

Highest and Best Use: same as Subject

Physical Address: Raptor Place

Utilities: none

Water: none

Hazards: none

Marketing Time: none

Resale Information: none
COMPARABLE SALE NO. 2
Photograph taken looking west on March 15, 2019 by Maggie Love.

Grantor: LD Radcliff Herzog and
    Bobbie Jayne Herzog
Grantee: Donald L. Wullschleger and
    Melanie J. Wullschleger

Date: 09/26/2016
Instrument: WD
Reception No.: 21606325

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $290,000
Size: 35.25 acres
$/Acre: $8,227

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: National Forest on two sides, meadow and ridge
Verification: Lindy Moore, sales agent

104
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-194-00-132
Taxes: $1,051.00
Highest and Best Use: same as Subject
Physical Address: 2253 Preservation Place
Utilities: none
Water: available
Hazards: none
Marketing Time: 306 days, listing $324,000
Resale Information: prior sale for $265,000 in May 2012 (Time Trend Sale J)
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Frank Perry and Margaret Perry  Date: 01/22/2020
Grantee: Bradley Tomlin Stansberry  Instrument: SWD
Catherine Clapp Stansberry  Reception No.: 22000565

Legal Description: A tract of land in Section 19, Township 36 North, Range 2
West, N.M.P.M., Archuleta County, Colorado

Sale Price: $485,000
Size: 55 acres  $/Acre: $8,818

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical

Description: National Forest on one side, meadow and ridge, Martinez Creek
Verification: JR Ford, agent, 970-264-5000
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-192-00-114
Taxes: $68.56
Highest and Best Use: same as Subject
Physical Address: Lot 12C Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 3,094 total DOM; 144 days listed at $545,000
Resale Information: prior sale in March 1994
COMPARABLE SALE NO. 4
Photograph taken looking north on March 15, 2019 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft       Date: 02/27/2017
Grantee: Shawn Goeckner and Vicki Goeckner       Instrument: WD
Reception No.: 21701150

Legal Description: A tract of land situated in Section 13, Township 36 North, Range 2 ½ West, N.M.P.M., Archuleta County, Colorado

Sale Price: $440,000
Size: 50 acres                  $/Acre: $8,800

Property Rights Conveyed: fee simple estate
Financing: cash to seller - new conventional loan
Conditions of Sale: typical
Description: meadow and ridge, National Forest on two sides, stream
Verification: JR Ford, listing agent, 970-264-5000
Location: north of Pagosa Springs
Buyer Motivation: homesite
Improvements: vacant
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use:
Assessor’s Parcel No.: 5583-131-00-107
Taxes: $2,473.76
Highest and Best Use: same as Subject
Physical Address: 10728 Lot 14A Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 660 DOM, listed for $475,000
Resale Information: none
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td></td>
<td>33.93 acres, easement access,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Blanco Area Sales</td>
</tr>
<tr>
<td></td>
<td>06/06</td>
<td>$492,000</td>
<td>92%</td>
<td>National Forest on two sides</td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-52%</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td></td>
<td>Blue Sky Ranch</td>
</tr>
<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td>-41%</td>
<td>1,350+ acres</td>
</tr>
<tr>
<td>C</td>
<td>05/10</td>
<td>$337,700</td>
<td></td>
<td>47 acres, south</td>
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<tr>
<td></td>
<td>12/18</td>
<td>$234,500</td>
<td>-31%</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>D</td>
<td>09/12</td>
<td>$145,000</td>
<td></td>
<td>35 acres, Alpine Lakes</td>
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<tr>
<td></td>
<td>08/19</td>
<td>$100,000</td>
<td>-31%</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td></td>
<td>Square Top Ranch</td>
</tr>
<tr>
<td></td>
<td>04/06</td>
<td>$12,800,000</td>
<td>44%</td>
<td>1,800 acres</td>
</tr>
<tr>
<td></td>
<td>03/13</td>
<td>$9,000,000</td>
<td>-30%</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>02/11</td>
<td>$210,000</td>
<td></td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>08/13</td>
<td>$150,000</td>
<td>-29%</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>06/11</td>
<td>$195,000</td>
<td></td>
<td>71 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-23%</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td></td>
<td>36 acres</td>
</tr>
<tr>
<td></td>
<td>06/18</td>
<td>$685,000</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>02/11</td>
<td>$225,000</td>
<td></td>
<td>35 acres, Navajo River</td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$169,000</td>
<td>-16%</td>
<td>Ranch</td>
</tr>
<tr>
<td>J</td>
<td>12/12</td>
<td>$325,000</td>
<td></td>
<td>35 acres, Rito Blanco</td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$280,000</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>06/16</td>
<td>$140,000</td>
<td></td>
<td>40 acres, south of</td>
</tr>
<tr>
<td></td>
<td>07/18</td>
<td>$120,000</td>
<td>-14%</td>
<td>Pagosa Springs</td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td></td>
<td>35.25 acres,</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-9%</td>
<td>Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>San Juan River Area Sales</td>
</tr>
<tr>
<td></td>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>N</td>
<td>01/18</td>
<td>$328,640</td>
<td></td>
<td>49 acres</td>
</tr>
<tr>
<td></td>
<td>05/20</td>
<td>$320,094</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>O</td>
<td>03/10</td>
<td>$600,000</td>
<td>70 acres, Two Bear Ranch</td>
<td></td>
</tr>
<tr>
<td></td>
<td>02/15</td>
<td>$600,000</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td>37 acres, Mill Creek</td>
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<tr>
<td></td>
<td>10/05</td>
<td>$160,000</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>07/15</td>
<td>$156,250</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Q</td>
<td>12/12</td>
<td>$95,000</td>
<td>38 acres, Cool Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/17</td>
<td>$100,000</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>10/12</td>
<td>$72,500</td>
<td>35 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/17</td>
<td>$111,000</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/18</td>
<td>$118,000</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>04/12</td>
<td>$265,000</td>
<td>35 acres, Eagle Peak Ranch</td>
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</tr>
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<td></td>
<td>09/16</td>
<td>$290,000</td>
<td>9%</td>
<td></td>
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<tr>
<td>T</td>
<td>06/19</td>
<td>$275,000</td>
<td>44 acres, CR 500</td>
<td></td>
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<tr>
<td></td>
<td>08/19</td>
<td>$300,000</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>U</td>
<td>08/13</td>
<td>$2,300,000</td>
<td>340 improved acres</td>
<td></td>
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<tr>
<td></td>
<td>11/17</td>
<td>$3,800,000</td>
<td>after remodel</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>$4,425,000</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>06/12</td>
<td>$325,000</td>
<td>35 acres, west of Pagosa Springs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$391,500</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>W</td>
<td>03/10</td>
<td>$600,000</td>
<td>191 acres, South Archuleta County</td>
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<tr>
<td></td>
<td>11/12</td>
<td>$750,000</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>04/10</td>
<td>$350,000</td>
<td>70 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/18 &amp; 07/19</td>
<td>$445,000</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>05/12</td>
<td>$70,000</td>
<td>38 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/19</td>
<td>$90,000</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td>35 acres, Forest Service inholding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>10/12</td>
<td>$116,500</td>
<td>38 acres, west Archuleta County</td>
<td></td>
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<td></td>
<td>03/14</td>
<td>$152,500</td>
<td>31%</td>
<td></td>
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<tr>
<td>BB</td>
<td>12/11</td>
<td>$307,463</td>
<td>35 acres, Cimarron Ranch</td>
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<td></td>
<td>05/18</td>
<td>$410,000</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>CC</td>
<td>07/11</td>
<td>$1,100,000</td>
<td>158 acres and residence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/16</td>
<td>$1,585,000</td>
<td>44%</td>
<td></td>
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<tr>
<td></td>
<td>11/16 &amp; 02/17</td>
<td>$174,000</td>
<td>70 acres, Alpine Lakes</td>
<td></td>
</tr>
<tr>
<td>----</td>
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<td>------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>02/19</td>
<td>$253,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>DD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>06/11</td>
<td>$195,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12/14</td>
<td>$110,000</td>
<td>-44% Alpine Lakes, 71 acres</td>
<td></td>
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<td></td>
<td>05/18</td>
<td>$160,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>03/14</td>
<td>$190,000</td>
<td>36 acres, west of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>07/17</td>
<td>$275,000</td>
<td>45% Pagosa Springs</td>
<td></td>
</tr>
</tbody>
</table>
# APPRAISAL STATEMENT OF WORK FOR THE PROPOSED VALLE SECO 2019 LAND EXCHANGE

**TWO NON-FEDERAL PARCELS TOTALING 500.00 ACRES +/- IN SIZE WITHIN THE BOUNDARY OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA AND HINSDALE COUNTIES, COLORADO**

AND ELEVEN FEDERAL PARCELS TOTALING 472.06 ACRES +/- IN SIZE CURRENTLY PART OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA AND HINSDALE COUNTIES, COLORADO

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on May 17, 2019 (Modification #1 of Agreement to Initiate pending).

<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 – Valle Seco *</td>
<td>500.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>Boojack Ranch, LLC</td>
</tr>
<tr>
<td>Non-Federal Parcel B – Middle Fork</td>
<td>20.00</td>
<td>Hinsdale</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>THE ROBERT D. LINDNER FAMILY TRUST, as to the B/4S/W1/4 of Section 10 and ROBERT D. LINDNER III, as to an undivided 12.25% interest, JOSEPH P. ROUSER, TRUSTEE OF THE JOSIE FOSTER-HERMAN RE/MOOCABLE TRUST U/D (2/2/04, as to an undivided 12.25% interest, JILL L. BORDET, as to an undivided 12.25% interest, TRISHA L. FORD, as to an undivided 12.25% interest and ROBERT D. LINDNER, JR., TRUSTEE FOR HIS SUCCESSOR OF THE ROBERT D. LINDNER, JR., TRUST U/D (4/8/2006), AS AMENDED, as to an undivided 51% interest in the N1/L2N1W4 (1/4) of Section 15.</td>
</tr>
</tbody>
</table>

Non-Federal Property: maximum of 500.00 acres

| Non-Federal Parcel 1 – Boojack Ranch Johnny Creek | 175.48 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 2 – Boojack Ranch Road | 66.00 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 3 – Boojack Ranch River Bend | 46.40 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 4 – Ranch del Sol Middle | 89.00 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 5 – Ranch del Sol Bench Panorama | 33.00 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 6 – Ranch del Sol Hacienda | 28.00 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 7 – El Rancho Pimino L.V. Demon | 53.00 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 8 – El Rancho Pimino Ranch | 58.00 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 9 – El Rancho Pimino Corner | 62.00 | Archuleta | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 10 – Toner Ranch Middle Fork | 20.00 | Hinsdale | San Juan | Pagosa | U.S.A. |
| Non-Federal Parcel 11 – Corral Mountain | 68.00 | Archuleta | San Juan | Pagosa | U.S.A. |

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 package.

**FINAL SOW – Proposed Valle Seco Land Exchange**
of non-Federal lands. Therefore, the market analyses should consider whether or not there is a single-
transaction value impact.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of
the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the
whole 472.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-
Federal property as a whole, and a unit value (per acre) for the Federal property as a whole, and acreage
ranges in which those unit values remain valid for use.

The appraisals must comply with the General Exchange Act of March 20, 1922, the Federal Land Policy
and Management Act of October 21, 1976 as amended by the Federal Land Exchange Facilitation Act of
August 20, 1988, 36 CFR 254 (Subpart A), the current edition of the Uniform Appraisal Standards for
Federal Land Acquisitions, and the current edition of the Uniform Standards of Professional Appraisal
Practice.

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 San Juan National Forest as the client. The intended
users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser
Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forests. Lands/Realty personnel
attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated
officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated
representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust,
the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard, Lakewood, CO 80401
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Commitment
for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3
(Amended), the Preliminary Land Description Verification forms, and other documents included in this
SOW and/or to be provided to the contract appraiser.
GENERAL SPECIFICATIONS

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.

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 Senior 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 Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.
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 Senior 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 Senior 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

FINAL SOW – Proposed Valle Seco Land Exchange
LOVE APPRAISALS, INC.

- 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 San Juan National Forests as the client.

Intended Users – The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forest, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C.

FINAL SOW – Proposed Valle Seco Land Exchange
Love Appraisals, Inc.

Lindner Trust, the David C. Lindner Dynasty Trust, the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users—other than the Senior Review Appraiser—will be after the technical review is completed by the Senior 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 USFAP 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 Senior 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 — Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B — Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.

For non-Federal Parcel B, the estate appraised shall consist of all rights, title, and interests subject to any outstanding Requirements listed in Schedule B — Section 1 of the May 8, 2019, Commitment for Title Insurance Order No. HD21603267-3 (Amended). In addition, Schedule B — Section 2 identifies...
nine Exceptions with 10 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.

Three water rights for stock ponds (WIDID 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WIDID 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WIDID 2903646 may or may not be transferred to the USA and if so, it should also be considered in the analysis. A final determination of whether WIDID 2903646 will be transferred will be communicated to the appraiser when that information is available. No Federal parcel-associated water rights will be conveyed by USA into private ownership as part of this exchange.

All of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the ATI.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easements to be placed on Federal Parcel 10 and a portion of Federal Parcel 1 as part of the exchange. Draft easements will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

**Legal Description** – The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate and Modification #1 of 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 Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and one representative of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

**Additional Information** – The following documents are included as attachments to this SOW:

FINAL SOW –Proposed Valle Seco Land Exchange
• Request for Appraisal Services dated November 5, 2019
• Agreement to Initiate executed May 17, 2019
• Modification #1 of Agreement to Initiate
• Preliminary Land Description Verification forms (Note: the LDVs are Preliminary not finalized versions and the final acreages may be revised).
• Commitment for Title Insurance Order No. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
• Commitment for Title Insurance Order No. HD21603267-3 (Amended) effective May 8, 2019 covering the non-Federal Parcel B
• Preliminary Federal Land Status Report
• Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019
• Draft Deed of Conservation Easement for the Middle Fork Ranch (Federal Parcel 10)
• Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 1)

**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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel:

*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.*

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.*

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 Senior 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/marketable 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 appraisal, 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 Senior Review Appraiser a final appraisal report. "Draft" copies will not be accepted. The Senior Review Appraiser will then review the final appraisal report for acceptance or recommended revisions.

Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch. LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, the Robert D. Lindner Family Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
### Preliminary Land Description Verification

#### Federal Land

<table>
<thead>
<tr>
<th>Purchase/Exchange Name:</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 1</th>
</tr>
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<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</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.*

New Mexico Principal Meridian, Colorado

- T. 36 N., R. 1 E.,
  - sec. 7, SW1/4SW1/4SE1/4, S1/2SE1/4SW1/4, W1/2NE1/4NE1/4SE1/4, W1/2SW1/4NE1/4SE1/4, W1/2NW1/4SW1/4SE1/4, and W1/2SW1/4SE1/4.
  - sec. 18, lot 1, W1/2NW1/4NE1/4, W1/2SW1/4NW1/4NE1/4, W1/2SW1/4NW1/4, and NE1/4NW1/4.
- T. 36 N., R. 1 W.,
  - sec. 13, NE1/4NE1/4

#### 2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>Actual (land survey, infor.)</th>
<th>Tax Assessor's (taxing authority)</th>
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</thead>
<tbody>
<tr>
<td>175.48 acres</td>
<td>175.48 acres</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 3. Record Documents:

- BLM Master Title Plat, Original and Resurvey Plats, BLM Supplemental Plat of Section 7 approved in 1943 and Patent Records

#### 4. Comments:

Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 175.48 acres.

Cadastral Surveyor, Bureau of Land Management: 

Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
LOVE APPRAISALS, INC.

USDA - Forest Service

File Code: 5400 Landownerships 5500 Landownership Title Management

**PRELIMINARY**
**LAND DESCRIPTION VERIFICATION**
**FEDERAL LAND**

<table>
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<th>Purchase/Exchange Name</th>
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</tr>
<tr>
<td>Assessor's Parcel Number</td>
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<tr>
<td>County, Town, or Borough</td>
<td>Archuleta County</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.)

A portion of land situated in the SE1/4SW1/4 of section 1, township 36 north, range 1 west, New Mexico Principal Meridian, Colorado, being the result of a local survey filed in the Archuleta County Clerk and Recorder on October 3, 2007, labeled as “Exhibit A” performed by Thomas E. Au, Colorado Professional Land Surveyor 34996 and being more particularly described as follows:

**BEGINNING** at the C-S 1/16 sec. cor. of sec. 1, marked with an iron post, 2 1/2 ins. diam., with a brass cap mld. as described in the official record of the 1972 Dependant Resurvey of T. 36 N., R. 1 W., N.M.P.M. under Group 569;

**THENCE,** S. 3° 05' W., along the N-S centerline of section 1, a distance of 320.00 feet to a point on the southwesterly right-of-way of a gravel road;

**THENCE,** N. 26° 58' W., along the southwesterly right-of-way of a gravel road, a distance of 359.08 feet to the intersection of the E-W centerline of the SW1/4 of section 1;

**THENCE,** S 89° 50' E., along the E-W centerline of the SW1/4 of section 1, a distance of 180.00 feet to the **POINT OF BEGINNING** containing 0.66 acres of land.

**Exhibit “A”:** Attached hereto and made part of.

2. **Area:**

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<th>Official (Public Land Survey)</th>
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<td>Actual (land survey, info.)</td>
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</table>

3. **Record Documents:**

USDA - Forest Service

FS-5400-41

4. Comments:

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

For purposes of acquisition, the acreage is 0.66 acres.

[Signature]

Cadastral Surveyor, Bureau of Land Management

Date

(attach additional pages as necessary for items 1 thru 4) Page 2 of 3
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 3

Forest Name: San Juan NF, Pagosa RD

Assessor's Parcel Number:

County, Town, or Borough: Archuleta County
State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block,
warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 36 N., R. 1 W.,
Sec. 13, that part of the NE1/4NW1/4 lying 100 feet east of the medial line of the San Juan River

2. Area:

<table>
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<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/desc county)</th>
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<tr>
<td></td>
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<td>16.4 acres</td>
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3. Record Documents:
BLM Master Title Plat, BLM Dependent Resurvey approved in 1972 and Patent Records.

4. Comments:
The land description has potential problems and should not be used as written in the subject
conveyance/activity document. The following errors and/or concerns, need to be
corrected/addressed before this description should be used. A proper legal description will
need to be determined from a Dependent Resurvey. A Dependent Resurvey is
recommended to identify parcel of land to be exchanged and to eliminate ambiguities with
legal description.

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

For purposes of acquisition, the acreage is 16.4 acres.

Cadastral Surveyor, Bureau of Land Management:

Date

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
<table>
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<tr>
<th>Purchase/Exchange Name</th>
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<td>Forest Name</td>
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<td>Assessor's Parcel Number:</td>
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<tr>
<td>County, Town, or Borough</td>
<td>Archuleta County</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.

New Mexico Principal Meridian, Colorado

T: 34 N., R. 1 E.,
Sec. 11, E1/2SW1/4.

**2. Area:**

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<td>80 acres</td>
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**3. Record Documents:**

BLM Master Title Plat, GLO Original Survey in 1883 and Patent Records.

**4. Comments:**

Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is

| Acres | 80 |

Cadastral Surveyor, Bureau of Land Management

Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4)
**PURCHASE/EXCHANGE NAME**: Valle Seco Proposed Land Exchange Federal Parcel 5

**Forest Name**: San Juan NF, Pagosa RD

**Assessor's Parcel Number**: 

**County, Town, or Borough**: Archuleta County

**State**: Colorado

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

New Mexico Principal Meridian, Colorado

T. 34 N., R. 1 E.,

sec. 10, a portion of the N1/2SE1/4NE1/4 to include existing "Bench Pasture".

sec. 11, a portion of the W1/2NW1/4 to include existing "Bench Pasture",

N1/2SW1/4SW1/4NW1/4, and N1/2SE1/4SW1/4NW1/4;

**2. Area**:

- **Official (Public Land Survey)**
- **Record (title/deed/county)**
- **GIS (Calc. from GIS)**
- **Tax Assessor's (taxing authority)**

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<tr>
<th>Area</th>
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<th>GIS</th>
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<tr>
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<td></td>
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<td>33</td>
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</table>

**3. Record Documents**:

BLM Master Title Plat, GLO Original Survey in 1883.

**4. Comments**:

The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 33 acres.

**Date**: 1/1/2018

**Cadastical Surveyor, Bureau of Land Management**: [Signature]

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
**USA - Forest Service**

**File Code: 5400 Landownersh**

**5500 Landownersh Title Management**

**PRELIMINARY**

**LAND DESCRIPTION VERIFICATION**

**FEDERAL LAND**

<table>
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<th>Purchase/Exchange Name:</th>
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<td>Forest Name:</td>
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<tr>
<td>Assessor's Parcel Number:</td>
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<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>State:</td>
<td>Colorado</td>
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</tbody>
</table>

1. **Legal Description:** (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
   
   New Mexico Principal Meridian, Colorado
   
   T. 34 N., R. 1 E.,
   
   Sec. 11, N1/2S1/E1/4NE1/4.

2. **Area:**
   
<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>Actual (land survey, infir.)</th>
<th>Tax Assessor's (taxing authority)</th>
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<tbody>
<tr>
<td>20 acres</td>
<td>20 acres</td>
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</table>

3. **Record Documents:**

   BLM Master Title Plat, Original Survey in 1883 and Patent Records.

4. **Comments:**

   Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 20 acres.

**Cadastral Surveyor, Bureau of Land Management**

**Date**

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
**PRELIMINARY LAND DESCRIPTION VERIFICATION FEDERAL LAND**

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 7  
**Forest Name:** San Juan NF, Pagosa RD  
**Assessor's Parcel Number:**  
**County, Town, or Borough:** Archuleta County  
**State:** Colorado

1. **Legal Description:**
   - (Include subdivision part, section, township, range, Meridian, or lot, block, warrant, parcel, grant, etc., as appropriate.)
   - New Mexico Principal Meridian, Colorado
   - T. 34 N., R. 1 E.,
   - Sec. 1, a portion of the SE1/4SE1/4 lying 30 feet northerly of the centerline of National Forest System Road 660.  
   - T. 34 N., R. 2 E.,  
   - Sec. 6, a portion of lot 7 lying 30 feet northerly of the centerline of National Forest System Road 660, N1/2SE1/4SW1/4, and NW1/4SW1/4SE1/4

2. **Area:**
   - **Official (Public Land Survey):**  
   - **Record (title/deed/county):** 55 acres  
   - **GID (Calc. from GIS):**  
   - **Tax Assessor's (taxing authority):**

3. **Record Documents:**
   - BLM Master Title Plat, GLO original surveys and BLM Dependent Resurvey approved in 1992.

4. **Comments:**
   - The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

   - For purposes of acquisition, the acreage is **55** acres.

   - **Cadastral Surveyor, Bureau of Land Management**  
   - **Date:** 3/22/17

(attach additional pages as necessary for items 1 thru 4)  
Page 1 of 1
**USDA - Forest Service**

**File Code:** 5400 Landownership
5500 Landownership Title Management

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**PRELIMINARY**

**LAND DESCRIPTION VERIFICATION**

**FEDERAL LAND**

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**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 8

**Forest Name:** San Juan NF, Pagosa RD

---

**Assessor's Parcel Number:**

---

**County, Town, or Borough:** Archuleta County

**State:** Colorado

---

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

   New Mexico Principal Meridian, Colorado
   T. 34 N., R. 2 E.,
   Sec. 5, a portion of the NW1/4NW1/4SW1/4.

---

2. **Area:**

   - **Official (Public Land Survey):**
   - **Record (Hd/deed/cnty):**
   - **GIS (Calc. from GIS):** 3.486
   - **Tax Assessor's (Owning authority):**

---

3. **Record Documents:**

   - BLM Master Title Plat and original survey approved in 1892.

---

4. **Comments:**

   The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to segregate land based on acreage.

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

   For purposes of acquisition, the acreage is 3.486 acres.

   [Signature]

   **Date:** 10/3/16

   **Cadastral Surveyor, Bureau of Land Management**

   (attach additional pages as necessary for items 1 thru 4) Page 1 of 1
PRELIMINARY LAND DESCRIPTION VERIFICATION FEDERAL LAND

Purchase/Exchange Name: Vallejo Proposed Land Exchange Federal Parcel 9
Forest Name: San Juan NF, Pagosa RD
County, Town, or Borough: Archuleta County
State: Colorado

1. Legal Description: (include subdivision part, Section, Township, Range, Meridian, or lot, block, warrant, parcel, grant, etc., as appropriate)
New Mexico Principal Meridian, Colorado
Sec. 1, a portion of Lot 1, lying northerly and westerly of ELP fenceline.

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

3. Record Documents:

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.
The legal description for the above described lands, proposed for conveyance by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for patent or deed purposes and practicability for locating boundary lines.

For purposes of acquisition, the acreage is 0.02 acres.

Cadastral Surveyor, Bureau of Land Management
Date

Page 1 of 1

(attach additional pages as necessary for Items 1 thru 4)
USDA - Forest Service  

File Code: 5400 Landownership  
5500 Landownership Title Management  
PRELIMINARY  
LAND DESCRIPTION VERIFICATION  
FEDERAL LAND  

<table>
<thead>
<tr>
<th>Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 11</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name: San Juan NF, Pagosa RD</td>
<td></td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough: Archuleta County</td>
<td>State: Colorado</td>
</tr>
</tbody>
</table>

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)  
New Mexico Principal Meridian, Colorado  
T. 36 N., R. 3 W.,  
Sec. 17, a portion of the SE1/4SE1/4 lying southerly and easterly of existing fenceline;  
Sec. 20, a portion of the NE1/4NE1/4 lying easterly of existing fenceline, a portion of the SE1/4NE1/4 lying easterly of existing fenceline, a portion of the NE1/4SE1/4 lying easterly of existing fenceline, and a portion of the SE1/4SE1/4 lying easterly of existing fenceline;  
Sec. 29, a portion of the E12NE1/4 lying northerly and easterly of existing fenceline.  

2. Area:  

<table>
<thead>
<tr>
<th></th>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>68 acres</td>
<td></td>
<td>68 acres</td>
<td></td>
</tr>
</tbody>
</table>

3. Record Documents:  
BLM Master Title Plat, Original Survey approved in 1883, BLM Dependent Resurvey approved in 1987.  

4. Comments:  
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged.  
The legal description for the above described lands, proposed for conveyance by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for patent or deed purposes and practicability for locating boundary lines.  

For purposes of acquisition, the acreage is 68 acres.  

Cadastral Surveyor, Bureau of Land Management  
Date: 11/14/2018  

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
## Preliminary Status Report

### Federal Selected Land

**PropONENT**

**SERIAL NO.**

**FOREST**

### Valle Seco Land Exchange

**San Juan National Forest**

<table>
<thead>
<tr>
<th>Legal Description</th>
<th>Acres</th>
<th>In/ Out</th>
<th>Surface Status</th>
<th>Sub-Sur Status</th>
<th>Acq. Date/Auth</th>
<th>Remarks</th>
</tr>
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<tbody>
<tr>
<td><strong>Boojack Ranch</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parcel 1</strong> T. 36. N. R. 1 W., NMPM, Archuleta County, Colorado**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 13, NE1/4NE1/4;</td>
<td>40.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 3</td>
</tr>
<tr>
<td><strong>Parcel 2</strong> T. 36. N. R. 1 E., NMPM, Archuleta County, Colorado**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 18, Lot 1 (42.98 acres), NE1/4NW1/4, W1/2W1/2NW1/4NE1/4;</td>
<td>92.98</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
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<tr>
<td>Sec. 7, S1/2SE1/4SW1/4, W1/2W1/2W1/2SE1/4, SW1/4SW1/4SW1/4NE1/4;</td>
<td>42.50</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 3</td>
</tr>
<tr>
<td><strong>Parcel 3</strong> T. 36. N. R. 1 W., NMPM, Archuleta County, Colorado**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 13, a portion of the NE1/4NW1/4 lying 100' east of the San Juan River;</td>
<td>16.4</td>
<td>IN</td>
<td>ACQD</td>
<td>PVT</td>
<td>11-28-1932/3-20-1922</td>
<td>See Note 1</td>
</tr>
<tr>
<td>Rancho del Sol</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>----------------</td>
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<tr>
<td>Parcel 4</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sec. 11, E1/2SW1/4;</td>
<td>80.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>3-2-1907/3-3-1891</td>
<td></td>
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</table>

| Parcel 5       | T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado |  |  |  |
| Sec. 10, portion of the N1/2SE1/4NE1/4 within the existing "Bench Pasture"; | 5.00 | IN | PD | PD | 3-2-1907/3-3-1891 |
| Sec. 11, N1/2S1/2SW1/4NW1/4, a portion of the W1/2NW1/4; | 28.00 | IN | PD | PD | 3-2-1907/3-3-1891 |

| Federal Parcel 6 | T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado |  |  |  |
| Sec. 11, N1/2SE1/4NE1/4; | 20.00 | IN | PD | PD | 3-2-1907/3-3-1891 |

<table>
<thead>
<tr>
<th>El Rancho Piuoso</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel 7</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 1, portion of SE1/4SE1/4 north of NSFR 660;</td>
<td>9.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
</tr>
<tr>
<td>T. 34 N., R. 2 E., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 6, portion of lot 7 north of NSFR 660, N1/2SE1/4SW1/4, portion of NW1/4SW1/4SE1/4 to include the headgate for the J.T. Tierman No. 1 Ditch;</td>
<td>46.00</td>
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<td>PD</td>
<td>PD</td>
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<tr>
<td>Parcel 8</td>
<td>T. 34 N., R. 2 E., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 5, portion of the NW1/4NW1/4SW1/4</td>
<td>3.486</td>
<td>IN</td>
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<td>PD</td>
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<table>
<thead>
<tr>
<th>Parcel 9</th>
<th>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 1, portion of the Lot1 within the ELP fence line</td>
<td>0.02</td>
</tr>
</tbody>
</table>

| Toner Ranch, Middle Fork of the Piedra River |
|-------------------------------|----------------------------------|

<table>
<thead>
<tr>
<th>Parcel 10</th>
<th>T. 37 N., R. 3 W., NMPM, Hinsdale County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 10, S1/2SW1/4SE1/4</td>
<td>20.00</td>
</tr>
</tbody>
</table>

| Corral Mountain |
|-------------------------------|----------------------------------|

<table>
<thead>
<tr>
<th>Federal Parcel 11</th>
<th>T. 36 N., R. 3 W., NMPM, Archuleta County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 17, Portion of SE1/4SE1/4</td>
<td>20.00</td>
</tr>
</tbody>
</table>

| Sec. 20, Portion of E1/2E1/2 | 40.00 | IN | PD | PD | 6-3-1905/3-3-1891 | See Note 8 |

| Sec. 29, Portion of the E1/2NE1/4 All of the above within the existing fence | 8.00 | IN | PD | PD | 6-3-1905/3-3-1891 | See Note 8,9 |

**TOTAL ACREAGE:** 472.05
NOTES:

*BLM Index to Unpatented Mining Claims Report regarding the above-selected lands shows an active claim in NMPM, T. 36. N., R. 1 E., Sec. 7, NE/4.

The SUDS Report depicting additional SUPs that may or may not affect the above-selected lands will need to be generated at the forest level.


2. ALP Veiver’s Other Surface Right layer shows a separated right (SJN194) for a ditch and canal dated 3/3/2009. The case name is Saddleback Ranch, LLC.

3. ALP Veiver’s Title Claims and Encroachment Cases layer shows a suspected encroachment with a case number of 0213-0006-792.

4. ALP Veiver’s Right of Way layer shows a Road ROW (SJN110) which might be near the parcel. The casename is Bootjack Management Company (aka Koinonia LLC), and the action date is 6/17/2008.


6. ALP Veiver’s Other Surface Right layer shows separated rights (SJN166 & SJN169) for a ditch and canal both dated 3/9/2012. The casename on both is Robert D. Lindner Family Trust.

7. ALP Veiver’s Title Claims and Encroachment Cases layer shows a suspected encroachment might be near the parcel with a case number of 0213-0006-794.

8. ALP Veiver’s Other National Designated Area layer shows the Piedra Special Management Area is near the parcel.

9. ALP Veiver’s Right of Way layer shows a Road ROW which might be near the parcel. The casename is Double Springs Partnership LTD, and the action date is 12/11/1992.

Prepared by  Rob Dunston
Date  11/13/2018
August 13, September 23, 2020

Charles Brown, MAI, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard
Lakewood, Colorado 80401
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the Federal Parcels for the Proposed Valle Seco 2019 Land Exchange. These properties will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
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APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief, ...

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this certification.

13. the appraiser has made a physical inspection of the property appraised and that the property owner, or his designated representative, was given the opportunity to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: $3,358,000 (THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name
Proposed Valle Seco 2019 Land Exchange
Federal Parcels 1 through 9, 11

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Effective date of Value: August 14, 2020. The ranch managers have confirmed that the condition of the properties remains the same as of the dates of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is very busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres
for 2020, 121, is up from the same time period in 2019, 104. Likewise, the number of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS
All of the photographs were taken by Maggie Love on October 22 and 23, 2019.

Parcel 1

Looking west at the south portion

Looking northwest at the south portion
Looking east at the north portion
Parcel 3

Looking west at Parcel 3

Looking southwest at Parcel 3
Parcel 4

Looking southeast from the pond one-quarter mile away

Looking south from the northwest corner
Looking south along the west boundary
Parcel 5

Looking east at Parcel 5

Looking north at Parcel 5
Parcel 6

Looking south at Parcel 6

Looking east at Parcel 6
Parcel 7

Looking south at Parcel 7

Looking northwest at Parcel 7
Looking east from the northwest corner
Parcel 8

Looking south at Parcel 8

View from Parcel 8
Parcel 9

Looking northeast at Parcel 9
Parcel 11

Looking north from the south boundary

Looking north from the south portion

Looking south from the south portion

Looking north
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.

2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.

3. There are no encumbrances or defects of title other than those mentioned in this report.

4. The property is free and clear of all liens other than those mentioned in this report.

5. The property is efficiently managed and properly maintained.

6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.

7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.

8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable Federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

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.

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name Proposed Valle Seco 2019 Land Exchange - Federal Parcels 1 through 9 and 11

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture, recreation and homesites

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Descriptions:

<table>
<thead>
<tr>
<th>San Juan River Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel No.</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blanco Basin Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel No.</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corral Mountain Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel No.</td>
</tr>
<tr>
<td>11</td>
</tr>
</tbody>
</table>

Total 452.06
This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.

   As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).

   “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.”

   In this appraisal, the larger parcels vary. Refer to the further discussion in “Analysis of Highest and Best Use”.

2. I inspected the properties on October 22 and 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraiser, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the properties. I have confirmed that the conditions remain the same with the ranch managers. The effective date of the appraisal is the date through which the analyses extend.

3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers’ and buyers’ motivations for remote, recreational and agricultural properties.

5-6. I submitted the initial appraisal to Charles Brown, Senior Review Appraiser on August 14, 2020. Mr. Brown responded with email comments requesting some corrections; an analysis of potential real estate taxes; further discussion of larger parcels and any market impact due to limited usability and small sizes; a question regarding seller duress on a comparable sale; and an acreage range for the unit value for Federal Parcels 5 and 11 and the Federal...
Parcels as a whole. His suggestions are incorporated in the report dated August 23, 2020.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

The property interest corresponds to the fee simple estate. The fee simple estate 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." (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)

The Preliminary Land Status Report included in the Addenda shows a few exceptions. The following quote from the Statement of Work, describes these exceptions.

For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation
easements to be placed on a portion of Federal Parcel 1 as part of the exchange. Draft easements will be provided to the appraiser.

The following unauthorized improvements exist on the Federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

The exceptions for ditches, canals, electric lines, roads and fences are typical of the market. The impact of the conservation easement on a portion of Federal Parcel 1 will be considered in "Land Value". The appraisal includes the mineral interests except that Federal Parcels 32 and 5 have outstanding mineral rights. The Federal government does not own the oil and gas minerals on Federal Parcel 3 or any of the minerals on a small portion of Parcel 5.
LEGAL DESCRIPTIONS

The legal descriptions are provided by the Statement of Work, Land Description Verifications and Preliminary Land Status Reports included in the Addenda.
AREA DATA

General information, such as the area’s environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

The Subject tracts are located in Archuleta County, Colorado. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page. Parcels 10 and B are now excluded from the appraisal.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
</tr>
<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a "face-lift" of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

**Governmental Forces**

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area's tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>22</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
</tbody>
</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The ten Federal parcels are located in three distinct neighborhoods described as follows.

San Juan River Area

Parcels 1, 2 and 3 are located approximately ten miles northeast of Pagosa Springs with primary access from U.S. Highway 160 going up to Wolf Creek Pass on the north. The neighborhood extends from Wolf Creek Pass on the north to the National Forest boundary on the south, approximately four miles northeast of Pagosa Springs. The neighborhood is surrounded by the National Forest on the east and west and has the amenities of river bottom with exceptional views of the surrounding mountains. It has historically been devoted to large landholdings traditionally used for agriculture, but there has been increasing subdivision activity in the southern portion of the neighborhood.

The highest and best use of the neighborhood, like the entire county, has evolved from agriculture to rural homesites with corresponding agricultural uses. A few subdivisions and some small rural homesites, both primary and secondary, are located in this area. Scattered historic and new commercial uses are located in the neighborhood such as guest cabins, a bed and breakfast and an RV park.

The San Juan River valley has enjoyed strong demand for large and small rural homesites. San Juan River Ranch (SJRR). A 35+ acres subdivision overlooking the river and the Continental Divide, was developed in the 2000s.
Blanco Basin Area

The neighborhood of Parcels 4 through 9 may be defined as the Blanco Basin. This area is transected by Forest Service Road 657 and the Rio Blanco. It is confined on all sides by the San Juan National Forest. The boundaries of the National Forest closely follow the river valley.

This neighborhood has convenient access, 10 miles from Pagosa Springs via U.S. Highway 84 and five to 13 miles on Forest Service Road 657, also known as County Road 326 and the Blanco Basin Road. The neighborhood has excellent views plus the amenity of river frontage and attractive river bottom land. Demand for rural homesites within the neighborhood has remained strong, but very little supply is available. Blue Mountain Ranches Subdivision provided 41 small lots in the early 1970s.

Corral Mountain Area

The neighborhood of Parcel 11 may be described as the land along the Piedra Road, County Road 600, extending from its origin at U.S. Highway 160 on the south to the boundary to the Hinsdale County line on the north. Subject is in the center of the neighborhood. The land to the west of this road is heavily developed into small lots, in a variety of subdivisions collectively known as Pagosa Lakes. The southern portion of the neighborhood features commercial development at the intersection with the highway and a golf course and airport. North of the airport, and east of the Piedra Road, the land is primarily residential in nature and in larger parcels of 35
acres or more in size. There is a new subdivision of smaller lots known as the Reserve. The older 35+ acre subdivision of Eagle Peak Ranches is east of Subject.

This was a rapidly developing, desirable neighborhood with good access provided by Piedra Road and water and sanitation provided by the Pagosa Area Water and Sanitation System (PAWS) throughout most of the neighborhood. It is a transitional neighborhood between the small lot subdivisions to the west and the larger lot development to the east and the National Forest boundary to the north. Many portions of this neighborhood offer excellent scenic views of the mountains to the north and east. Virtually all of the land in the south portion of the neighborhood has been subdivided for residential use. A few large ranches remain in the north portion of the neighborhood.
PROPERTY DATA

Site Description

The following paragraphs will first provide descriptions applicable to all ten parcels and then will supply individual site descriptions. The properties have no utilities, no mineral deposits, no water rights, nor hazardous substances.

Improvements

None. The unauthorized improvements existing on the Federal parcels, ditches, roads, fencing and a stock pond, are typical of the market and are encompassed in land value.

Fixtures

None

Use History

Vacant

Sales History

None

Rental History

None
Assessed Value and Annual Tax Load

The Federal land is currently exempt from taxation. The estimated tax is supplied below.

Colorado Statute provides different levels of taxation. Properties classified as agricultural receive preferential tax treatment with assessed value based on income potential. Those classified as residential are assessed at approximately 7.5% of actual value. Vacant land is assessed at 29% of actual value. The discrepancy is readily noticeable in the taxes for the comparable sales arrayed below.

<table>
<thead>
<tr>
<th>No.</th>
<th>Sale Lacking Access</th>
<th>San Juan River Sale 1</th>
<th>San Juan River Sale 2</th>
<th>San Juan River Sale 3</th>
<th>Blanco Sale 1</th>
<th>Blanco Sale 2</th>
<th>Blanco Sale 3</th>
<th>Corral Mtn. Sale 1</th>
<th>Corral Mtn. Sale 2</th>
<th>Corral Mtn. Sale 3</th>
<th>Corral Mtn. Sale 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size/Acre</td>
<td>160</td>
<td>35.15</td>
<td>35</td>
<td>408</td>
<td>35.13</td>
<td>33.93</td>
<td>400</td>
<td>50</td>
<td>35.25</td>
<td>55</td>
<td>50</td>
</tr>
<tr>
<td>Taxes/Acre</td>
<td>$3,297</td>
<td>$4,323</td>
<td>$13</td>
<td>$7,029</td>
<td>$212</td>
<td>$1,451</td>
<td>$3,386</td>
<td>$62</td>
<td>$1,051</td>
<td>$69</td>
<td>$2,474</td>
</tr>
<tr>
<td>Assessed Value</td>
<td>$67,580</td>
<td>$89,150</td>
<td>$270</td>
<td>$130,950</td>
<td>$4,340</td>
<td>$25,600</td>
<td>$69,390</td>
<td>$1,100</td>
<td>$17,020</td>
<td>$1,110</td>
<td>$40,790</td>
</tr>
<tr>
<td>Classification</td>
<td>Vacant</td>
<td>Residential</td>
<td>Agricultural</td>
<td>Residential</td>
<td>Agricultural</td>
<td>Vacant</td>
<td>Residential</td>
<td>Agricultural</td>
<td>Vacant</td>
<td>Agricultural</td>
<td>Vacant</td>
</tr>
</tbody>
</table>

I conclude that the Federal Parcels will be classified Agricultural as the highest and best uses are assemblage with the adjoining ranches and the assessed values will not include improvements. The comparable sales with Agricultural classifications were highlighted above. Unfortunately, the range in price per acre is still large, $.38 to $6.03. Corral Mountain Sales 1 and 3 provide more consistency, say taxes of $1.25 per acre. The estimated taxes on the Federal Parcels would be:

\[ 452.06 \text{ acres} \times \$1.25 \text{ per acre} = \$565.08 \]
Zoning

The appraisal is subject to the following hypothetical condition as outlined in the Statement of Work.

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.

Under this hypothetical condition, the Subject parcels, like all unincorporated land in the county, would be zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.

Potential Hazards

Flood Plain: Zone A is defined as “No Base Flood Elevations determined”. Zone X is defined as “Areas determined to be outside the 0.2% annual chance floodplain”.

<table>
<thead>
<tr>
<th>Parcel 1 is in Zone A-X according to FEMA Map No. 08007C0120D 08007C0285D dated September 25, 2009.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel 2 is in Zone XA according to FEMA Map No. 08007C0120D dated September 25, 2009.</td>
</tr>
<tr>
<td>Parcel 3 is in Zone X according to FEMA Map No. 08007C0120D 08007C0285D dated September 25, 2009.</td>
</tr>
<tr>
<td>Parcels 4 and 6 are in Zone X according to FEMA Map No. 08007C0480D dated September 25, 2009.</td>
</tr>
<tr>
<td>Parcel 5 is in Zones A and X according to FEMA Map No. 08007C0480D dated September 25, 2009.</td>
</tr>
</tbody>
</table>
Parcels 7, 8 and 9 are in Zone X according to FEMA Map No. 08007C0485D dated September 25, 2009.

Parcel 11 is in Zone X according to FEMA Map Nos. 08007C0075D and 08007C00250D both dated September 25, 2009.

Geologic: None

Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain maps.

Parcel 1

Site Description

Parcel 1 is an irregularly shaped tract containing 175.48 acres. It extends three-quarter miles from east to west and approximately three-quarter miles from north to south at the widest and longest points. The north approximately six acres, located in suitable wild and scenic river corridor, is to be encumbered by a conservation easement, a requirement for the exchange. The draft easement dated April 23, 2020 outlines an easement to Colorado Open Lands allowing existing improvements, which are only roads, irrigation ditches and fencing, and prohibits any other improvements. A copy of the draft is included in my files. The proposed easement will only encumber a small portion of the property in a sloping location and has very little impact on value.
A portion of the southwest part of Parcel 1 is an irrigated meadow and the remainder is sloping hillside ranging in elevation from 7,640 feet at the northwest corner to 8,640 feet in the southeast corner. It is mostly timbered with spruce, fir and aspen. Johnny Creek, Deer Creek and a tributary to Deer Creek cross the parcel.

Parcel 1 has developed, private access from the adjoining Bootjack Ranch interior roads, but this is not legal access. Legal, public access through National Forest lands is by non-motorized travel approximately .3 mile cross country from the East Fork Road, 667, or three miles cross country from the Fawn Gulch Road, 666. The lack of legal access restricts the highest and best use.

Please refer to the topographic map contained after the discussions of Parcels 1, 2 and 3 and the prior photographs.

**Parcel 2**

Parcel 2 is a tiny triangle containing .66 acres. It encompasses a small, private road that is authorized through a private road easement. There is no legal, public or administrative access to this road. This road is used by a non-Federal party for ranch access. Any legal public access is non-motorized travel from about one mile away on the Allen’s Park Road, Road 112.

This is a sloping parcel at an elevation of 7,680 feet to 7,720 feet. The property consists of a northeast slope of open meadow.

**Parcel 3**

Parcel 3 is a 16.4 acre bench, 100 feet east and south of the San Juan River. The elevations range between 7,520 feet to 7,680 feet. The parcel is predominantly
spruce and fir forest with some ponderosa pine. Johnny Creek crosses the parcel.
The property does not have legal access from the adjoining private land owner.
Public access would be non-motorized travel for .2 mile and crossing the San Juan
River.
Parcel 4

Parcel 4 is an 80 acre parcel surrounded by private property on three and one-half sides. Public access is non-motorized travel for over a mile from the closest roads. It is sloping hillside ranging in elevation from 8,080 feet to 8,440 feet. Vegetation includes spruce, firs, ponderosa pine, aspen and a few small meadows. It does not have legal or developed access.

Parcel 5

Parcel 5 is an irregularly shaped bench on the south side of the Blanco River. It contains 33 acres and has developed access from a private road, but not legal access. This property does have electricity and will be subject to an electric line easement. Elevations range from 7,750 feet to 8,000 feet. It is heavily timbered with spruce, firs and pines. It overlooks the Blanco River, but has a steep bank between the property and the river.

Parcel 6

Parcel 6 is a 20 acre surrounded by private land. There is no legal or public access. It is a sloping hillside ranging in elevation from 7,980 feet to 8,080 feet. The vegetation is spruce, firs and pines, with very few openings.
Parcel 7

Parcel 7 is a long, thin parcel containing 55 acres. The entirety of Forest Service Road 660.A, approximately .6 mile, is located within the property. It is mostly level at elevations between 8,000 feet and 8,120 feet. The property is vegetated with spruce, firs and some ponderosa pine with limited views.

Parcel 8

Parcel 8 is a square parcel containing 3.486 acres. It consists of sloping hillside ranging in elevation from 8,100 feet to 8,200 feet. The vegetation is open meadows and aspen. It does not have developed access which would be cross country for one-quarter mile. This property does have excellent views of the Continental Divide to the north.

Parcel 9

Parcel 9 is a tiny triangle containing .02 acres. It consists of a level irrigated meadow on the southeast side of the Blanco Basin Road, County Road 326. It has legal public access, but is too small for any development.
 Parcel 11

The Corral Mountain Parcel contains 68 acres. The property has developed, but not legal access from an authorized road. Non-legal, non-motorized access requires approximately three miles of travel. Elevations range from 8,520 feet to 8,850 feet on the north. The vegetation includes meadows, ponderosa pines, spruce, fir and some aspen.
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as “The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property's highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value.” (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Most of the Subjects have useable topography which allows most uses. However, there are physical constraints to the uses of most of the parcels. Parcel 1 has relatively steep topography and an unusual shape. Parcel 11 also has a long, narrow shape which is less desirable for most uses. Parcel 9 is too small to be usable for anything except for agriculture in conjunction with adjoining properties.

Legally Permissible

The lack of legal access constrains development on all of the parcels except for Parcels 7 and 9. Also, the small sizes of Parcels 2, 3, 5, 8 and 9 preclude these parcels from being legal, developable lots. The only possible uses would be agriculture and recreation with adjoining lands, except for Parcel 7.
Financially Feasible

The demand for residential recreational uses has driven land values in Archuleta County beyond the price that can be supported by agriculture, grazing. Thus, the financially feasible uses for the Subjects are residential in conjunction with agriculture, recreation and wildlife habitat. The highest and best use of each parcel is for assemblage into an adjoining agricultural use in conjunction with a residential/recreation homesite except for Parcel 7 which has sufficient access and a large enough size to be an individual homesite.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110). “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.” None of the Federal parcels are physically contiguous and each comprise individual larger parcels as described in the following paragraphs. Also, presuming that the Federal Parcels are in private ownership, they do not have unity of ownership with any adjoining lands.

Parcel 1

Parcel 1 has a large enough size to allow residential development. But, it is heavily wooded with an irregular shape and does not have vehicular access. It
comprises its own larger parcel considering these constraints and the proposed conservation easement on a small portion.

**Parcel 2**

Parcel 2 is too small, .66 acres, to be physically and legally usable as a stand-alone larger parcel. This larger parcel is the .66 acres with the highest and best use to sell to an adjoining owner.

**Parcel 3**

Parcel 3 is also a 16.4 acre larger parcel, but is too small to be legally usable as a 16.4-acre tract.

**Parcel 4**

Parcel 4 contains 80 acres and is surrounded by private land on three and one-half of the four sides. It is its own larger parcel, an 80 acre hillside with no vehicular access.

**Parcel 5**

This 33 acres has developed access and electricity, but not legal access.
Parcel 6

Parcel 6 is a 20 acre larger parcel completely surrounded by National Forest private land with no access. It does qualify for a Senate Bill 35 Variance because it has been physically severed by adjoining National Forest ownership. But, it does not have legal access.

Parcel 7

This parcel has access and is large enough to be a legal, developable lot. It is a stand-alone larger parcel.

Parcel 8

The larger parcel is 3.486 acres, too small to be legally developable and lacking access.

Parcel 9

Parcel 9, containing 0.02 acres, is neither legally nor physically developable.

Parcel 11

Parcel 11 is a 68 acre larger parcel without legal access.
LAND VALUE

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the public records, supplied by the Archuleta County Assessor’s Office, for sales greater than 34 acres in Archuleta County. My research extends from 2012 through approximately the date of the appraisal. I have inspected all of the nearby sales. I also searched for smaller sales in the San Juan River Area and the Blanco Basin Area because of the smaller sizes of Parcels 2, 3, 5, 6, 8 and 9. The small legal lot sales show massive increments for a small size ranging from $26,000 to $40,000 per acre. But, they are not comparable because they are developable.

The following Federal Parcels are too small to be legally developable and sold as stand alone parcels. They only have one legal potential use which is to sell to the adjoining owner. The small sales uncovered by the research have been legally subdivided or are lots prior to Senate Bill 35 was instituted in 1973. Senate Bill 35 requires that the division of land into a size smaller than 35 acres complies with the
county subdivision regulations. In Archuleta County, a legal small lot subdivision requires central water and sewer.

<table>
<thead>
<tr>
<th>San Juan River Area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parcel No.</strong></td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blanco Basin Area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parcel No.</strong></td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
</tbody>
</table>

The restricted legal uses of these parcels may impact market value due to their limited usability. The discussion on the discount for lack of legal access, utilizes paired sales to support a market derived discount. Unfortunately, I don’t know of any market data to indicate a value impact, if a discount or the opposite, a premium, is appropriate. In the case of all of these Federal Parcels, the adjoining private landowner has expressed the desire to acquire them.

I conclude the only reliable way to value these unusable parcels is as a contributory value to a legal parcel, say at least 35 acres. This valuation is appropriate because the highest and best use of the unusable parcels is assemblage with an adjoining owner. This analysis does actually provide a discount for lack of usability, by not showing the premium in unit price witnessed by smaller, legal lots.
The following chart arrays the sales considered most comparable to each area as well as the sale uncovered by the research that lacks access. This sale is not sufficiently similar to any of the Subjects in location or physical characteristics to be used for direct comparison. To arrive at the indicated values, I compare the Subjects to the most similar sales, which have access, and then use a paired sales analysis to supply a market derived discount for the lack of access.

Details of the Comparable Sales are included in the Addenda. A location map for the sales will be included with the valuations of the individual parcels.
## San Juan River Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeiler/Harrington</td>
<td>12/12</td>
<td>$550,000</td>
<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
<tr>
<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

## Blanco Basin Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aquarius/Southern Baptists</td>
<td>08/20</td>
<td>$205,000</td>
<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

## Corral Mountain Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

## Sale Lacking Access

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>
All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. They had varying mineral interests, but real estate professionals agree that the mineral estate does not contribute to value in this portion of Archuleta County. There were no leases or permits associated with any of the sales. Blanco Basin Sale 3 has a conservation easement, but the seller confirms it did not impact the price. Likewise, I do not think the small, six acre conservation easement on Parcel 1 impacts the value. It is on a steep, undevelopable hillside.

All of the sales had cash equivalent financing and typical conditions of sale with willing sellers and willing buyers.

**Market Conditions-Time**

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 sales went up. Basically, the dichotomous trends make it difficult to discern if a time adjustment is appropriate. For instance, these following two resales in the San Juan River Area, also show contradicting trends.

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01</td>
<td>$610,000</td>
<td>35.15 acres, private access,</td>
<td></td>
</tr>
<tr>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.

San Juan River Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map is included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
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<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
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<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
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<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

The sizes highest and best uses of the larger parcels range from a 35 acres legal lot for Parcels 2 and 3 to 175.4 acres for Parcel 1. The sales bracket these sizes and suggest that a size adjustment is not recognized in this market. I deem that the three parcels are sufficiently similar in physical characteristic, timbered, sloping tracks with good potential views, to have the same applicable unit price. The discount for lack of access will be considered in the following paragraphs.

Giving equal weight to Sales 1 and 2 gives a unit price of $17,000 per acre as if the Federal parcels had access. Sale 3 is superior because it includes irrigation and seven miles of river frontage. The adjustments to the comparable sales are summarized on the grid following the location map.
Discount for Lack of Access

No sales lacking legal access are available that are directly comparable to the Subjects. The one sale lacking access uncovered by the research for this appraisal is inferior in all characteristics. Therefore, I develop a paired sales analysis in order to adjust for the lack of access.

I have searched throughout my appraisal career for land sales lacking public access. Most of the sales sell to adjoining landowners for buffer and expansions of residential and recreational uses. Typical declines for lack of access range from 30% to greater than 70% depending on the desirability of the tract. There is even the occasional assemblage sale which shows a premium when the assembled parcel is essential to the adjoining owner.

The most recent Archuleta County sale lacking access is arrayed below. The details of the sale are included in the Addenda.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>

The closest sale is arrayed below. A photograph and location map are included on the following page. The location map also depicts the sale lacking access.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martinez/Hilbert</td>
<td>05/20</td>
<td>$320,094</td>
<td>104.76</td>
<td>$3,055</td>
</tr>
</tbody>
</table>

Pairing this sale to the sale lacking access indicates a 69% decline (1-$938/$3,055). The actual decline would be less because the sale with access has superior physical features of same irrigated meadow and severed river frontage.
I found another older sale lacking legal access located east of Pagosa Springs on the San Juan River. It can be paired with the sale of the adjacent tract. The two parcels meet at the center of the San Juan River and are similar except for a superior amount of level meadow land on the sale with access.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size - Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/98</td>
<td>Macht/Klein</td>
<td>$420,000</td>
<td>105</td>
<td>$4,000</td>
<td>Landlocked and on side of river away from highway</td>
</tr>
<tr>
<td>7/98</td>
<td>King Brown/King Capital</td>
<td>$743,900</td>
<td>87.36</td>
<td>$8,515</td>
<td>San Juan River frontage and Hwy 160 frontage</td>
</tr>
</tbody>
</table>

The unit price for the tract without access reflects a 53% downward adjustment from the sale with access. However, the sale without access had steeper topography on a portion of the tract, indicating a portion of the downward adjustment may be for topography rather than access. The buyer of the land without access was able to obtain a small tract of adjacent land between his parcel and the highway and build an expensive bridge in order to end up with a parcel with access.

For additional support, I have analyzed paired sales from near Mancos in southwestern Colorado which were landlocked at the time of the sale. The same purchaser bought adjoining tracts, similar in all ways except for access. These sales are summarized as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size - Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/98</td>
<td>Bayles/Redstone</td>
<td>$224,000</td>
<td>625</td>
<td>$350</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Hindmarsh/Redstone</td>
<td>$200,000</td>
<td>480</td>
<td>$417</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Aramark/Redstone</td>
<td>$760,000</td>
<td>755</td>
<td>$1,007</td>
<td>access to Hwy. 160</td>
</tr>
</tbody>
</table>
Combining the two landlocked sales results in a unit price of $377 which reflects a 62% downward adjustment from the sale with access.

Two more sets of paired sales show similar percentage declines for lack of access.

**Montezuma County, East Canyon**

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/05</td>
<td>Mathews/Malouff</td>
<td>$40,000</td>
<td>40</td>
<td>$1,000</td>
<td>Totally landlocked by steep BLM hillside</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Hoffman</td>
<td>$120,000</td>
<td>80</td>
<td>$1,500</td>
<td>Horseback access</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Truaz</td>
<td>$216,000</td>
<td>120</td>
<td>$1,800</td>
<td>Horseback access</td>
</tr>
<tr>
<td>11/05</td>
<td>Malouff/Truaz</td>
<td>$250,000</td>
<td>120</td>
<td>$2,083</td>
<td>County road</td>
</tr>
</tbody>
</table>

These paired sales show 33% to 44% declines for the landlocked parcel compared to those accessible by horseback and a 52% decline compared to county road access.

**La Plata County, Hillside Sales near Durango**

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/10</td>
<td>Cradero/City of Durango</td>
<td>$670,000</td>
<td>222</td>
<td>$3,018</td>
<td>Horse Gulch, no access</td>
</tr>
<tr>
<td>11/10</td>
<td>1401 Inv./ McCutchin</td>
<td>$500,000</td>
<td>76.42</td>
<td>$6,543</td>
<td>West of Durango, easement access</td>
</tr>
<tr>
<td>02/10</td>
<td>Corallo/McCready</td>
<td>$250,000</td>
<td>35.17</td>
<td>$7,108</td>
<td>Durango Ridge, subdivision road</td>
</tr>
<tr>
<td>06/10</td>
<td>Bruns/End-IRA, Inc. (Malcolm)</td>
<td>$294,000</td>
<td>35.11</td>
<td>$8,374</td>
<td>Trappers Crossing, subdivision road.</td>
</tr>
</tbody>
</table>

These recent paired sales show 54% to 64% declines for lack of access.
I conclude that a 50% discount is appropriate for the lack of access. This adjustment is well supported by the paired sales.

The calculations showing the estimated unit price for each parcel, the discount for lack of access and the estimated values will be provided in a summary at the end of this discussion.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>12/12</td>
<td>09/14</td>
<td>09/14</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Location</td>
<td>San Juan River</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior river frontage</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$15,647-</td>
<td>$18,571-</td>
<td>$21,569---</td>
</tr>
</tbody>
</table>
Blanco Basin Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
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<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
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<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

Sales 1 and 2 are most similar to Parcels 4 and 6, sloping hillsides with limited views because of topography and timber. Sale 2 requires upward adjustment for the seller duress. It was “priced to sell” for $275,000 or $8,105 per acre and sold in 97 days. The seller had paid $492,000 in 2006 (Time Trend Sale A). The seller was in financial duress because of a divorce and has to dispose of the property quickly.

Sale 1 has 12 miles of seasonal access, inferior to Sale 2. The estimated unit price for Parcels 4 and 6 relies on Sale 2 with upward adjustment to $7,000 per acre is these parcels had access.

Parcels 5, 7, 8 and 9 are superior with some open, level topography allowing the mountain views. Sale 3 shows the top of the price range for land in the Blanco Basin Area. This property included a new custom house with a cost of $850,000 or $2,125 per acre, leaving a land value of $17,875 per acre. However, the sale has
superior irrigation and superior views further north in the Blanco Basin Area and closer to the mountains. Adjusting this sale downward for superior features, yields an estimated unit price of $15,000 per acre for Parcels 5, 7, 8 and 9. Parcels 5 and 8, however, lack access and require a discount.

The calculations depicting the estimated values, including the previously described discount for lack of access, are summarized at the end of this discussion.

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<td>$20,000</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate w/ conservation easement</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Duress +</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>08/20</td>
<td>01/04</td>
<td>12/16</td>
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<tr>
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<tr>
<td>Location</td>
<td>Blanco Basin Area</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>Seasonal</td>
<td>-</td>
<td>Superior</td>
</tr>
<tr>
<td>Appeal</td>
<td>Timber</td>
<td>Timber</td>
<td>Superior</td>
</tr>
<tr>
<td>Improvements</td>
<td>Timber</td>
<td>Custom house ($2,126)</td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$5,835</td>
<td>$6,926</td>
<td>$17,875--</td>
</tr>
</tbody>
</table>
Corral Mountain Area

The closest sales to the Corral Mountain Parcel 11 are arrayed on the following chart. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

Corral Mountain is a strip containing 68 acres. It is most similar to Sale 1 and 2 if it had legal access. Sales 3 and 4 are superior because they have live water. Sales 1 and 2 bracket a price of $8,000 per acre rounded if Parcel 11 had access. Again, the access discount is applied in the following summary.
<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
<th>Sale 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$7,400</td>
<td>$8,227</td>
<td>$8,818</td>
<td>$8,800</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Motivations</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>11/15</td>
<td>09/16</td>
<td>01/20</td>
<td>02/17</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Location</td>
<td>Corral Mtn. area</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td>Access</td>
<td>None</td>
<td>Superior</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior</td>
</tr>
<tr>
<td></td>
<td>Improvements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$7,400-</td>
<td>$8,227-</td>
<td>$8,818-</td>
<td>$8,800-</td>
</tr>
</tbody>
</table>
Summary of Estimated Values

The calculations arriving at the estimated value for each parcel are arrayed below.

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-acres</th>
<th>$/Acre</th>
<th>Less discount</th>
<th>Adj. $/Acre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>175.48</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$1,491,580</td>
</tr>
<tr>
<td>2</td>
<td>0.66</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$5,610</td>
</tr>
<tr>
<td>3</td>
<td>16.40</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$139,400</td>
</tr>
<tr>
<td>4</td>
<td>80.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$280,000</td>
</tr>
<tr>
<td>5</td>
<td>33.00</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$247,500</td>
</tr>
<tr>
<td>6</td>
<td>20.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$70,000</td>
</tr>
<tr>
<td>7</td>
<td>55.00</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$825,000</td>
</tr>
<tr>
<td>8</td>
<td>3.486</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$26,145</td>
</tr>
<tr>
<td>9</td>
<td>0.02</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$300</td>
</tr>
<tr>
<td>11</td>
<td>68.00</td>
<td>$8,000</td>
<td>50%</td>
<td>$4,000</td>
<td>$272,000</td>
</tr>
<tr>
<td>Total</td>
<td>452.05</td>
<td></td>
<td></td>
<td></td>
<td>$3,357,535</td>
</tr>
<tr>
<td>Rounded</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,358,000</td>
</tr>
</tbody>
</table>

The total includes ten parcels which could be sold in at least four separate transactions with the adjoining private lands. The purpose of this appraisal is to derive a single market value conclusion of a fee simple interest in the package of Federal lands. USPAP Standards Rule 1-4(e) requires “when analyzing the assemblage of the various estates or component parts of a property, an appraiser must analyze the effect on value, if any, of the assemblage. An appraiser must refrain from valuing the whole solely by adding together the individual values of the various estates or component parts”. Needless to say, there is no good market evidence to indicate if an adjustment is necessary to arrive at a single value. The
following chart and map illustrate the only sales in Southwest Colorado that I know of with multiple parcels.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size – Acres</th>
<th>$/acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fox Fire Farms/Keyah Grande/USA</td>
<td>10/07</td>
<td>$756,000</td>
<td>1,080</td>
<td>$700</td>
<td>Three parcels</td>
</tr>
<tr>
<td>2</td>
<td>Wallace/TCF/USA</td>
<td>11/09</td>
<td>$3,315,000</td>
<td>4,573</td>
<td>$725</td>
<td>Eight parcels</td>
</tr>
<tr>
<td>3</td>
<td>Zwicker/TCF/USA</td>
<td>05/14</td>
<td>$347,000</td>
<td>441.6</td>
<td>$786</td>
<td>One parcel</td>
</tr>
<tr>
<td>4</td>
<td>Alexander/TCF/USA</td>
<td>04/14</td>
<td>$780,000</td>
<td>800</td>
<td>$975</td>
<td>One parcel</td>
</tr>
</tbody>
</table>
All of the sales sold to the USA for incorporation into Canyons of the Ancients National Monument. These sales require extraordinary verification and treatment. But, I determined that they are arms-length because they involved willing sellers and buyers, had no threat of condemnation and was based on extensive approved appraisals. I confirmed the sales with the buyer/seller, appraiser and the review appraiser. Pairing Sale 2, which comprised eight parcels, to the nearby remaining sales does not show a discount for the multi-parcel sale. Instead, it is bracketed by the inferior sale which have less interesting canyon topography and the two superior sales which have more dramatic topography.

I conclude that neither a discount, nor a premium is necessary in this appraisal.

The Appraisal Statement of Work says, “In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06 acre Federal property. The appraisal should also provide...a unit value (per acre) for the Federal property as a whole, and acreage ranges in which those unit values remain valid for use.”

The unit price for the 33 acre Federal Parcel 5, $7,500 per acre, is valid for a range in size of 20 to 40 acres. The unit price for 68 acre Federal Parcel 11, $8,000 per acre, is appropriate for a range in size from 35 to 80 acres. The unit price for the Federal property as a whole is mathematically calculated as $7,428 per acre ($3,358,000 ÷ 452.05 acres).
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since \( \text{1981} \). In \( \text{1981} \) she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

- United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation;
- United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipe Line Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From \( \text{1981} \) to the present, she has worked as a full time fee appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since \( \text{1988} \).

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U. S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

Education

Bachelor of Arts with Distinction, International Affairs, (b) (6)\[...

(b) (6)

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers’ Courses:

Appraisal Principles
Basic Valuation Procedure
Litigation Valuation
Capitalization Theory & Techniques, Parts I, II and III
Standards of Professional Practice, Parts A, B and C
Case Studies in Real Estate Valuation
Valuation Analysis and Report Writing
Advanced Market Analysis and Highest and Best Use
Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate’s required Conservation Easement Appraiser Update Courses.

Professional Affiliations and Activities

Member of the Appraisal Institute, professionally designated MAI
Colorado Chapter Board of Directors, (b) (6)
Member Appraisal Institute Unification Task Force, (b) (6)
Member Colorado Chapter 22 Admissions Committee, (b) (6)
Regional Representative, (b) (5) DPP
Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6)
Chair, (b) (6)

Member of the Nominating Committee for Judicial District No. 22, (b) (6)

Associate Member Four Corners Board of Realtors
Board of Directors (b) (6)
Chair, Membership Committee, (b) (6)

Member International Right-of-Way Association
Chair, Four Corners Satellite Chapter

Member Cortez Chamber of Commerce
Board of Directors, (b) (6)

Victims Assistance and Law Enforcement Board (VALE), (b) (6)
Chair, (b) (6)

Colorado Certified General Appraiser No. CG00001753
New Mexico General Certified Appraiser No. 00523-G
Arizona Certified General Appraiser No. 31796
Utah Certified General Appraiser No. 5510046-CG00
SALE LACKING ACCESS

Photograph taken looking west from two miles east on June 10, 2020 by Maggie Love.

Grantor: Sara D. Tuck and Kevin F. Dudley  Date: 06/20/2012
Grantee: Eagle Shadow Ranch, LLC  Instrument: WD
Reception No.: 21203868

Legal Description: Lots 1, 2, 6 and 7, Section 8, Township 33 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $150,000
Size: 160 acres  $/Acre: $938

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical - sold to adjoining landowner
Description: sloping pinon and juniper
Verification: Jess Ketchum, appraiser, 970-731-1986

Location: Southwest of Pagosa Springs

Buyer Motivation: assemblage into adjoining ranch

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5965-082-00-010

Taxes: $3,297.28 ($20.61/acre)

Highest and Best Use: same as Subject

Physical Address: County Road 500, Pagosa Springs

Utilities: none

Water: none

Hazards: none

Marketing Time: none

Resale Information: none
SAN JUAN RIVER AREA SALES

COMPARABLE SALE NO. 1
Photograph taken looking north on February 6, 2013 by Maggie Love.

Grantor: Ken Zeiler and Martha Zeiler          Date: 12/12/2012
Grantee: Donarld R. Harrington and             Instrument: WD
            Nita H. Harrington

Legal Description:  A tract of land in the SE1/4SW1/4 of Section 13, Township 36
                     North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $550,000
Size: 35.15 acres                          $/Acre: $15,647

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: sloping hillside overlooking the San Juan River, good views, developed easement access

Verification: Mike Heraty, agent, 970-264-7000

Location: north of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5579-133-00-038

Taxes: $4,322.88 ($122.98/acre)

Highest and Best Use: same as Subject

Physical Address: 8091B East U.S. Highway 160

Utilities: electricity and phone on property

Water: none

Hazard: none

Marketing Time: 48 DOM

Resale Information: Prior sale for $610,000 in July 2001, Time Trend Sale M.
COMPARABLE SALE NO. 2
Photograph taken looking northwest from the locked gate one mile east on July 9, 2020 by Maggie Love.

Grantor: Kevin T. Schaffer and Ronald P. Schaffer  Date: 09/16/2014
Grantee: Francis Marion Slack III  Instrument: WD
Reception No.: 21405344

Legal Description: A tract of land located in Sections 9 and 10, Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $650,000
Size: 35 acres  $/Acre: $18,571

Property Rights Conveyed: fee simple estate

Financing: owner financing of $300,000 at 5.5% interest for five years - cash equivalent

Conditions of Sale: typical
Description: 2.5 miles from Highway 160 on seasonal Forest Service Road 647; private seasonal access, National Forest on two sides, Turkey Creek, good views

Verification: MLS and Jess Ketchum, appraiser, 970-731-1986

Location: northeast of Pagosa Springs

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5579-091-00-004

Taxes: $13.16 ($ .38/acre)

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 647 to private, developed driveway

Utilities: none

Water: none

Hazards: none

Marketing Time: 234 days

Resale Information: prior sale $500,000 in November 2006, Time Trend Sale Z
COMPARABLE SALE NO. 3
Photograph taken looking north on October 15, 2014 by Maggie Love.

Grantor: Saddleback Ranch, LLC  Date: 07/15/2014
Grantee: Bootjack Ranch, LLC  Instrument: SWD
Receipt No.: 21403926

Legal Description: A tract of land in Sections 7, 12, and 13 in Township 36 North,
Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,800,000
Size: 408 acres  $/Acre: $21,569

Property Rights Conveyed: fee simple estate
Financing: cash

Conditions of Sale: typical

Description: property is at the confluence of the East Fork and the West Fork of the
San Juan River. It has seven miles of river frontage. It is mostly
irrigated meadows and timbered ridges.
Verification: David Smith, Ranch Manager,

Location: North of Pagosa Springs

Buyer Motivation: recreational homesite

Improvements: house built in 2003 containing 2,800 square feet

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: recreation

Assessor’s Parcel No.: 5579-124-00-010

Taxes: $7,029.32 ($17.23/acre)

Highest and Best Use: same as Subject

Physical Address: 401 Forest Service Road 657

Utilities: electricity and gas

Water: irrigation and well

Hazards: none

Marketing Time: 181 DOM

Resale Information: none
BLANCO AREA SALES

COMPARABLE SALE NO. 1

Photograph taken looking east on June 9, 2020 by Maggie Love.

Grantor: The Aquarius Foundation   Date: 04/07/2020
Grantee: Southern Baptists of Texas  Instrument: SWD

Reception No.: 22001975

Legal Description: Tract 3, Rito Blanco Ranch filing Number One, according to the map filed for record November 19, 1997 as Reception No. 97009086

Sale Price: $257,398 - donation based on appraisal; under contract for $205,000 in August 2020

Size: 35.13 acres  $/Acre: $5,835

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical
Description: timbered tract with 12 miles of seasonal Forest Service access, good views

Verification: Bart McDonald, Executive Director of Southern Baptists of Texas Foundation, 844-351-8804

Location: Rito Blanco Ranch Subdivision
Buyer Motivation: recreation
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5703-191-01-003
Taxes: $211.76 ($6.03/acre)
Highest and Best Use: same as Subject
Physical Address: Tract 3, Needles View Place
Utilities: none
Water: none
Hazards: none
Marketing Time: four months
Resale Information: none
COMPARABLE SALE NO. 2

Photograph taken looking southwest from locked gate ½ mile north on June 10, 2020 by Maggie Love.

Grantor: CJ Brimhall Properties, IV

Date: 01/31/2014

Instrument: WD

Grantee: Ralph J. Clayton and Kimberly Jean Clayton

Reception No.: 21400634

Legal Description: A tract of land in the W1/2 of Section 13, Township 34 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $235,000

Size: 33.93 acres

$/Acre: $6,926

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: seller in duress; paid $492,000 in 2006; listed for $275,000 and was “priced to sell”; sold in 97 days. The seller was in financial duress because of a divorce and had to dispose of the property quickly in a slow market.
Description: One-half mile developed private road access, sloping timbered hillside, National Forest on two sides

Verification: listing agent, LaWana DeWees, (b) (6)...

Location: South of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5887-133-00-043

Taxes: $1,451.08 ($42.77/acre)

Highest and Best Use: same as Subject

Physical Address: 1445C County Road 326

Utilities: electricity and telephone

Water: none

Hazards: none

Marketing Time: 97 DOM

Resale Information: prior sale for $492,000 in June 2006, Time Trend Sale A
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Blanco Basin Land and Cattle, LLC
Grantee: RTN-LGN II, LLC

Date: 12/29/2016
Instrument: WD
Reception No.: 21609318

Legal Description: A tract of land in Sections 20 and 29, Township 35 North, Range 2 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,000,000
Size: 400 acres
$/Acre: $20,000

Property Rights Conveyed: fee simple estate subject to a conservation easement with one building envelope

Financing: cash

Conditions of Sale: typical - not marketed, sold to neighbor

Description: irrigated tract, great views

Verification: Ken Hare, Blanco Land and Cattle, (b) (6)
Location: southeast of Pagosa Springs

Buyer Motivation: homesite

Improvements: $850,000 new custom construction

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: homesite and grazing

Assessor’s Parcel No.: 5705-292-00-004

Taxes: $3,385.60 ($8.46)

Highest and Best Use: same as Subject

Physical Address: 12130 County Road 326

Utilities: electricity

Water: well and irrigation

Hazards: none

Marketing Time: none

Resale Information: none
CORRAL MOUNTAIN AREA

COMPARABLE SALE NO. 1

Photograph taken looking west on March 15, 2018 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft  Date: 11/06/2015
Grantee: GC Colorado, LLC  Instrument: WD
Reception No.: 21508252

Legal Description: A tract of land in Sections 19 and 20, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $370,000
Size: 50 acres  $/Acre: $7,400

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: open, rolling meadow
Verification: Clif Davis, GC Colorado, (b) (6)

Location: North of Pagosa Springs
Buyer Motivation: assemblage into larger homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel No.: 5581-202-00-121
Taxes: $61.76 ($1.24/acre)

Highest and Best Use: same as Subject
Physical Address: Raptor Place
Utilities: none
Water: none
Hazards: none
Marketing Time: none
Resale Information: none
COMPARABLE SALE NO. 2
Photograph taken looking west on March 15, 2019 by Maggie Love.

Grantor: LD Radcliff Herzog and
Bobbie Jayne Herzog
Date: 09/26/2016

Grantee: Donald L. Wullschleger and
Melanie J. Wullschleger
Instrument: WD
Reception No.: 21606325

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $290,000
Size: 35.25 acres
$/Acre: $8,227

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: National Forest on two sides, meadow and ridge

Verification: Lindy Moore, sales agent, (0) (6)

106
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-194-00-132
Taxes: $1,051.00 ($29.82/acre)
Highest and Best Use: same as Subject
Physical Address: 2253 Preservation Place
Utilities: none
Water: available
Hazards: none
Marketing Time: 306 days, listing $324,000
Resale Information: prior sale for $265,000 in May 2012 (Time Trend Sale J)
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Frank Perry and Margaret Perry
Date: 01/22/2020
Instrument: SWD
Reception No.: 22000565

Grantee: Bradley Tomlin Stansberry
Catherine Clapp Stansberry

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $485,000
Size: 55 acres
$/Acre: $8,818

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical

Description: National Forest on one side, meadow and ridge, Martinez Creek
Verification: JR Ford, agent, 970-264-5000
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-192-00-1444
Taxes: $68.56 ($1.25/acre)
Highest and Best Use: same as Subject
Physical Address: Lot 12C Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 3,094 total DOM; 144 days listed at $545,000
Resale Information: prior sale in March 1994
COMPARABLE SALE NO. 4
Photograph taken looking north on March 15, 2019 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft                  Date: 02/27/2017
Grantee: Shawn Goeckner and Vicki Goeckner                Instrument: WD
Reception No.: 21701150

Legal Description: A tract of land situated in Section 13, Township 36 North,
Range 2 ½ West, N.M.P.M., Archuleta County, Colorado

Sale Price: $440,000
Size: 50 acres                                              $/Acre: $8,800

Property Rights Conveyed: fee simple estate
Financing: cash to seller - new conventional loan
Conditions of Sale: typical
Description: meadow and ridge, National Forest on two sides, stream
Verification: JR Ford, listing agent, 970-264-5000
Location: north of Pagosa Springs
Buyer Motivation: homesite
Improvements: vacant
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use:
Assessor's Parcel No.: 5583-131-00-107
Taxes: $2,473.76 (49.48/acre)
Highest and Best Use: same as Subject
Physical Address: 10728 Lot 14A Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 660 DOM, listed for $475,000
Resale Information: none
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
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<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td>33.93%</td>
<td>33.93 acres, easement access, Blanco Area Sales</td>
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<td></td>
<td>06/06</td>
<td>$492,000</td>
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<td>National Forest on two sides</td>
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<td></td>
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<tr>
<td>B</td>
<td>06/05</td>
<td>$12,207,300</td>
<td>-41%</td>
<td>Blue Sky Ranch, 1,350+ acres</td>
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<tr>
<td></td>
<td>06/16</td>
<td>$7,200,000</td>
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<td></td>
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<tr>
<td>C</td>
<td>05/10</td>
<td>$337,700</td>
<td>47 acres, south</td>
<td>Archuleta County</td>
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<td></td>
<td>12/18</td>
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<tr>
<td>D</td>
<td>09/12</td>
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<td>35 acres, Alpine Lakes</td>
<td>350+ acres</td>
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<td>08/19</td>
<td>$100,000</td>
<td>-31%</td>
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<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td>44%</td>
<td>Square Top Ranch, 1,800 acres</td>
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<td></td>
<td>04/06</td>
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<td>-30%</td>
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<td>F</td>
<td>02/11</td>
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<td>08/13</td>
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<td>-29%</td>
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<td>G</td>
<td>06/11</td>
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<td>-23%</td>
<td>71 acres, Alpine Lakes</td>
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<td>H</td>
<td>12/05</td>
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<td></td>
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<td>I</td>
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<td>35 acres, Rito Blanco</td>
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<td>03/04</td>
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<td>-9%</td>
<td>35.25 acres, Alpine Lakes</td>
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<td></td>
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<td>$150,000</td>
<td>-9%</td>
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<td></td>
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<tr>
<td>M</td>
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<td>$610,000</td>
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<td>overlooking river</td>
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<td>01/18</td>
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<td>Acres</td>
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<td>O</td>
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<td>70</td>
<td>Two Bear Ranch</td>
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<td></td>
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<td>Mill Creek</td>
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<td>11/18</td>
<td>$118,000</td>
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<td>CR 500</td>
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<td>08/19</td>
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<td>9</td>
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<td>$2,300,000</td>
<td>340 improved acres</td>
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<td>$4,425,000</td>
<td>after remodel</td>
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<td>V</td>
<td>06/12</td>
<td>$325,000</td>
<td>35</td>
<td>west of Pagosa Springs</td>
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<tr>
<td></td>
<td>08/18</td>
<td>$391,500</td>
<td>20</td>
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<td>$600,000</td>
<td>191</td>
<td>South Archuleta County</td>
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<td>25</td>
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<td>70</td>
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<td>27</td>
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<td>38</td>
<td>Alpine Lakes</td>
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<td>11/19</td>
<td>$90,000</td>
<td>29</td>
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<td>35</td>
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<td>AA</td>
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<td>west Archuleta County</td>
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<td>BB</td>
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<td>35</td>
<td>Cimarron Ranch</td>
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<td></td>
<td>05/18</td>
<td>$410,000</td>
<td>33</td>
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<tr>
<td>CC</td>
<td>07/11</td>
<td>$1,100,000</td>
<td>158 acres and residence</td>
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<tr>
<td></td>
<td>09/16</td>
<td>$1,595,000</td>
<td></td>
<td></td>
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<td>Date</td>
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<td>Percentage</td>
<td>Location</td>
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<tr>
<td>DD</td>
<td>11/16</td>
<td>$174,000</td>
<td>45%</td>
<td>70 acres, Alpine Lakes</td>
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<td>02/17</td>
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<tr>
<td></td>
<td>02/19</td>
<td>$253,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>06/11</td>
<td>$195,000</td>
<td>-44%</td>
<td>Alpine Lakes, 71 acres</td>
</tr>
<tr>
<td></td>
<td>12/14</td>
<td>$110,000</td>
<td>-44%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$160,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>03/14</td>
<td>$190,000</td>
<td>45%</td>
<td>36 acres, west of</td>
</tr>
<tr>
<td></td>
<td>07/17</td>
<td>$275,000</td>
<td>45%</td>
<td>Pagosa Springs</td>
</tr>
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</table>
APPRAISAL STATEMENT OF WORK FOR THE PROPOSED VALLE SECO 2019 LAND EXCHANGE

ONE NON-FEDERAL PARCEL TOTALING $880.00 ACRES +/- IN SIZE WITHIN THE BOUNDARY OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO.

AND TEN FEDERAL PARCELS TOTALING 452.06 ACRES +/- IN SIZE CURRENTLY PART OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO.

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on May 17, 2019. Modification #1 of Agreement to Initiate was executed on May 5, 2020. Modification #2 of the Agreement to Initiate was executed on July 24, 2020.

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.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-Federal property as a whole, and a unit value (per acre) for the Federal 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 San Juan National Forest as the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser
USDA Forest Service, Rocky Mountain Region
1617 Cole Boulevard, Lakewood, CO 80401
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Modification #2 of Agreement to Initiate, Commitment for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3 (Amended), the Preliminary Land Description Verification forms, and other documents included in this SOW and/or to be provided to the contract appraiser.

Please note that Federal Parcel 10 and non-Federal Parcel B are illustrated on the following Vicinity Map, however, they have been removed from the proposed land exchange per Modification #2 of Agreement to Initiate.
GENERAL SPECIFICATIONS

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.

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 Senior 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 Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.
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 Senior 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 uninstructed 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 Senior 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 San Juan National Forests as the client.

**Intended Users** – The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan

REVISED FINAL SOW – Proposed Valle Seco Land Exchange

Page 10
National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users – other than the Senior Review Appraiser – will be after the technical review is completed by the Senior 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 modified), “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 Senior 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 – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B – Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.
Three water rights for stock ponds (WDID 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WDID 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WDID 2903646 will not be transferred to the USA and it 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 of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the ATI.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easement to be placed on a portion of Federal Parcel 1 as part of the exchange. A draft easement will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

**Legal Description** – The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate, Modification #1 of the Agreement to Initiate, and Modification #2 of 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., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

**Additional Information** – The following documents are included as attachments to this SOW:
- Request for Appraisal Services dated November 5, 2019
- Agreement to Initiate executed May 17, 2019
- Modification #1 of Agreement to Initiate
- Modification #2 of Agreement to Initiate

**REVISED FINAL SOW – Proposed Valle Seco Land Exchange**

Page 12
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. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
Preliminary Federal Land Status Report
Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 1)

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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel:

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.

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.

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 Senior 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 (as amended by Modification #1 of the Agreement to Initiate and Modification #2 of 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

REVISED FINAL SOW – Proposed Valle Seco Land Exchange
Page 13
market/feasibility 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 Senior Review Appraiser a final appraisal report. “Draft” copies will not be accepted. The Senior Review
Appraiser will then review the final appraisal report for acceptance or recommended revisions. Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
LOVE APPRAISALS, INC.

**USDA - Forest Service**

File Code: 5400 Landownership
5500 Landownership Title Management

**PRELIMINARY LAND DESCRIPTION VERIFICATION**

**FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name:</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</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.)
   New Mexico Principal Meridian, Colorado
   T. 36 N., R. 1 E.,
   sec. 7, SW1/4SW1/4SW1/4NE1/4, S1/2SE1/4SW1/4, W1/2NE1/4NE1/4SE1/4,
   W1/2SW1/4NE1/4SE1/4, W1/2NW1/4SW1/4SE1/4, and W1/2SW1/4SW1/4SE1/4.
   sec. 18, lot 1, W1/2NW1/4NW1/4NE1/4, W1/2SW1/4NW1/4NE1/4, and NE1/4NW1/4.
   T. 36 N., R. 1 W.,
   sec. 13, NE1/4NE1/4

2. **Area:**
   - **Official (Public Land Survey):** 175.48 acres
   - **Record (title/county):** 175.48 acres
   - **Actual (land survey, infor.):** 175.48 acres
   - **Tax Assessor's (taxing authority):**

3. **Record Documents:**
   BLM Master Title Plat, Original and Resurvey Plats, BLM Supplemental Plat of Section 7 approved in 1943 and Patent Records

4. **Comments:**
   Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 175.48 acres.

Cadastral Surveyor, Bureau of Land Management

Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownerships
5500 Landownerships Title Management

**PRELIMINARY LAND DESCRIPTION VERIFICATION FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name</td>
<td>San Juan NF, Pugonia RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</td>
</tr>
</tbody>
</table>

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

A portion of land situated in the SE1/4SW1/4 of section 1, township 36 north, range 1 west, New Mexico Principal Meridian, Colorado, being the result of a local survey filed in the Archuleta County Clerk and Recorder on October 3, 2007, labeled as “Exhibit A” performed by Thomas E. Au, Colorado Professional Land Surveyor 34996 and being more particularly described as follows:

**BEGINNING** at the C-S 1/16 sec. cor. of sec. 1, marked with an iron post, 2 1/2 ins. diam., with a brass cap mld. as described in the official record of the 1972 Dependant Resurvey of T. 36 N., R. 1 W., N.M.P.M., under Group 569;

**THENCE**, S. 3° 05' W., along the N-S centerline of section 1, a distance of 320.00 feet to a point on the southeasterly right-of-way of a gravel road;

**THENCE**, N. 26° 58' W., along the southwesterly right-of-way of a gravel road, a distance of 359.08 feet to the intersection of the E-W centerline of the SW1/4 of section 1;

**THENCE**, S. 89° 50' E., along the E-W centerline of the SW1/4 of section 1, a distance of 180.00 feet to the **POINT OF BEGINNING** containing 0.66 acres of land.

**Exhibit “A”**: Attached hereto and made part of.

2. **Area**: 0.66 acres

4. Comments:

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

For purposes of acquisition, the acreage is 0.66 acres.

[Signature] 3/23/17
Cadastral Surveyor, Bureau of Land Management Date

(attach additional pages as necessary for items 1 thru 4) Page 2 of 3
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 3
Forest Name: San Juan NF, Pagosa RD
Assessor's Parcel Number:

County, Town, or Borough: Archuleta County
State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 36 N., R. 1 W.,
Sec. 13, that part of the NE1/4NW1/4 lying 100 feet east of the medial line of the San Juan River

2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title deed county)</th>
<th>GIS (Calc from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>16.4 acres</td>
<td></td>
</tr>
</tbody>
</table>

3. Record Documents:
BLM Master Title Plat, BLM Dependent Resurvey approved in 1972 and Patent Records.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. The following errors and/or concerns, need to be corrected/addressed before this description should be used. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.
The legal description for the above described lands, proposed for conveyance by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for patent or deed purposes and practicability for locating boundary lines.
For purposes of acquisition, the acreage is 16.4 acres.

Cadastral Surveyor, Bureau of Land Management:  
Date: 10/7/16

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
**Love Appraisals, Inc.**  
**Proposed Land Exchange Valle Seco 2019 - Federal Parcels**

### USDA - Forest Service

File Code: 5400 Landownership  
5500 Landownership Title Management

#### PRELIMINARY LAND DESCRIPTION VERIFICATION FEDERAL LAND

| Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 4 |
| Forest Name: San Juan NF, Pagosa RD |

| Assessor's Parcel Number: |  |
| County, Town, or Borough: Archuleta County | State: Colorado |

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

   New Mexico Principal Meridian, Colorado  
   T: 34 N., R. 1 E.,  
   Sec. 11, E1/2SW1/4.

<table>
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<tr>
<th>Area:</th>
<th>Official (Public Land Survey) 80 acres</th>
<th>Record (title/deed/county) 80 acres</th>
<th>Actual (land survey, infor.)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. **Record Documents:**
   BLM Master Title Plat, GLO Original Survey in 1883 and Patent Records.

3. **Comments:**

   Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

   For purposes of acquisition, the acreage is 80 acres.

   **Cadastral Surveyor, Bureau of Land Management**  
   **Date: 11/14/2018**

(attach additional pages as necessary for items 1 thru 4)  
Page 1 of 1
File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

<table>
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<tr>
<th>Purchase/Exchange Name:</th>
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<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County State: Colorado</td>
</tr>
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</table>

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian, or lot, block, warranty, parcel, grant, etc., as appropriate.)
   New Mexico Principal Meridian, Colorado
   T. 34 N., R. 1 E.,
   sec. 10, a portion of the N1/2SE1/4NE1/4 to include existing “Bench Pasture”,
   sec. 11, a portion of the W1/2NW1/4 to include existing “Bench Pasture”,
   N1/2SW1/4SW1/4NW1/4, and N1/2SE1/4SW1/4NW1/4;

2. Area:
   - Official (Public Land Survey)
   - Record (title/deed/county)
   - GIS (Calc. from GIS)
   - Tax Assessor’s (taxing authority)

3. Record Documents:
   BLM Master Title Plat, GLO Original Survey in 1883.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 33 acres.

Signatures: Cadastrial Surveyor, Bureau of Land Management

Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY LAND DESCRIPTION VERIFICATION FEDERAL LAND

<table>
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<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
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<tr>
<td>Assessor’s Parcel Number:</td>
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<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>State:</td>
<td>Colorado</td>
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</table>

1. **Legal Description:** (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
   New Mexico Principal Meridian, Colorado
   T. 34 N., R. 1 E.,
   Sec. 11, N1/28E1/4NE1/4.

2. **Area:**
   - **Official (Public Land Survey)**: 20 acres
   - **Record (title/deed/county)**: 20 acres
   - **Actual (land survey, infor.)**:
   - **Tax Assessor’s (taxing authority)**:

3. **Record Documents:**
   BLM Master Title Plat, Original Survey in 1883 and Patent Records.

4. **Comments:**
   Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 20 acres.

Cadastral Surveyor, Bureau of Land Management

Date

Page 1 of 1
### PRELIMINARY LAND DESCRIPTION VERIFICATION

#### FEDERAL LAND

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 7  
**Forest Name:** San Juan NF, Pagosa RD  
**Assessor's Parcel Number:**  
**County, Town, or Borough:** Archuleta County  
**State:** Colorado

### 1. Legal Description:

New Mexico Principal Meridian, Colorado  
T. 34 N., R. 1 E.,  
Sec. 1, a portion of the SE1/4SE1/4 lying 30 feet northerly of the centerline of National Forest System Road 660.  
T. 34 N., R. 2 E.,  
Sec. 6, a portion of lot 7 lying 30 feet northerly of the centerline of National Forest System Road 660, N1/2SE1/4SW1/4, and NW1/4SW1/4SE1/4

### 2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
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</thead>
<tbody>
<tr>
<td>55 acres</td>
<td></td>
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</table>

### 3. Record Documents:

BLM Master Title Plat, GLO original surveys and BLM Dependent Resurvey approved in 1992.

### 4. Comments:

The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

For purposes of acquisition, the acreage is 55 acres.

---

*Cadstral Surveyor, Bureau of Land Management*

3/22/17  
Date

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

| Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 8 |
| Forest Name: San Juan NF, Pagosa RD |
| Assessor's Parcel Number: |
| County, Town, or Borough: Archuleta County |
| State: Colorado |

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 34 N., R. 2 E.,
Sec. 5, a portion of the NW1/4NW1/4SW1/4.

<table>
<thead>
<tr>
<th>2. Area:</th>
<th>Official (Public Land Survey)</th>
<th>Record (Held/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (Owning authority)</th>
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<td></td>
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<td></td>
</tr>
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3. Record Documents:
BLM Master Title Plat and original survey approved in 1892.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to segregate land based on acreage.

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

For purposes of acquisition, the acreage is 3.486 acres.

[Signature] 10/2/16
Cadastral Surveyor, Bureau of Land Management

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
LOVE APPRAISALS, INC.

<table>
<thead>
<tr>
<th>Purchase/Exchange Name</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough</td>
<td>Archuleta County</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.)
   - New Mexico Principal Meridian, Colorado
   - 134 N., R. 1 E.,
   - Sec. 1, a portion of Lot 1, lying northerly and westerly of E. P. fenced line.

2. **Area**
   - **Official**
   - **Record**
   - **Actual**
   - **Tax Assessor's**

3. **Record Documents**

4. **Comments**
   - The legal description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.
   - The legal description for the above described lands, proposed for conveyance by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for patent or deed purposes and practicability for locating boundary lines.
   - For purposes of acquisition, the acreage is 0.02 acres.

   [Signature]
   3/6/17

   **Public Surveyor, Bureau of Land Management**
   **Date**

   (attach additional pages as necessary for Items 1 thru 4) Page 1 of 1
LOVE APPRAISALS, INC.

USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 11
Forest Name: San Juan NF, Pagosa RD

Assessor's Parcel Number:

County, Town, or Borough: Archuleta County State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 36 N., R. 3 W.,
Sec. 17, a portion of the SE1/4SE1/4 lying southerly and easterly of existing fenceline;
Sec. 20, a portion of the NE1/4NE1/4 lying easterly of existing fenceline, a portion of the SE1/4NE1/4 lying easterly of existing fenceline, a portion of the NE1/4SE1/4 lying easterly of existing fenceline, and a portion of the SE1/4SE1/4 lying easterly of existing fenceline;
Sec. 29, a portion of the E12NE1/4 lying northerly and easterly of existing fenceline.

2. Area:

<table>
<thead>
<tr>
<th>Area</th>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>68 acres</td>
<td></td>
</tr>
</tbody>
</table>

3. Record Documents:
BLM Master Title Plat, Original Survey approved in 1883, BLM Dependent Resurvey approved in 1987.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged.

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

For purposes of acquisition, the acreage is 68 acres.

Cadastral Surveyor, Bureau of Land Management Date 11/14/2018

(attach additional pages as necessary for Items 1 thru 4) Page 1 of 1
## PRELIMINARY STATUS REPORT
### FEDERAL SELECTED LAND

**PROPOSED LAND EXCHANGE**
**Valle Seco 2019 - Federal Parcels**

<table>
<thead>
<tr>
<th>Legal Description</th>
<th>Acres</th>
<th>In/Out</th>
<th>Surface Status</th>
<th>Sub-Sur Status</th>
<th>Acq. Date/Auth</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dojajack Ranch</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parcel 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. 36. N. R. 1 W., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 13, NE1/4NE1/4;</td>
<td>40.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 3</td>
</tr>
<tr>
<td>T. 36. N. R. 1 E., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 18, Lot 1 (42.98 acres), NE1/4NW1/4, W1/2W1/2NW1/4NE1/4; Sec. 7, S1/2SE1/4SW1/4, W1/2W1/2W1/2SE1/4, SW1/4SW1/4SW1/4NE1/4;</td>
<td>92.98</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 4</td>
</tr>
<tr>
<td>Parcel 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. 36. N. R. 1 W., NMPM Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 1, portion of SE1/4SW1/4 lying northeast of fence;</td>
<td>0.66</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 4</td>
</tr>
<tr>
<td>Parcel 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. 36 N., R. 1 W., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 13, a portion of the NE1/4NW1/4 lying 100' east of the San Juan River;</td>
<td>16.4</td>
<td>IN</td>
<td>ACQD</td>
<td>PVT</td>
<td>11-28-1932/3-20-1922</td>
<td>See Note 4</td>
</tr>
</tbody>
</table>
### Rancho del Sol

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Description</th>
<th>Area</th>
<th>Use</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado&lt;br&gt;Sec. 11, E1/2SW1/4</td>
<td>80.00</td>
<td>IN</td>
<td>PD</td>
</tr>
<tr>
<td>5</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado&lt;br&gt;Sec. 10, portion of the N1/2SE1/4NE1/4 within the existing &quot;Bench Pasture&quot;&lt;br&gt;Sec. 11, N1/2S1/2SW1/4NW1/4</td>
<td>5.00</td>
<td>IN</td>
<td>PD</td>
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<tr>
<td></td>
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<td>28.00</td>
<td>IN</td>
<td>PD</td>
</tr>
<tr>
<td></td>
<td>Federal Parcel 6&lt;br&gt;T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado&lt;br&gt;Sec. 11, N1/2SE1/4NE1/4</td>
<td>20.00</td>
<td>IN</td>
<td>PD</td>
</tr>
<tr>
<td></td>
<td>El Rancho Pinoos&lt;br&gt;Parcel 7&lt;br&gt;T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado&lt;br&gt;Sec. 1, portion of SE1/4SE1/4 north of NSFR 660</td>
<td>9.00</td>
<td>IN</td>
<td>PD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>46.00</td>
<td>IN</td>
<td>PD</td>
</tr>
</tbody>
</table>

**Note 5**

**Note 6**
<table>
<thead>
<tr>
<th>Parcel 8</th>
<th>T. 34 N., R. 2 E., NMPM, Archuleta County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 5, portion of the NW1/4NW1/4SW1/4;</td>
<td>3.486</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parcel 9</th>
<th>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 1, portion of the Lot1 within the ELP fence line;</td>
<td>0.02</td>
</tr>
</tbody>
</table>

<p>| Toner Ranch, Middle Fork of the Piedra River |</p>
<table>
<thead>
<tr>
<th>Parcel 10</th>
<th>T. 37 N., R. 3 W., NMPM, Hinsdale County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 10, S1/2SW1/4SE1/4;</td>
<td>20.00</td>
</tr>
</tbody>
</table>

<p>| Corral Mountain |</p>
<table>
<thead>
<tr>
<th>Federal Parcel 11</th>
<th>T. 36 N., R. 3 W., NMPM, Archuleta County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 17, Portion of SE1/4SE1/4;</td>
<td>20.00</td>
</tr>
</tbody>
</table>

| Sec. 20, Portion of E1/2E1/2; | 40.00 | IN | PD | PD | 6-3-1905/3-3-1891 | See Note 8 |

| Sec. 29, Portion of the E1/2NE1/4; All of the above within the existing fence. | 8.00 | IN | PD | PD | 6-3-1905/3-3-1891 | See Note 8,9 |

TOTAL ACREAGE: 472.05
NOTES:

*BLM Index to Unpatented Mining Claims Report regarding the above-selected lands shows an active claim in NMPM, T. 36. N., R. 1 E., Sec. 7, NE1/4.

The SUDS Report depicting additional SUPs that may or may not affect the above-selected lands will need to be generated at the forest level.


2. ALP Veiver’s Other Surface Right layer shows a separated right (SJN194) for a ditch and canal dated 3/3/2009. The case name is Saddleback Ranch, LLC.

3. ALP Veiver’s Title Claims and Encroachment Cases layer shows a suspected encroachment with a case number of 0213-0006-792.

4. ALP Veiver’s Right of Way layer shows a Road ROW (SJN110) which might be near the parcel. The casename is Bootjack Management Company (aka Koinonia LLC), and the action date is 6/17/2008.

5. ALP Veiver’s Mineral Right layer shows Outstanding Mineral Rights (SJN09). The casename is Macht, Jule H., and the action date is 1/14/1942.

6. ALP Veiver’s Other Surface Right layer shows separated rights (SJN166 & SJN169) for a ditch and canal both dated 3/9/2012. The case name on both is Robert D. Lindner Family Trust.

7. ALP Veiver’s Title Claims and Encroachment Cases layer shows a suspected encroachment might be near the parcel with a case number of 0213-0006-794.

8. ALP Veiver’s Other National Designated Area layer shows the Piedra Special Management Area is near the parcel.

9. ALP Veiver’s Right of Way layer shows a Road ROW which might be near the parcel. The casename is Double Springs Partnership LTD, and the action date is 12/11/1992.

Prepared by Rob Dufton
Date 11/13/2018
Proposed Valle Seco 2019 Land Exchange Federal Parcels

August 14, 2020

BY WILLIAM B. LOVE APPRAISALS, INC.
216 WEST MONTEZUMA AVENUE
P.O. DRAWER C
CORTEZ, COLORADO 81321
(970) 565-8578

MAGGIE LOVE, MAI
October 26, 2020

Charles Brown, MAI, Senior Review Appraiser  
USDA Forest Service, Rocky Mountain Region  
1617 Cole Boulevard  
Lakewood, Colorado 80401  
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the Federal Parcels for the Proposed Valle Seco 2019 Land Exchange. These properties will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,358,000  
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

Maggie Love, MAI  
Certified General Appraiser  
No. CG00001753
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APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief, ...

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this certification.

13. the appraiser has made a physical inspection of the property appraised and that the property owner, or his designated representative, was given the opportunity to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: $3,358,000 (THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name
Proposed Valle Seco 2019 Land Exchange
Federal Parcels 1 through 9, 11

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Effective date of Value: August 14, 2020. The ranch managers have confirmed that the condition of the properties remains the same as of the dates of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is very busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres for 2020, 121, is up from the same time period in 2019, 104. Likewise, the number

6

0794
of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS
All of the photographs were taken by Maggie Love on October 22 and 23, 2019.

Parcel 1

Looking west at the south portion

Looking northwest at the south portion
Looking east at the north portion
Parcel 2

Looking west at Parcel 2

Looking west at Parcel 2
Parcel 3

Looking west at Parcel 3

Looking southwest at Parcel 3
Parcel 4

Looking southeast from the pond one-quarter mile away

Looking south from the northwest corner
Looking south along the west boundary
Parcel 5

Looking east at Parcel 5

Looking north at Parcel 5
Parcel 6

Looking south at Parcel 6

Looking east at Parcel 6
Parcel 7

Looking south at Parcel 7

Looking northwest at Parcel 7
Looking east from the northwest corner
Parcel 8

Looking south at Parcel 8

View from Parcel 8
Parcel 9

Looking northeast at Parcel 9
Parcel 11

Looking north from the south boundary

Looking north from the south portion
Looking south from the south portion

Looking north
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.
2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.
3. There are no encumbrances or defects of title other than those mentioned in this report.
4. The property is free and clear of all liens other than those mentioned in this report.
5. The property is efficiently managed and properly maintained.
6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.
7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.
8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable Federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

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.

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name: Proposed Valle Seco 2019 Land Exchange - Federal Parcels 1 through 9 and 11

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture, recreation and homesites

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Descriptions:

<table>
<thead>
<tr>
<th>San Juan River Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel No.</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
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<table>
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<tr>
<th>Blanco Basin Area</th>
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<tbody>
<tr>
<td>Parcel No.</td>
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<tr>
<td>-----------</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
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<td>8</td>
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<table>
<thead>
<tr>
<th>Corral Mountain Area</th>
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</thead>
<tbody>
<tr>
<td>Parcel No.</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>11</td>
</tr>
</tbody>
</table>

Total 452.06
This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.

   As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).

   “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use... As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.”

   In this appraisal, the larger parcels vary. Refer to the further discussion in “Analysis of Highest and Best Use”.

2. I inspected the properties on October 22 and 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraiser, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the properties. I have confirmed that the conditions remain the same with the ranch managers. The effective date of the appraisal is the date through which the analyses extend.

3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers' and buyers' motivations for remote, recreational and agricultural properties.

6. I submitted the initial appraisal to Charles Brown, Senior Review Appraiser on August 14, 2020. Mr. Brown responded with email comments requesting some corrections; an analysis of potential real estate taxes; further discussion of larger parcels and any market impact due to limited usability and small sizes; a question regarding seller duress on a comparable sale; and an acreage range for the unit value for Federal Parcels 5 and 11 and the Federal Parcel as a whole. His suggestions are incorporated in the report dated
August 23, 2020. He also requested a correction included in the October 26, 2020 report.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

The property interest corresponds to the fee simple estate. The fee simple estate 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." (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)

The Preliminary Land Status Report included in the Addenda shows a few exceptions. The following quote from the Statement of Work, describes these exceptions.

For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation
easements to be placed on a portion of Federal Parcel 1 as part of the exchange. Draft easements will be provided to the appraiser.

The following unauthorized improvements exist on the Federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

The exceptions for ditches, canals, electric lines, roads and fences are typical of the market. The impact of the conservation easement on a portion of Federal Parcel 1 will be considered in "Land Value". The appraisal includes the mineral interests except that Federal Parcels 3 and 5 have outstanding mineral rights. The Federal government does not own the oil and gas minerals on Federal Parcel 3 or any of the minerals on a small portion of Parcel 5.
LEGAL DESCRIPTIONS

The legal descriptions are provided by the Statement of Work, Land Description Verifications and Preliminary Land Status Reports included in the Addenda.
AREA DATA

General information, such as the area’s environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

The Subject tracts are located in Archuleta County, Colorado. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page. Parcels 10 and B are now excluded from the appraisal.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
</tr>
<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a "face-lift" of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

**Governmental Forces**

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area's tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>22</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
</tbody>
</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The ten Federal parcels are located in three distinct neighborhoods described as follows.

San Juan River Area

Parcels 1, 2 and 3 are located approximately ten miles northeast of Pagosa Springs with primary access from U.S. Highway 160 going up to Wolf Creek Pass on the north. The neighborhood extends from Wolf Creek Pass on the north to the National Forest boundary on the south, approximately four miles northeast of Pagosa Springs. The neighborhood is surrounded by the National Forest on the east and west and has the amenities of river bottom with exceptional views of the surrounding mountains. It has historically been devoted to large landholdings traditionally used for agriculture, but there has been increasing subdivision activity in the southern portion of the neighborhood.

The highest and best use of the neighborhood, like the entire county, has evolved from agriculture to rural homesites with corresponding agricultural uses. A few subdivisions and some small rural homesites, both primary and secondary, are located in this area. Scattered historic and new commercial uses are located in the neighborhood such as guest cabins, a bed and breakfast and an RV park.

The San Juan River valley has enjoyed strong demand for large and small rural homesites. San Juan River Ranch (SJRR), a 35+ acres subdivision overlooking the river and the Continental Divide, was developed in the 2000s.
Blanco Basin Area

The neighborhood of Parcels 4 through 9 may be defined as the Blanco Basin. This area is transected by Forest Service Road 657 and the Rio Blanco. It is confined on all sides by the San Juan National Forest. The boundaries of the National Forest closely follow the river valley.

This neighborhood has convenient access, 10 miles from Pagosa Springs via U.S. Highway 84 and five to 13 miles on Forest Service Road 657, also known as County Road 326 and the Blanco Basin Road. The neighborhood has excellent views plus the amenity of river frontage and attractive river bottom land. Demand for rural homesites within the neighborhood has remained strong, but very little supply is available. Blue Mountain Ranches Subdivision provided 41 small lots in the early 1970s.

Corral Mountain Area

The neighborhood of Parcel 11 may be described as the land along the Piedra Road, County Road 600, extending from its origin at U.S. Highway 160 on the south to the boundary to the Hinsdale County line on the north. Subject is in the center of the neighborhood. The land to the west of this road is heavily developed into small lots, in a variety of subdivisions collectively known as Pagosa Lakes. The southern portion of the neighborhood features commercial development at the intersection with the highway and a golf course and airport. North of the airport, and east of the Piedra Road, the land is primarily residential in nature and in larger parcels of 35
acres or more in size. There is a new subdivision of smaller lots known as the Reserve. The older 35+ acre subdivision of Eagle Peak Ranches is east of Subject.

This was a rapidly developing, desirable neighborhood with good access provided by Piedra Road and water and sanitation provided by the Pagosa Area Water and Sanitation System (PAWS) throughout most of the neighborhood. It is a transitional neighborhood between the small lot subdivisions to the west and the larger lot development to the east and the National Forest boundary to the north. Many portions of this neighborhood offer excellent scenic views of the mountains to the north and east. Virtually all of the land in the south portion of the neighborhood has been subdivided for residential use. A few large ranches remain in the north portion of the neighborhood.
PROPERTY DATA

Site Description

The following paragraphs will first provide descriptions applicable to all ten parcels and then will supply individual site descriptions. The properties have no utilities, no mineral deposits, no water rights, nor hazardous substances.

Improvements

None. The unauthorized improvements existing on the Federal parcels, ditches, roads, fencing and a stock pond, are typical of the market and are encompassed in land value.

Fixtures

None

Use History

Vacant

Sales History

None

Rental History

None
Assessed Value and Annual Tax Load

The Federal land is currently exempt from taxation. The estimated tax is supplied below.

Colorado Statute provides different levels of taxation. Properties classified as agricultural receive preferential tax treatment with assessed value based on income potential. Those classified as residential are assessed at approximately 7.5% of actual value. Vacant land is assessed at 29% of actual value. The discrepancy is readily noticeable in the taxes for the comparable sales arrayed below.

<table>
<thead>
<tr>
<th>No.</th>
<th>Size/Acre</th>
<th>Taxes</th>
<th>Taxes/Acre</th>
<th>Assessed Value</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Lacking Access</td>
<td>160</td>
<td>$3,297</td>
<td>$20.61</td>
<td>$67,580</td>
<td>Vacant</td>
</tr>
<tr>
<td>San Juan River Sale 1</td>
<td>35.15</td>
<td>$4,323</td>
<td>$122.98</td>
<td>$89,150</td>
<td>Residential</td>
</tr>
<tr>
<td>San Juan River Sale 2</td>
<td>35</td>
<td>$13</td>
<td>$0.38</td>
<td>$270</td>
<td>Agricultural</td>
</tr>
<tr>
<td>San Juan River Sale 3</td>
<td>408</td>
<td>$7,029</td>
<td>$17.23</td>
<td>$130,950</td>
<td>Residential</td>
</tr>
<tr>
<td>Blanco Sale 1</td>
<td>35.13</td>
<td>$212</td>
<td>$6.03</td>
<td>$4,340</td>
<td>Agricultural</td>
</tr>
<tr>
<td>Blanco Sale 2</td>
<td>33.93</td>
<td>$1,451</td>
<td>$42.77</td>
<td>$25,600</td>
<td>Vacant</td>
</tr>
<tr>
<td>Blanco Sale 3</td>
<td>400</td>
<td>$3,386</td>
<td>$8.46</td>
<td>$69,390</td>
<td>Residential</td>
</tr>
<tr>
<td>Corral Mtn. Sale 1</td>
<td>50</td>
<td>$62</td>
<td>$1.24</td>
<td>$1,000</td>
<td>Agricultural</td>
</tr>
<tr>
<td>Corral Mtn. Sale 2</td>
<td>35.25</td>
<td>$1,051</td>
<td>$29.82</td>
<td>$17,020</td>
<td>Vacant</td>
</tr>
<tr>
<td>Corral Mtn. Sale 3</td>
<td>55</td>
<td>$69</td>
<td>$1.25</td>
<td>$1,110</td>
<td>Agricultural</td>
</tr>
<tr>
<td>Corral Mtn. Sale 4</td>
<td>50</td>
<td>$2,474</td>
<td>$49.48</td>
<td>$40,790</td>
<td>Vacant</td>
</tr>
</tbody>
</table>

I conclude that the Federal Parcels will be classified Agricultural as the highest and best uses are assemblage with the adjoining ranches and the assessed values will not include improvements. The comparable sales with Agricultural classifications were highlighted above. Unfortunately, the range in price per acre is still large, $.38 to $6.03. Corral Mountain Sales 1 and 3 provide more consistency, say taxes of $1.25 per acre. The estimated taxes on the Federal Parcels would be:

\[ 452.06 \text{ acres} \times \$1.25 \text{ per acre} = \$565.08 \]
Zoning

The appraisal is subject to the following hypothetical condition as outlined in the Statement of Work.

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.

Under this hypothetical condition, the Subject parcels, like all unincorporated land in the county, would be zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.

Potential Hazards

Flood Plain: Zone A is defined as “No Base Flood Elevations determined”. Zone X is defined as “Areas determined to be outside the 0.2% annual chance floodplain”.

Parcel 1 is in Zone X according to FEMA Map No. 08007C0285D dated September 25, 2009.

Parcel 2 is in Zone X according to FEMA Map No. 08007C0120D dated September 25, 2009.

Parcel 3 is in Zone X according to FEMA Map No. 08007C0285D dated September 25, 2009.

Parcels 4 and 6 are in Zone X according to FEMA Map No. 08007C0480D dated September 25, 2009.

Parcel 5 is in Zone -X according to FEMA Map No. 08007C0480D dated September 25, 2009.
Parcels 7, 8 and 9 are in Zone X according to FEMA Map No. 08007C0485D dated September 25, 2009.

Parcel 11 is in Zone X according to FEMA Map Nos. 08007C0075D and 08007C00250D both dated September 25, 2009.

Geologic: None

Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain maps.

**Parcel 1**

**Site Description**

Parcel 1 is an irregularly shaped tract containing 175.48 acres. It extends three-quarter miles from east to west and approximately three-quarter miles from north to south at the widest and longest points. The north approximately six acres, located in suitable wild and scenic river corridor, is to be encumbered by a conservation easement, a requirement for the exchange. The draft easement dated April 23, 2020 outlines an easement to Colorado Open Lands allowing existing improvements, which are only roads, irrigation ditches and fencing, and prohibits any other improvements. A copy of the draft is included in my files. The proposed easement will only encumber a small portion of the property in a sloping location and has very little impact on value.
A portion of the southwest part of Parcel 1 is an irrigated meadow and the remainder is sloping hillside ranging in elevation from 7,640 feet at the northwest corner to 8,640 feet in the southeast corner. It is mostly timbered with spruce, fir and aspen. Johnny Creek, Deer Creek and a tributary to Deer Creek cross the parcel.

Parcel 1 has developed, private access from the adjoining Bootjack Ranch interior roads, but this is not legal access. Legal, public access through National Forest lands is by non-motorized travel approximately .3 mile cross country from the East Fork Road, 667, or three miles cross country from the Fawn Gulch Road, 666. The lack of legal access restricts the highest and best use.

Please refer to the topographic map contained after the discussions of Parcels 1, 2 and 3 and the prior photographs.

Parcel 2

Parcel 2 is a tiny triangle containing .66 acres. It encompasses a small, private road that is authorized through a private road easement. There is no legal, public or administrative access to this road. This road is used by a non-Federal party for ranch access. Any legal public access is non-motorized travel from about one mile away on the Allen’s Park Road, Road 112.

This is a sloping parcel at an elevation of 7,680 feet to 7,720 feet. The property consists of a northeast slope of open meadow.

Parcel 3

Parcel 3 is a 16.4 acre bench, 100 feet east and south of the San Juan River. The elevations range between 7,520 feet to 7,680 feet. The parcel is predominantly
spruce and fir forest with some ponderosa pine. Johnny Creek crosses the parcel. The property does not have legal access from the adjoining private land owner. Public access would be non-motorized travel for .2 mile and crossing the San Juan River.
Parcel 4

Parcel 4 is an 80 acre parcel surrounded by private property on three and one-half sides. Public access is non-motorized travel for over a mile from the closest roads. It is sloping hillside ranging in elevation from 8,080 feet to 8,440 feet. Vegetation includes spruce, firs, ponderosa pine, aspen and a few small meadows. It does not have legal or developed access.

Parcel 5

Parcel 5 is an irregularly shaped bench on the south side of the Blanco River. It contains 33 acres and has developed access from a private road, but not legal access. This property does have electricity and will be subject to an electric line easement. Elevations range from 7,760 feet to 8,000 feet. It is heavily timbered with spruce, firs and pines. It overlooks the Blanco River, but has a steep bank between the property and the river.

Parcel 6

Parcel 6 is a 20 acre surrounded by private land. There is no legal or public access. It is a sloping hillside ranging in elevation from 7,980 feet to 8,080 feet. The vegetation is spruce, firs and pines, with very few openings.
Parcel 7

Parcel 7 is a long, thin parcel containing 55 acres. The entirety of Forest Service Road 660.A, approximately .6 mile, is located within the property. It is mostly level at elevations between 8,000 feet and 8,120 feet. The property is vegetated with spruce, firs and some ponderosa pine with limited views.

Parcel 8

Parcel 8 is a square parcel containing 3.486 acres. It consists of sloping hillside ranging in elevation from 8,100 feet to 8,200 feet. The vegetation is open meadows and aspen. It does not have developed access which would be cross country for one-quarter mile. This property does have excellent views of the Continental Divide to the north.

Parcel 9

Parcel 9 is a tiny triangle containing .02 acres. It consists of a level irrigated meadow on the southeast side of the Blanco Basin Road, County Road 326. It has legal public access, but is too small for any development.
Valle Seco Exchange Parcels
El Rancho Pinoso and Rancho del Sol
Pagosa Ranger District - San Juan National Forest
Archuleta County, CO

NOTE: Parcels as shown may differ from the final land exchange proposal. Differences may need additional review. GIS data does not replace an actual survey.
Parcel 11

The Corral Mountain Parcel contains 68 acres. The property has developed, but not legal access from an authorized road. Non-legal, non-motorized access requires approximately three miles of travel. Elevations range from 8,520 feet to 8,850 feet on the north. The vegetation includes meadows, ponderosa pines, spruce, fir and some aspen.
Valle Seco Exchange Parcels
Corral Mountain
Pagosa Ranger District - San Juan National Forest
Archuleta County, CO

11/6/2018 KDT

Proposed Federal Parcels
Roadless Area
National Forest
Suitable Wild & Scenic River Corridor
Private Lands
Piedra Area

NOTE: Parcels as shown may differ from the final land exchange proposal. Differences may need additional review. G/D data does not replace an actual survey.
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as “The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property's highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value.” (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Most of the Subjects have useable topography which allows most uses. However, there are physical constraints to the uses of most of the parcels. Parcel 1 has relatively steep topography and an unusual shape. Parcel 11 also has a long, narrow shape which is less desirable for most uses. Parcel 9 is too small to be usable for anything except for agriculture in conjunction with adjoining properties.

Legally Permissible

The lack of legal access constrains development on all of the parcels except for Parcels 7 and 9. Also, the small sizes of Parcels 2, 3, 5, 8 and 9 preclude these parcels from being legal, developable lots. The only possible uses would be agriculture and recreation with adjoining lands, except for Parcel 7.
Financially Feasible

The demand for residential recreational uses has driven land values in Archuleta County beyond the price that can be supported by agriculture, grazing. Thus, the financially feasible uses for the Subjects are residential in conjunction with agriculture, recreation and wildlife habitat. The highest and best use of each parcel is for assemblage into an adjoining agricultural use in conjunction with a residential/recreation homesite except for Parcel 7 which has sufficient access and a large enough size to be an individual homesite.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110). “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.” None of the Federal parcels are physically contiguous and each comprise individual larger parcels as described in the following paragraphs. Also, presuming that the Federal Parcels are in private ownership, they do not have unity of ownership with any adjoining lands.

Parcel 1

Parcel 1 has a large enough size to allow residential development. But, it is heavily wooded with an irregular shape and does not have vehicular access. It
comprises its own larger parcel considering these constraints and the proposed conservation easement on a small portion.

Parcel 2

Parcel 2 is too small, .66 acres, to be physically and legally usable as a stand-alone larger parcel. This larger parcel is the .66 acres with the highest and best use to sell to an adjoining owner.

Parcel 3

Parcel 3 is a 16.4 acre larger parcel, but is too small to be legally usable.

Parcel 4

Parcel 4 contains 80 acres and is surrounded by private land on three and one-half of the four sides. It is its own larger parcel, an 80 acre hillside with no vehicular access.

Parcel 5

This 33 acres has developed access and electricity, but not legal access. It is a stand along larger parcel.

Parcel 6

Parcel 6 is a 20 acre larger parcel completely surrounded by private land with no access. It does quality for a Senate Bill 35 Variance because it has been
physically severed by adjoining National Forest ownership. But, it does not have legal access.

**Parcel 7**

This parcel has access and is large enough to be a legal, developable lot. It is a stand-alone larger parcel.

**Parcel 8**

The larger parcel is 3.486 acres, too small to be legally developable and lacking access.

**Parcel 9**

Parcel 9, containing .02 acres, is neither legally nor physically developable. The larger parcel is the small fragment.

**Parcel 11**

Parcel 11 is a 68 acre larger parcel without legal access.
**LAND VALUE**

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the public records, supplied by the Archuleta County Assessor’s Office, for sales greater than 34 acres in Archuleta County. My research extends from 2012 through approximately the date of the appraisal. I have inspected all of the nearby sales. I also searched for smaller sales in the San Juan River Area and the Blanco Basin Area because of the smaller sizes of Parcels 2, 3, 5, 6, 8 and 9. The small legal lot sales show massive increments for a small size ranging from $26,000 to $40,000 per acre. But, they are not comparable because they are developable.

The following Federal Parcels are too small to the legally developable and sold as stand alone parcels. They only have one legal potential use which is to sell to the adjoining owner. The small sales uncovered by the research have been legally subdivided or are lots prior to Senate Bill 35 was instituted in 1973. Senate Bill 35 requires that the division of land into a size smaller than 35 acres complies with the county subdivision regulations. In Archuleta County, a legal small lot subdivision requires central water and sewer.
The restricted legal uses of these parcels may impact market value due to their limited usability. The discussion on the discount for lack of legal access, utilizes paired sales to support a market derived discount. Unfortunately, I don’t know of any market data to indicate a value impact, if a discount or the opposite, a premium, is appropriate. In the case of all of these Federal Parcels, the adjoining private landowner has expressed the desire to acquire them.

I conclude the only reliable way to value these unusable parcels is as a contributory value to a legal parcel, say at least 35 acres. This valuation is appropriate because the highest and best use of the unusable parcels is assemblage with an adjoining owner. This analysis does actually provide a discount for lack of usability, by not showing the premium in unit price witnessed by smaller, legal lots.

The following chart arrays the sales considered most comparable to each area as well as the sale uncovered by the research that lacks access. This sale is not sufficiently similar to any of the Subjects in location or physical characteristics to
be used for direct comparison. To arrive at the indicated values, I compare the Subjects to the most similar sales, which have access, and then use a paired sales analysis to supply a market derived discount for the lack of access.

Details of the Comparable Sales are included in the Addenda. A location map for the sales will be included with the valuations of the individual parcels.
### San Juan River Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeiler/Harrington</td>
<td>12/12</td>
<td>$550,000</td>
<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
<tr>
<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

### Blanco Basin Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aquarius/Southern Baptists</td>
<td>08/20</td>
<td>$205,000</td>
<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

### Corral Mountain Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Willschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

### Sale Lacking Access

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>
All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. They had varying mineral interests, but real estate professionals agree that the mineral estate does not contribute to value in this portion of Archuleta County. There were no leases or permits associated with any of the sales. Blanco Basin Sale 3 has a conservation easement, but the seller confirms it did not impact the price. Likewise, I do not think the small, six acre conservation easement on Parcel 1 impacts the value. It is on a steep, undevelopable hillside.

All of the sales had cash equivalent financing and typical conditions of sale with willing sellers and willing buyers.

Market Conditions-Time

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 sales went up. Basically, the dichotomous trends make it difficult to discern if a time adjustment is appropriate. For instance, these following two resales in the San Juan River Area, also show contradicting trends.

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access, overlookings river</td>
</tr>
<tr>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.

**San Juan River Area**

The following chart summarizes the most recent, similar sales in the neighborhood. A location map is included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
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</tr>
</thead>
<tbody>
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<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
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<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

The highest and best uses of the larger parcels range from a 35 acre legal lot for Parcels 2 and 3 to 175.4 acres for Parcel 1. The sales bracket these sizes and suggest that a size adjustment is not recognized in this market. I deem that the three parcels are sufficiently similar in physical characteristic, timbered, sloping tracks with good potential views, to have the same applicable unit price. The discount for lack of access will be considered in the following paragraphs.

Giving equal weight to Sales 1 and 2 gives a unit price of $17,000 per acre as if the Federal parcels had access. Sale 3 is superior because it includes irrigation and seven miles of river frontage. The adjustments to the comparable sales are summarized on the grid following the location map.
Discount for Lack of Access

No sales lacking legal access are available that are directly comparable to the Subjects. The one sale lacking access uncovered by the research for this appraisal is inferior in all characteristics. Therefore, I develop a paired sales analysis in order to adjust for the lack of access.

I have searched throughout my appraisal career for land sales lacking public access. Most of the sales sell to adjoining landowners for buffer and expansions of residential and recreational uses. Typical declines for lack of access range from 30% to greater than 70% depending on the desirability of the tract. There is even the occasional assemblage sale which shows a premium when the assembled parcel is essential to the adjoining owner.

The most recent Archuleta County sale lacking access is arrayed below. The details of the sale are included in the Addenda.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>

The closest sale is arrayed below. A photograph and location map are included on the following page. The location map also depicts the sale lacking access.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martinez/Hilbert</td>
<td>05/20</td>
<td>$320,094</td>
<td>104.76</td>
<td>$3,055</td>
</tr>
</tbody>
</table>

Pairing this sale to the sale lacking access indicates a 69% decline (1-$938/$3,055). The actual decline would be less because the sale with access has superior physical features of same irrigated meadow and severed river frontage.
I found another older sale lacking legal access located east of Pagosa Springs on the San Juan River. It can be paired with the sale of the adjacent tract. The two parcels meet at the center of the San Juan River and are similar except for a superior amount of level meadow land on the sale with access.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/98</td>
<td>Macht/Klein</td>
<td>$420,000</td>
<td>105</td>
<td>$4,000</td>
<td>Landlocked and on side of river away from highway</td>
</tr>
<tr>
<td>7/98</td>
<td>King Brown/King Capital</td>
<td>$743,900</td>
<td>87.36</td>
<td>$8.515</td>
<td>San Juan River frontage and Hwy 160 frontage</td>
</tr>
</tbody>
</table>

The unit price for the tract without access reflects a 53% downward adjustment from the sale with access. However, the sale without access had steeper topography on a portion of the tract, indicating a portion of the downward adjustment may be for topography rather than access. The buyer of the land without access was able to obtain a small tract of adjacent land between his parcel and the highway and build an expensive bridge in order to end up with a parcel with access.

For additional support, I have analyzed paired sales from near Mancos in southwestern Colorado which were landlocked at the time of the sale. The same purchaser bought adjoining tracts, similar in all ways except for access. These sales are summarized as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/98</td>
<td>Bayles/Redstone</td>
<td>$224,000</td>
<td>625</td>
<td>$350</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Hindmarsh/Redstone</td>
<td>$200,000</td>
<td>480</td>
<td>$417</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Aramark/Redstone</td>
<td>$760,000</td>
<td>755</td>
<td>$1,007</td>
<td>access to Hwy. 160</td>
</tr>
</tbody>
</table>
Combining the two landlocked sales results in a unit price of $377 which reflects a 62% downward adjustment from the sale with access.

Two more sets of paired sales show similar percentage declines for lack of access.

**Montezuma County, East Canyon**

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/05</td>
<td>Mathews/Malouff</td>
<td>$40,000</td>
<td>40</td>
<td>$1,000</td>
<td>Totally landlocked by steep BLM hillside</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Hoffman</td>
<td>$120,000</td>
<td>80</td>
<td>$1,500</td>
<td>Horseback access</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Truaz</td>
<td>$216,000</td>
<td>120</td>
<td>$1,800</td>
<td>Horseback access</td>
</tr>
<tr>
<td>11/05</td>
<td>Malouff/Truaz</td>
<td>$250,000</td>
<td>120</td>
<td>$2,083</td>
<td>County road</td>
</tr>
</tbody>
</table>

These paired sales show 33% to 44% declines for the landlocked parcel compared to those accessible by horseback and a 52% decline compared to county road access.

**La Plata County, Hillside Sales near Durango**

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/10</td>
<td>Crader/City of Durango</td>
<td>$670,000</td>
<td>222</td>
<td>$3,018</td>
<td>Horse Gulch, no access</td>
</tr>
<tr>
<td>11/10</td>
<td>1401 Inv./McCutchin</td>
<td>$500,000</td>
<td>76.42</td>
<td>$6,543</td>
<td>West of Durango, easement access</td>
</tr>
<tr>
<td>02/10</td>
<td>Corallo/McCready</td>
<td>$250,000</td>
<td>35.17</td>
<td>$7,108</td>
<td>Durango Ridge, subdivision road</td>
</tr>
<tr>
<td>06/10</td>
<td>Bruns/End-IRA, Inc.</td>
<td>$294,000</td>
<td>35.11</td>
<td>$8,374</td>
<td>Trappers Crossing, subdivision road</td>
</tr>
</tbody>
</table>

These recent paired sales show 54% to 64% declines for lack of access.
I conclude that a 50% discount is appropriate for the lack of access. This adjustment is well supported by the paired sales.

The calculations showing the estimated unit price for each parcel, the discount for lack of access and the estimated values will be provided in a summary at the end of this discussion.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>12/12</td>
<td>09/14</td>
<td>09/14</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Location</td>
<td>San Juan River</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>Yes</td>
<td>-</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior river frontage</td>
</tr>
<tr>
<td>Improvements</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
</tbody>
</table>
Blanco Basin Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aquarius/Southern Baptists</td>
<td>08/20</td>
<td>$205,000</td>
<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

Sales 1 and 2 are most similar to Parcels 4 and 6, sloping hillsides with limited views because of topography and timber. Sale 2 requires upward adjustment for the seller duress. It was “priced to sell” for $275,000 or $8,105 per acre and sold in 97 days. The seller had paid $492,000 in 2006 (Time Trend Sale A). The seller was in financial duress because of a divorce and has to dispose of the property quickly.

Sale 1 has 12 miles of seasonal access, inferior to Sale 2. The estimated unit price for Parcels 4 and 6 relies on Sale 2 with upward adjustment to $7,000 per acre is these parcels had access.

Parcels 5, 7, 8 and 9 are superior with some open, level topography allowing the mountain views. Sale 3 shows the top of the price range for land in the Blanco Basin Area. This property included a new custom house with a cost of $850,000 or $2,125 per acre, leaving a land value of $17,875 per acre. However, the sale has superior irrigation and superior views further north in the Blanco Basin Area and closer to the mountains. Adjusting this sale downward for superior features, yields
an estimated unit price of $15,000 per acre for Parcels 5, 7, 8 and 9. Parcels 5 and 8, however, lack access and require a discount.

The calculations depicting the estimated values, including the previously described discount for lack of access, are summarized at the end of this discussion.

<table>
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<tr>
<th>Subject</th>
<th>Sale 1</th>
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<th>Sale 3</th>
</tr>
</thead>
<tbody>
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<td>$6,926</td>
<td>$20,000</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate w/ conservation easement</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Duress</td>
<td>Typical</td>
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<tr>
<td>Market Conditions</td>
<td>08/20</td>
<td>01/04</td>
<td>12/16</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$5,835</td>
<td>$6,926+</td>
<td>$20,000</td>
</tr>
<tr>
<td>Location</td>
<td>Blanco Basin Area</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Access</td>
<td>Seasonal</td>
<td>Private</td>
<td>Superior</td>
</tr>
<tr>
<td>Appeal</td>
<td>Timber</td>
<td>Timber</td>
<td>Superior</td>
</tr>
<tr>
<td>Improvements</td>
<td>Custom house ($2,126)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$5,835-</td>
<td>$6,926</td>
<td>$17,875-</td>
</tr>
</tbody>
</table>
Corral Mountain Area

The closest sales to the Corral Mountain Parcel 11 are arrayed on the following chart. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
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<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

Corral Mountain is a strip containing 68 acres. It is most similar to Sale 1 and 2 if it had legal access. Sales 3 and 4 are superior because they have live water. Sales 1 and 2 bracket a price of $8,000 per acre rounded if Parcel 11 had access. Again, the access discount is applied in the following summary.
<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
<th>Sale 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$7,400</td>
<td>$8,227</td>
<td>$8,818</td>
<td>$8,800</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Motivations</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>11/15</td>
<td>09/16</td>
<td>01/20</td>
<td>02/17</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>Corral Mtn. area</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Location</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Improvements</td>
<td>$7,400-</td>
<td>$8,227-</td>
<td>$8,818--</td>
<td>$8,800--</td>
</tr>
</tbody>
</table>
Summary of Estimated Values

The calculations arriving at the estimated value for each parcel are arrayed below.

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-acres</th>
<th>$/Acre</th>
<th>Less discount</th>
<th>Adj. $/Acre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>175.48</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$1,491,580</td>
</tr>
<tr>
<td>2</td>
<td>0.66</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$5,610</td>
</tr>
<tr>
<td>3</td>
<td>16.40</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$139,400</td>
</tr>
<tr>
<td>4</td>
<td>80.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$280,000</td>
</tr>
<tr>
<td>5</td>
<td>33.00</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$247,500</td>
</tr>
<tr>
<td>6</td>
<td>20.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$70,000</td>
</tr>
<tr>
<td>7</td>
<td>55.00</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$825,000</td>
</tr>
<tr>
<td>8</td>
<td>3.486</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$26,145</td>
</tr>
<tr>
<td>9</td>
<td>0.02</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$300</td>
</tr>
<tr>
<td>10</td>
<td>68.00</td>
<td>$8,000</td>
<td>50%</td>
<td>$4,000</td>
<td>$272,000</td>
</tr>
<tr>
<td>Total</td>
<td>452.05</td>
<td></td>
<td></td>
<td></td>
<td>$3,357,535</td>
</tr>
<tr>
<td>Rounded</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,358,000</td>
</tr>
</tbody>
</table>

The total includes ten parcels which could be sold in at least four separate transactions with the adjoining private lands. The purpose of this appraisal is to derive a single market value conclusion of a fee simple interest in the package of Federal lands. USPAP Standards Rule 1-4(e) requires “when analyzing the assemblage of the various estates or component parts of a property, an appraiser must analyze the effect on value, if any, of the assemblage. An appraiser must refrain from valuing the whole solely by adding together the individual values of the various estates or component parts”. Needless to say, there is no good market evidence to indicate if an adjustment is necessary to arrive at a single value. The
following chart and map illustrate the only sales in Southwest Colorado that I know of with multiple parcels.

**Chart of Comparable Sales**

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size - Acres</th>
<th>$/acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fox Fire Farms/Keyah Grande/USA</td>
<td>10/07</td>
<td>$756,000</td>
<td>1,080</td>
<td>$700</td>
<td>Three parcels</td>
</tr>
<tr>
<td>2</td>
<td>Wallace/TCF/USA</td>
<td>11/09</td>
<td>$3,315,000</td>
<td>4,573</td>
<td>$725</td>
<td>Eight parcels</td>
</tr>
<tr>
<td>3</td>
<td>Zwicker/TCF/USA</td>
<td>05/14</td>
<td>$347,000</td>
<td>441.6</td>
<td>$786</td>
<td>One parcel</td>
</tr>
<tr>
<td>4</td>
<td>Alexander/TCF/USA</td>
<td>04/14</td>
<td>$780,000</td>
<td>800</td>
<td>$975</td>
<td>One parcel</td>
</tr>
</tbody>
</table>
All of the sales sold to the USA for incorporation into Canyons of the Ancients National Monument. These sales require extraordinary verification and treatment. But, I determined that they are arms-length because they involved willing sellers and buyers, had no threat of condemnation and was based on extensive approved appraisals. I confirmed the sales with the buyer/seller, appraiser and the review appraiser. Pairing Sale 2, which comprised eight parcels, to the nearby remaining sales does not show a discount for the multi-parcel sale. Instead, it is bracketed by the inferior sale which have less interesting canyon topography and the two superior sales which have more dramatic topography.

I conclude that neither a discount, nor a premium is necessary in this appraisal.

The Appraisal Statement of Work says, “In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06 acre Federal property. The appraisal should also provide…a unit value (per acre) for the Federal property as a whole, and acreage ranges in which those unit values remain valid for use.”

The unit price for the 33 acre Federal Parcel 5, $7,500 per acre, is valid for a range in size of 20 to 40 acres. The unit price for 68 acre Federal Parcel 11, $4,000 per acre, is appropriate for a range in size from 35 to 80 acres. The unit price for the Federal property as a whole is mathematically calculated as $7,428 per acre ($3,358,000 ÷ 452.05 acres).
ADDENDA
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since 11111 in 11111 she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation; United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipe Line Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From 11111 to the present, she has worked as a full time fee appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since 1988.

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U. S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

Education

Bachelor of Arts with Distinction, International Affairs

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers’ Courses:

- Appraisal Principles
- Basic Valuation Procedure
- Litigation Valuation
- Capitalization Theory & Techniques, Parts I, II and III
- Standards of Professional Practice, Parts A, B and C
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Advanced Market Analysis and Highest and Best Use
- Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate's required Conservation Easement Appraiser Update Courses.

Professional Affiliations and Activities

Member of the Appraisal Institute, professionally designated MAI
    Colorado Chapter Board of Directors, (b) (6)
    Member Appraisal Institute Unification Task Force, (b) (6)
    Member Colorado Chapter 22 Admissions Committee, (b) (6)
    Regional Representative, (b) (6)
    Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6)
    Chair, (b) (6)

Member of the Nominating Committee for Judicial District No. 22, (b) (6)

Associate Member Four Corners Board of Realtors
    Board of Directors, (b) (6)
    Chair, Membership Committee, (b) (6)

Member International Right-of-Way Association
    (b) (6) Chair, Four Corners Satellite Chapter

Member Cortez Chamber of Commerce
    Board of Directors, (b) (6)

Victims Assistance and Law Enforcement Board (VALE), (b) (6)
    Chair, (b) (6)

Colorado Certified General Appraiser No. CG00001753

New Mexico General Certified Appraiser No. 00523-G

Arizona Certified General Appraiser No. 31796

Utah Certified General Appraiser No. 5510046-CG00
SALE LACKING ACCESS
Photograph taken looking west from two miles east on June 10, 2020 by Maggie Love.

Grantor: Sara D. Tuck and Kevin F. Dudley  Date: 06/20/2012
Grantee: Eagle Shadow Ranch, LLC  Instrument: WD
Reception No.: 21203868

Legal Description: Lots 1, 2, 6 and 7, Section 8, Township 33 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $150,000
Size: 160 acres  $/Acre: $938

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical - sold to adjoining landowner
Description: sloping pinon and juniper
Verification: Jess Ketchum, appraiser, 970-731-1986

Location: Southwest of Pagosa Springs

Buyer Motivation: assemblage into adjoining ranch

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5965-082-00-010

Taxes: $3,297.28 ($20.61/acre)

Highest and Best Use: same as Subject

Physical Address: County Road 500, Pagosa Springs

Utilities: none

Water: none

Hazards: none

Marketing Time: none

Resale Information: none
SAN JUAN RIVER AREA SALES

COMPARABLE SALE NO. 1

Photograph taken looking north on February 6, 2013 by Maggie Love.

Grantor: Ken Zeiler and Martha Zeiler  Date: 12/12/2012
Grantee: Donald R. Harrington and  Instrument: WD
Nita H. Harrington  Reception No.: 21208708

Legal Description: A tract of land in the SE1/4SW1/4 of Section 13, Township 36
North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $550,000
Size: 35.15 acres  $/Acre: $15,647

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: sloping hillside overlooking the San Juan River, good views, developed easement access

Verification: Mike Heraty, agent, 970-264-7000

Location: north of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5579-133-00-038

Taxes: $4,322.88 ($122.98/acre)

Highest and Best Use: same as Subject

Physical Address: 8091B East U.S. Highway 160

Utilities: electricity and phone on property

Water: none

Hazards: none

Marketing Time: 48 DOM

Resale Information: Prior sale for $610,000 in July 2001, Time Trend Sale M.
COMPARABLE SALE NO. 2
Photograph taken looking northwest from the locked gate one mile east on July 9, 2020 by Maggie Love.

Grantor: Kevin T. Schaffer and Ronald P. Schaffer  Date: 09/16/2014
Grantee: Francis Marion Slack III  Instrument: WD

Legal Description: A tract of land located in Sections 9 and 10, Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $650,000
Size: 35 acres  $/Acre: $18,571

Property Rights Conveyed: fee simple estate

Financing: owner financing of $300,000 at 5.5% interest for five years - cash equivalent

Conditions of Sale: typical
Description: 2.5 miles from Highway 160 on seasonal Forest Service Road 647; private seasonal access, National Forest on two sides, Turkey Creek, good views

Verification: MLS and Jess Ketchum, appraiser, 970-731-1986

Location: northeast of Pagosa Springs

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5579-091-00-004

Taxes: $13.16 ($0.38/acre)

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 647 to private, developed driveway

Utilities: none

Water: none

Hazards: none

Marketing Time: 234 days

Resale Information: prior sale $500,000 in November 2006, Time Trend Sale Z
COMPARABLE SALE NO. 3
Photograph taken looking north on October 15, 2014 by Maggie Love.

Grantor: Saddleback Ranch, LLC                      Date: 07/15/2014
Grantee: Bootjack Ranch, LLC                       Instrument: SWD
Date: 07/15/2014                                    Reception No.: 21403926

Legal Description: A tract of land in Sections 7, 12, and 13 in Township 36 North,
Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,800,000

Size: 408 acres                                      $/Acre: $21,569

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: property is at the confluence of the East Fork and the West Fork of the
San Juan River. It has seven miles of river frontage. It is mostly
irrigated meadows and timbered ridges.
Verification: David Smith, Ranch Manager

Location: North of Pagosa Springs

Buyer Motivation: recreational homesite

Improvements: house built in 2003 containing 2,800 square feet

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: recreation

Assessor’s Parcel No.: 5579-124-00-010

Taxes: $7,029.32 ($17.23/acre)

Highest and Best Use: same as Subject

Physical Address: 401 Forest Service Road 667

Utilities: electricity and gas

Water: irrigation and well

Hazards: none

Marketing Time: 181 DOM

Resale Information: none
BLANCO AREA SALES

COMPARABLE SALE NO. 1
Photograph taken looking east on June 9, 2020 by Maggie Love.

Grantor: The Aquarius Foundation  Date: 04/07/2020
Grantee: Southern Baptists of Texas  Instrument: SWD

Reception No.: 22001975

Legal Description: Tract 3, Rito Blanco Ranch filing Number One, according to the map filed for record November 19, 1997 as Reception No. 97009086

Sale Price: $257,398 - donation based on appraisal; under contract for $205,000 in August 2020

Size: 35.13 acres  $/Acre: $5,835

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical
Description: timbered tract with 12 miles of seasonal Forest Service access, good views

Verification: Bart McDonald, Executive Director of Southern Baptists of Texas Foundation, 844-351-8804

Location: Rita Blanco Ranch Subdivision

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5703-191-01-003

Taxes: $211.76 ($6.03/acre)

Highest and Best Use: same as Subject

Physical Address: Tract 3, Needles View Place

Utilities: none

Water: none

Hazards: none

Marketing Time: four months

Resale Information: none
COMPARABLE SALE NO. 2

Photograph taken looking southwest from locked gate ½ mile north on June 10, 2020 by Maggie Love.

Grantor: CJ Brimhall Properties, IV
Date: 01/31/2014
Instrument: WD

Grantee: Ralph J. Clayton and Kimberly Jean Clayton
Reception No.: 21400634

Legal Description: A tract of land in the W1/2 of Section 13, Township 34 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $235,000
Size: 33.93 acres $/Acre: $6,926

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: seller in duress; paid $492,000 in 2006; listed for $275,000 and was “priced to sell”; sold in 97 days. The seller was in financial duress because of a divorce and had to dispose of the property quickly in a slow market.
Description: One-half mile developed private road access, sloping timbered hillside, National Forest on two sides

Verification: listing agent, LaWana DeWees, (b) (6)

Location: South of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5887-133-00-043

Taxes: $1,451.08 ($42.77/acre)

Highest and Best Use: same as Subject

Physical Address: 1445C County Road 326

Utilities: electricity and telephone

Water: none

Hazards: none

Marketing Time: 97 DOM

Resale Information: prior sale for $492,000 in June 2006, Time Trend Sale A
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Blanco Basin Land and Cattle, LLC  
Grantee: RTN-LGN II, LLC  
Date: 12/29/2016  
Instrument: WD  
Reception No.: 21609318

Legal Description: A tract of land in Sections 20 and 29, Township 35 North, Range 2 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,000,000  
Size: 400 acres  
$/Acre: $20,000

Property Rights Conveyed: fee simple estate subject to a conservation easement with one building envelope

Financing: cash

Conditions of Sale: typical - not marketed, sold to neighbor

Description: irrigated tract, great views

Verification: Ken Hare, Blanco Land and Cattle, [b] (6)
Location: southeast of Pagosa Springs
Buyer Motivation: homesite
Improvements: $850,000 new custom construction
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: homesite and grazing
Assessor’s Parcel No.: 5705-292-00-004
Taxes: $3,385.60 ($8.46)
Highest and Best Use: same as Subject
Physical Address: 12130 County Road 326
Utilities: electricity
Water: well and irrigation
Hazards: none
Marketing Time: none
Resale Information: none
CORRAL MOUNTAIN AREA

COMPARABLE SALE NO. 1

Photograph taken looking west on March 15, 2018 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft          Date: 11/06/2015
Grantee: GC Colorado, LLC                             Instrument: WD

Reception No.: 21508252

Legal Description: A tract of land in Sections 19 and 20, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $370,000
Size: 50 acres                        $/Acre: $7,400

Property Rights Conveyed: fee simple estate
Financing: cash

Conditions of Sale: typical
Description: open, rolling meadow
Verification: Clif Davis, GC Colorado, clif.davis15@gmail.com
Location: North of Pagosa Springs
Buyer Motivation: assemblage into larger homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel No.: 5581-202-00-121
Taxes: $61.76 ($1.24/acre)
Highest and Best Use: same as Subject
Physical Address: Raptor Place
Utilities: none
Water: none
Hazards: none
Marketing Time: none
Resale Information: none
COMPARABLE SALE NO. 2

Photograph taken looking west on March 15, 2019 by Maggie Love.

Grantor: LD Radcliff Herzog and Bobbie Jayne Herzog
Grantee: Donald L. Wullschleger and Melanie J. Wullschleger

Date: 09/26/2016
Instrument: WD
Reception No.: 21606325

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $290,000
Size: 35.25 acres
$/Acre: $8,227

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical

Description: National Forest on two sides, meadow and ridge
Verification: Lindy Moore, sales agent,
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-194-00-132
Taxes: $1,051.00 ($29.82/acre)
Highest and Best Use: same as Subject
Physical Address: 2253 Preservation Place
Utilities: none
Water: available
Hazards: none
Marketing Time: 306 days, listing $324,000
Resale Information: prior sale for $265,000 in May 2012 (Time Trend Sale J)
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Frank Perry and Margaret Perry
Date: 01/22/2020
Instrument: SWD
Reception No.: 22000565

Grantee: Bradley Tomlin Stansberry Catherine Clapp Stansberry

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $485,000
Size: 55 acres $/Acre: $8,818

Property Rights Conveyed: fee simple estate
Financing: cash

Conditions of Sale: typical
Description: National Forest on one side, meadow and ridge, Martinez Creek
Verification: JR Ford, agent, 970-264-5000
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-192-00-144
Taxes: $68.56 ($1.25/acre)
Highest and Best Use: same as Subject
Physical Address: Lot 12C Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 3,094 total DOM; 144 days listed at $545,000
Resale Information: prior sale in March 1994
COMPARABLE SALE NO. 4
Photograph taken looking north on March 15, 2019 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft  Date: 02/27/2017
Grantee: Shawn Goeckner and Vicki Goeckner  Instrument: WD
Reception No.: 21701150

Legal Description: A tract of land situated in Section 13, Township 36 North,
Range 2 ½ West, N.M.P.M., Archuleta County, Colorado

Sale Price: $440,000
Size: 50 acres  $/Acre: $8,800

Property Rights Conveyed: fee simple estate
Financing: cash to seller - new conventional loan
Conditions of Sale: typical
Description: meadow and ridge, National Forest on two sides, stream
Verification: JR Ford, listing agent, 970-264-5000
Location: north of Pagosa Springs
Buyer Motivation: homesite
Improvements: vacant
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use:
Assessor's Parcel No.: 5583-131-00-107
Taxes: $2,473.76 ($49.48/acre)
Highest and Best Use: same as Subject
Physical Address: 10728 Lot 14A Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 660 DOM, listed for $475,000
Resale Information: none
<table>
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<tr>
<th>No.</th>
<th>Date 1</th>
<th>Date 2</th>
<th>Price 1</th>
<th>Price 2</th>
<th>% Change</th>
<th>Comments</th>
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<tr>
<td>A</td>
<td>07/01</td>
<td></td>
<td>$256,000</td>
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<td>33.93 acres, easement access, Blanco Area Sales</td>
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<tr>
<td></td>
<td>06/06</td>
<td></td>
<td>$492,000</td>
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<td>National Forest on two sides</td>
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<tr>
<td></td>
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<td></td>
<td>$235,000</td>
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<td>-52%</td>
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<tr>
<td>B</td>
<td>06/05</td>
<td></td>
<td>$12,207,300</td>
<td></td>
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<td>Blue Sky Ranch</td>
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<td></td>
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<td></td>
<td>$7,200,000</td>
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<tr>
<td>C</td>
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<td></td>
<td>$337,700</td>
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<td>D</td>
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<td>$145,000</td>
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<td></td>
<td>$100,000</td>
<td></td>
<td>-31%</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td></td>
<td>$8,900,000</td>
<td></td>
<td></td>
<td>Square Top Ranch</td>
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<tr>
<td></td>
<td>04/06</td>
<td></td>
<td>$12,800,000</td>
<td></td>
<td>44%</td>
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<tr>
<td></td>
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<td></td>
<td>$9,000,000</td>
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</tr>
<tr>
<td>F</td>
<td>02/11</td>
<td></td>
<td>$210,000</td>
<td></td>
<td></td>
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</tr>
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<td></td>
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<td></td>
<td>$150,000</td>
<td></td>
<td>-29%</td>
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</tr>
<tr>
<td>G</td>
<td>06/11</td>
<td></td>
<td>$195,000</td>
<td></td>
<td></td>
<td>71 acres, Alpine Lakes</td>
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<td></td>
<td>10/14</td>
<td></td>
<td>$150,000</td>
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<td>-23%</td>
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<tr>
<td>H</td>
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<td></td>
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<tr>
<td></td>
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<td></td>
<td>$685,000</td>
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<td>-21%</td>
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<tr>
<td>I</td>
<td>02/11</td>
<td></td>
<td>$225,000</td>
<td></td>
<td></td>
<td>35 acres, Navajo River</td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td></td>
<td>$169,000</td>
<td></td>
<td>-16%</td>
<td>Ranch</td>
</tr>
<tr>
<td>J</td>
<td>12/12</td>
<td></td>
<td>$325,000</td>
<td></td>
<td></td>
<td>35 acres, Rito Blanco</td>
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<tr>
<td></td>
<td>08/18</td>
<td></td>
<td>$260,000</td>
<td></td>
<td>-14%</td>
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</tr>
<tr>
<td>K</td>
<td>06/16</td>
<td></td>
<td>$140,000</td>
<td></td>
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<td></td>
<td>07/18</td>
<td></td>
<td>$120,000</td>
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<td>-14%</td>
<td>Pagosa Springs</td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td></td>
<td>$165,000</td>
<td></td>
<td></td>
<td>35.25 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td></td>
<td>$150,000</td>
<td></td>
<td>-9%</td>
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<td></td>
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<td></td>
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<tr>
<td>M</td>
<td>07/01</td>
<td></td>
<td>$610,000</td>
<td></td>
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<td>35.15 acres, private access, San Juan River Area Sales</td>
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<tr>
<td></td>
<td>12/12</td>
<td></td>
<td>$550,000</td>
<td></td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>N</td>
<td>01/18</td>
<td></td>
<td>$328,640</td>
<td></td>
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<tr>
<td></td>
<td>05/20</td>
<td></td>
<td>$320,094</td>
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115
<table>
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<th>Price</th>
<th>Acres</th>
<th>Description</th>
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<tr>
<td>O</td>
<td>03/10</td>
<td>$600,000</td>
<td>70</td>
<td>20 acres, Two Bear Ranch</td>
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<td></td>
<td>02/15</td>
<td>$600,000</td>
<td>0%</td>
<td></td>
</tr>
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<td>P</td>
<td>10/00</td>
<td>$155,000</td>
<td>37</td>
<td>37 acres, Mill Creek</td>
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<tr>
<td></td>
<td>10/05</td>
<td>$160,000</td>
<td>3%</td>
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<tr>
<td></td>
<td>07/15</td>
<td>$156,250</td>
<td>-2%</td>
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<tr>
<td>Q</td>
<td>12/12</td>
<td>$95,000</td>
<td>38</td>
<td>38 acres, Cool Springs</td>
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<td></td>
<td>11/17</td>
<td>$100,000</td>
<td>5%</td>
<td></td>
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<tr>
<td>R</td>
<td>10/12</td>
<td>$72,500</td>
<td>35</td>
<td>35 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>09/17</td>
<td>$111,000</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11/18</td>
<td>$118,000</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>04/12</td>
<td>$265,000</td>
<td>35</td>
<td>35 acres, Eagle Peak Corral Mountain Area</td>
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<tr>
<td></td>
<td>09/16</td>
<td>$290,000</td>
<td>9%</td>
<td>Ranch</td>
</tr>
<tr>
<td>T</td>
<td>06/19</td>
<td>$275,000</td>
<td>44</td>
<td>44 acres, CR 500</td>
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<tr>
<td></td>
<td>08/19</td>
<td>$300,000</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>U</td>
<td>08/13</td>
<td>$2,300,000</td>
<td>340</td>
<td>340 improved acres after remodel</td>
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<tr>
<td></td>
<td>11/17</td>
<td>$4,425,000</td>
<td>16%</td>
<td></td>
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<tr>
<td>V</td>
<td>06/12</td>
<td>$325,000</td>
<td>35</td>
<td>35 acres, west of Pagosa Springs</td>
</tr>
<tr>
<td></td>
<td>08/18</td>
<td>$391,500</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>W</td>
<td>03/10</td>
<td>$600,000</td>
<td>191</td>
<td>191 acres, South Archuleta County</td>
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<tr>
<td></td>
<td>11/12</td>
<td>$750,000</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>04/10</td>
<td>$350,000</td>
<td>70</td>
<td>70 acres, Alpine Lakes</td>
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<tr>
<td></td>
<td>09/18 &amp; 07/19</td>
<td>$445,000</td>
<td>27%</td>
<td></td>
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<tr>
<td>Y</td>
<td>05/12</td>
<td>$70,000</td>
<td>38</td>
<td>38 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>11/19</td>
<td>$90,000</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>11/06</td>
<td>$500,000</td>
<td>35</td>
<td>35 acres, Forest Service inholding</td>
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<tr>
<td></td>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>10/12</td>
<td>$116,500</td>
<td>38</td>
<td>38 acres, west Archuleta County</td>
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<tr>
<td></td>
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<td>$152,500</td>
<td>31%</td>
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<tr>
<td>BB</td>
<td>12/11</td>
<td>$307,463</td>
<td>35</td>
<td>35 acres, Cimarron Ranch</td>
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<td></td>
<td>05/18</td>
<td>$410,000</td>
<td>33%</td>
<td></td>
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<tr>
<td>CC</td>
<td>07/11</td>
<td>$1,100,000</td>
<td>158</td>
<td>158 acres and residence</td>
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<tr>
<td></td>
<td>Date</td>
<td>Value</td>
<td>Percentage</td>
<td>Description</td>
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<tr>
<td>---</td>
<td>------</td>
<td>---------</td>
<td>------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>DD</td>
<td>11/16 &amp; 02/17</td>
<td>$174,000</td>
<td>70 acres, Alpine Lakes</td>
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</tr>
<tr>
<td></td>
<td>02/19</td>
<td>$253,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>06/11</td>
<td>$195,000</td>
<td>-44%</td>
<td>Alpine Lakes, 71 acres</td>
</tr>
<tr>
<td></td>
<td>12/14</td>
<td>$110,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>05/18</td>
<td>$160,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>03/14</td>
<td>$190,000</td>
<td>36 acres, west of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>07/17</td>
<td>$275,000</td>
<td>45%</td>
<td>Pagosa Springs</td>
</tr>
</tbody>
</table>
Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on May 17, 2019. Modification #1 of Agreement to Initiate was executed on May 5, 2020. Modification #2 of the Agreement to Initiate was executed on July 24, 2020.

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.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-Federal property as a whole, and a unit value (per acre) for the Federal 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 San Juan National Forest as the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser  
USDA Forest Service, Rocky Mountain Region  
1617 Cole Boulevard, Lakewood, CO 80401  
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Modification #2 of Agreement to Initiate, Commitment for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3 (Amended), the Preliminary Land Description Verification forms, and other documents included in this SOW and/or to be provided to the contract appraiser.

Please note that Federal Parcel 10 and non-Federal Parcel B are illustrated on the following Vicinity Map, however, they have been removed from the proposed land exchange per Modification #2 of Agreement to Initiate.
GENERAL SPECIFICATIONS

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.

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 Senior 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 Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.
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 Senior 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 uninstructed 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 Senior 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 San Juan National Forests as the client.

Intended Users – The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan
REVISED FINAL SOW –Proposed Valle Seco Land Exchange
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National Forest, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users – other than the Senior Review Appraiser – will be after the technical review is completed by the Senior 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 modified), “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 Senior 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 – Section 1 of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B – Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be discussed for each of the Requirements and Exceptions.

REVISED FINAL SOW – Proposed Valle Seco Land Exchange Page 11
Three water rights for stock ponds (WDIS 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WDIS 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WDIS 2903646 will not be transferred to the USA and it 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 of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the ARI.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easement to be placed on a portion of Federal Parcel 1 as part of the exchange. A draft easement will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

Legal Description – The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate, Modification #1 of the Agreement to Initiate, and Modification #2 of 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., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

Additional Information – The following documents are included as attachments to this SOW:

- Request for Appraisal Services dated November 5, 2019
- Agreement to Initiate executed May 17, 2019
- Modification #1 of Agreement to Initiate
- Modification #2 of Agreement to Initiate

REVISED FINAL SOW – Proposed Valle Seco Land Exchange
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. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
- Preliminary Federal Land Status Report
- Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 1)

Assignments 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 un instructed 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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel:

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.

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.

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 Senior 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 (as amended by Modification #1 of the Agreement to Initiate and Modification #2 of 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/marketability 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 Senior Review Appraiser a final appraisal report. “Draft” copies will not be accepted. The Senior Review

**REVISED FINAL SOW – Proposed Valle Seco Land Exchange**

**Page 14**
Appraiser will then review the final appraisal report for acceptance or recommended revisions. Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
**PRELIMINARY LAND DESCRIPTION VERIFICATION**

**FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name:</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</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.)

New Mexico Principal Meridian, Colorado

T. 36 N., R. 1 E.,
sec. 7, SW1/4SW1/4SW1/4NE1/4, S1/2SE1/4SW1/4, W1/2NE1/4NE1/4SE1/4,
W1/2SW1/4NE1/4SE1/4, W1/2NW1/4SW1/4SE1/4, and W1/2SW1/4SW1/4SE1/4,
sec. 18, lot 1, W1/2NW1/4NW1/4NE1/4, W1/2SW1/4NW1/4NE1/4, and NE1/4NW1/4,
T. 36 N., R. 1 W.,
sec. 13, NE1/4NE1/4

**2. Area:**

<table>
<thead>
<tr>
<th>Public Land Survey</th>
<th>Record (title/deed/county)</th>
<th>Actual (land survey, infor.)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td>175.48 acres</td>
<td>175.48 acres</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**3. Record Documents:**

BLM Master Title Plat, Original and Resurvey Plats, BLM Supplemental Plat of Section 7 approved in 1943 and Patent Records

**4. Comments:**

Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 175.48 acres.

_Cadastical Surveyor, Bureau of Land Management_  

Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4)  

Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownerships
5500 Landownerships Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

| Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 2 |
| Forest Name: San Juan NF, Pugosa RD |
| Assessor's Parcel Number: |
| County, Town, or Borough: Archuleta County |
| State: Colorado |

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

A portion of land situated in the SE1/4SW1/4 of section 1, township 36 north, range 1 west, New Mexico Principal Meridian, Colorado, being the result of a local survey filed in the Archuleta County Clerk and Recorder on October 3, 2007, labeled as “Exhibit A” performed by Thomas E. Au, Colorado Professional Land Surveyor 34996 and being more particularly described as follows:

**BEGINNING** at the C-S 1/16 sec. cor. of sec. 1, marked with an iron post, 2 ½ ins. diam., with a brass cap mld. as described in the official record of the 1972 Dependant Resurvey of T. 36 N., R. 1 W., N.M.P.M., under Group 569;

**THENCE,** S. 3° 05' W., along the N-S centerline of section 1, a distance of 320.00 feet to a point on the southwesterly right-of-way of a gravel road;

**THENCE,** N. 26° 58' W., along the southwesterly right-of-way of a gravel road, a distance of 359.08 feet to the intersection of the E-W centerline of the SW1/4 of section 1;

**THENCE,** S. 89° 50' E., along the E-W centerline of the SW1/4 of section 1, a distance of 180.00 feet to the **POINT OF BEGINNING** containing 0.66 acres of land.

**Exhibit “A”:** Attached hereto and made part of.

2. **Area:**

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/land/county)</th>
<th>Actual (land survey, in.)</th>
<th>Tax Assessor’s (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.66 acres</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **Record Documents:**

USDA - Forest Service

4. Comments:

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

For purposes of acquisition, the acreage is 0.66 acres.

[Signature]
Cadastral Surveyor, Bureau of Land Management

3/23/17

Date

Page 2 of 3

(attach additional pages as necessary for items 1 thru 4)
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 3

Forest Name: San Juan NF, Pagosa RD

Assessor's Parcel Number:

County, Town, or Borough: Archuleta County
State: Colorado

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

New Mexico Principal Meridian, Colorado
T. 36 N., R. 1 W.,
Sec. 13, that part of the NE1/4NW1/4 lying 100 feet east of the medial line of the San Juan River

2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title deed county)</th>
<th>GIS (Calc from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Record Documents:
BLM Master Title Plat, BLM Dependent Resurvey approved in 1972 and Patent Records.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. The following errors and/or concerns, need to be corrected/addressed before this description should be used. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 16.4 acres.

Cadastral Surveyor, Bureau of Land Management: Date

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
**PRELIMINARY LAND DESCRIPTION VERIFICATION**

**FEDERAL LAND**

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 4  
**Forest Name:** San Juan NF, Pagosa RD  
**Assessor's Parcel Number:**  
**County, Town, or Borough:** Archuleta County  
**State:** Colorado

### 1. Legal Description:

(Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrants, parcel, grant, etc., as appropriate.)

New Mexico Principal Meridian, Colorado  
T: 34 N., R. 1 E.,  
Sec. 11, E1/2SW 1/4.

### 2. Area:

<table>
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<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>Actual (land survey, infe.)</th>
<th>Tax Assessor's (taxing authority)</th>
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</thead>
<tbody>
<tr>
<td>80 acres</td>
<td>80 acres</td>
<td></td>
<td></td>
</tr>
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</table>

### 3. Record Documents:

BLM Master Title Plat, GLO Original Survey in 1883 and Patent Records.

### 4. Comments:

Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is **80** acres.

Cadastral Surveyor, Bureau of Land Management  
Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4)  
Page 1 of 1
## Preliminary Land Description Verification

### Federal Land

<table>
<thead>
<tr>
<th>Purchase/Exchange Name</th>
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<tbody>
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<td>Forest Name</td>
<td>San Juan NF, Pagosa RD</td>
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<td>Assessor’s Parcel Number</td>
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</tr>
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</table>

**County, Town, or Borough:** Archuleta County  
**State:** Colorado

### 1. Legal Description:

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
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</table>
| New Mexico Principal Meridian, Colorado | T. 34 N., R. 1 E.,  
sec. 10, a portion of the N1/2SE1/4NE1/4 to include existing “Bench Pasture”,  
sec. 11, a portion of the W1/2NW1/4 to include existing “Bench Pasture”,  
N1/2SW1/4SW1/4NW1/4, and N1/2SE1/4SW1/4NW1/4; |

### 2. Area:

<table>
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<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor’s (taxing authority)</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>33</td>
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### 3. Record Documents:

BLM Master Title Plat, GLO Original Survey in 1883.

### 4. Comments:

The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 33 acres.

[Signature]

Cadastrial Surveyor, Bureau of Land Management  
Date: 11/4/2018

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management
PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

<table>
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<th>Valle Seco Proposed Land Exchange Federal Parcel 6</th>
</tr>
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<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County State: Colorado</td>
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</table>

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 34 N., R. 1 E., Sec. 11, N1/2SE1/4NE1/4.

2. Area:

<table>
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<tr>
<th></th>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>Actual (land survey, infor.)</th>
<th>Tax Assessor's (taxing authority)</th>
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<tbody>
<tr>
<td></td>
<td>20 acres</td>
<td>20 acres</td>
<td></td>
<td></td>
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</table>

3. Record Documents:
BLM Master Title Plat, Original Survey in 1883 and Patent Records.

4. Comments:
Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 20 acres.

Cadastral Surveyor, Bureau of Land Management

Date 1/14/2019

Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 7
Forest Name: San Juan NF, Pagosa RD
Assessor's Parcel Number: 
County, Town, or Borough: Archuleta County
State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 34 N., R. 1 E., Sec. 1, a portion of the SE1/4SE1/4 lying 30 feet northerly of the centerline of National Forest System Road 660.
T. 34 N., R. 2 E., Sec. 6, a portion of lot 7 lying 30 feet northerly of the centerline of National Forest System Road 660, N1/2SE1/4SW1/4, and NW1/4SW1/4SE1/4

2. Area: 
   - Official (Public Land Survey) 
   - Record (title/deed/country)
   - GIN (Calc. from GIS)
   - Tax Assessor's (taxing authority)

3. Record Documents:
BLM Master Title Plat, GLO original surveys and BLM Dependent Resurvey approved in 1992.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 55 acres.

Cadastral Surveyor, Bureau of Land Management

Date: 3/22/17

Page 1 of 1

(attach additional pages as necessary for items 1 thru 4)
**Pre-Liminary Land Description Verification**

**Federal Land**

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 8  
**Forest Name:** San Juan NF, Pagosa RD  
**Assessor's Parcel Number:**  
**County, Town, or Borough:** Archuleta County  
**State:** Colorado

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

New Mexico Principal Meridian, Colorado  
T. 34 N; R. 2 E;  
Sec. 5, a portion of the NW1/4NW1/4SW1/4.

**2. Area:**  
<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (Held by County)</th>
<th>GIS (Calculated from GIS)</th>
<th>Tax Assessor’s (Ownership Authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.486</td>
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<td></td>
</tr>
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**3. Record Documents:**  
BLM Master Title Plat and original survey approved in 1892.

**4. Comments:**  
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to segregate land based on acreage.

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

For purposes of acquisition, the acreage is 3.486 acres.

**Cadastral Surveyor, Bureau of Land Management**  
10/24/16  
(attach additional pages as necessary for items 1 thru 4)  
Page 1 of 1
**USDA - Forest Service**

**File Code: 5400 Landownership**

5500 Landownership Title Management

**PRELIMINARY LAND DESCRIPTION VERIFICATION**

**FEDERAL LAND**

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 9

**Forest Name:** San Juan NF, Pagosa RD

**Assessor’s Parcel Number:**

**County, Town, or Borough:** Archuleta County

**State:** Colorado

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

New Mexico Principal Meridian, Colorado

T. 34 N., R. 1 E.,

Sec. 1, a portion of Lot 1, lying northerly and westerly of E.P. fence line.

**2. Area:**

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title deed county)</th>
<th>Actual (land survey info)</th>
<th>Tax Assessor's taxing authority</th>
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**3. Record Documents:**


**4. Comments:**

The land description has potential problems and should not be used as written in the subject conveyance/property document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify, parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 0.02 acres.

[Signature]

**Cadastral Surveyor, Bureau of Land Management**

**Date:** 3/21/17

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
LOVE APPRAISALS, INC.

USDA - Forest Service
File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY LAND DESCRIPTION VERIFICATION
FEDERAL LAND

<table>
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<th>Purchase/Exchange Name:</th>
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<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</td>
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<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.)
New Mexico Principal Meridian, Colorado
T. 36 N., R. 3 W.,
Sec. 17, a portion of the SE1/4SE1/4 lying southerly and easterly of existing fenceline;
Sec. 20, a portion of the NE1/4NE1/4 lying easterly of existing fenceline, a portion of the SE1/4NE1/4 lying easterly of existing fenceline, a portion of the NE1/4SE1/4 lying easterly of existing fenceline, and a portion of the SE1/4SE1/4 lying easterly of existing fenceline;
Sec. 29, a portion of the E1/2NE1/4 lying northerly and easterly of existing fenceline.

2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>68 acres</td>
<td></td>
</tr>
</tbody>
</table>

3. Record Documents:
BLM Master Title Plat, Original Survey approved in 1883, BLM Dependent Resurvey approved in 1987.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged.

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

For purposes of acquisition, the acreage is

68 acres.

Cadastral Surveyor, Bureau of Land Management
Date

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
## Preliminary Status Report
### Federal Selected Land

**PropONENT**

**Serial No.**

**Forest**

**Valle Seco Land Exchange**

**San Juan National Forest**

<table>
<thead>
<tr>
<th>Legal Description</th>
<th>Acres</th>
<th>In/Out</th>
<th>Surface Status</th>
<th>Sub-Sur Status</th>
<th>Acq. Date/Auth</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bootsjack Ranch</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parcel 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. 36, N. R. 1 W., NMPM, Archuleta County, Colorado</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. 13, NE1/4NE1/4;</td>
<td>40.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 3</td>
</tr>
<tr>
<td>T. 36, N. R. 1 E., NMPM, Archuleta County, Colorado</td>
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<td></td>
</tr>
<tr>
<td>Sec. 18, Lot 1 (42.98 acres), NE1/4NW1/4, W1/2W1/2NW1/4NE1/4;</td>
<td>92.98</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td></td>
</tr>
<tr>
<td>Sec. 7, S1/2SE1/4SW1/4, W1/2W1/2W1/2SE1/4, SW1/4SW1/4SW1/4NE1/4;</td>
<td>42.50</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 2</td>
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<tr>
<td><strong>Parcel 2</strong></td>
<td></td>
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<tr>
<td>T. 36, N. R. 1 W., NMPM Archuleta County, Colorado</td>
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<td></td>
</tr>
<tr>
<td>Sec. 1, portion of SE1/4SW1/4 lying northeast of fence;</td>
<td>0.66</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 4</td>
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<tr>
<td><strong>Parcel 3</strong></td>
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<tr>
<td>T. 36, N., R. 1 W., NMPM, Archuleta County, Colorado</td>
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<tr>
<td>Sec. 13, a portion of the NE1/4NW1/4 lying 100' east of the San Juan River;</td>
<td>16.4</td>
<td>IN</td>
<td>ACQD</td>
<td>PVT</td>
<td>11-28-1932/3-20-1922</td>
<td>See Note 1</td>
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<tr>
<td>Rancho del Sol</td>
<td>Parcel 4</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Sec. 11, E1/2SW1/4;</td>
<td>80.00 IN PD PD 3-2-1907/3-3-1891</td>
<td></td>
<td></td>
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<tr>
<td>Parcel 5</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Sec. 10, portion of the N1/2SE1/4NE1/4 within the existing &quot;Bench Pasture&quot;;</td>
<td>5.00 IN PD PD 3-2-1907/3-3-1891</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Sec. 11, N1/2S1/2SW1/4NW1/4, a portion of the W1/2NW1/4;</td>
<td>28.00 IN PD PD 3-2-1907/3-3-1891 See Note 5</td>
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<tr>
<td>Federal Parcel 6</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</td>
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<tr>
<td></td>
<td>Sec. 11, N1/2SE1/4NE1/4;</td>
<td>20.00 IN PD PD 3-2-1907/3-3-1891</td>
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<tr>
<td>El Rancho Pinoso</td>
<td>Parcel 7</td>
<td>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</td>
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<tr>
<td></td>
<td>Sec. 1, portion of SE1/4SE1/4 north of NSFR 660;</td>
<td>9.00 IN PD PD 3-2-1907/3-3-1891</td>
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<td></td>
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<tr>
<td></td>
<td>T. 34 N., R. 2 E., NMPM, Archuleta County, Colorado</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Sec. 6, portion of lot 7 north of NSFR 660, N1/2SE1/4SW1/4, portion of NW1/4SW1/4SE1/4 to include the headgate for the J.T. Tiernan No. 1 Ditch;</td>
<td>46.00 IN PD PD 3-2-1905/3-3-1891 See Note 6</td>
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<td></td>
<td></td>
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<td>Parcel 8</td>
<td>T. 34 N., R. 2 E., NMPM, Archuleta County, Colorado</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------------------</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Sec. 5, portion of the NW1/4NW1/4SW1/4</td>
<td>3.486</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 7</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Parcel 9</th>
<th>T. 34 N., R. 1 E., NMPM, Archuleta County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 1, portion of the Lot1 within the ELP fenceine</td>
<td>0.02</td>
</tr>
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</table>

| Toner Ranch, Middle Fork of the Piedra River |

<table>
<thead>
<tr>
<th>Parcel 10</th>
<th>T. 37 N., R. 3 W., NMPM, Hinsdale County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 10, S1/2SW1/4SE1/4</td>
<td>20.00</td>
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</table>

| Corral Mountain |

<table>
<thead>
<tr>
<th>Federal Parcel 11</th>
<th>T. 36 N., R. 3 W., NMPM, Archuleta County, Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 17, Portion of SE1/4SE1/4</td>
<td>20.00</td>
</tr>
<tr>
<td>Sec. 20, Portion of E1/2E1/2</td>
<td>40.00</td>
</tr>
<tr>
<td>Sec. 29, Portion of the E1/2NE1/4 All of the above within the existing fence</td>
<td>8.00</td>
</tr>
</tbody>
</table>

**TOTAL ACREAGE:** 472.05
NOTES:

*BLM Index to Unpatented Mining Claims Report regarding the above-selected lands shows an active claim in NMPM, T. 36 N., R. 1 E., Sec. 7, NE1/4.

The SUDS Report depicting additional SUPs that may or may not affect the above-selected lands will need to be generated at the forest level.


2. ALP Veiewer’s Other Surface Right layer shows a separated right (SJN194) for a ditch and canal dated 3/3/2009. The case name is Saddleback Ranch, LLC.

3. ALP Veiewer’s Title Claims and Encroachment Cases layer shows a suspected encroachment with a case number of 0213-0006-792.

4. ALP Veiewer’s Right of Way layer shows a Road ROW (SJN110) which might be near the parcel. The casename is Bootjack Management Company (aka Koinonia LLC), and the action date is 6/17/2008.


6. ALP Veiewer’s Other Surface Right layer shows separated rights (SJN166 & SJN169) for a ditch and canal both dated 3/9/2012. The case name on both is Robert D. Lindner Family Trust.

7. ALP Veiewer’s Title Claims and Encroachment Cases layer shows a suspected encroachment might be near the parcel with a case number of 0213-0006-794.

8. ALP Veiewer’s Other National Designated Area layer shows the Piedra Special Management Area is near the parcel.

9. ALP Veiewer’s Right of Way layer shows a Road ROW which might be near the parcel. The casename is Double Springs Partnership LTD, and the action date is 12/11/1992.

Prepared by  Rob Durrant
Date  11/13/2018
Proposed
Valle Seco 2019 Land Exchange
Federal Parcels

August 14, 2020

BY
WILLIAM B. LOVE APPRAISALS, INC.
216 WEST MONTEZUMA AVENUE
P.O. DRAWER C
CORTEZ, COLORADO 81321
(970) 565-8578

MAGGIE LOVE, MAI
September 23, 2020

Charles Brown, MAI, Senior Review Appraiser  
USDA Forest Service, Rocky Mountain Region  
1617 Cole Boulevard  
Lakewood, Colorado 80401  
charles.brown@usda.gov

Dear Mr. Brown:

As you requested and confirmed with the Appraisal Statement of Work, I have appraised the Federal Parcels for the Proposed Valle Seco 2019 Land Exchange. These properties will hereafter be referred to as Subject.

As a result of my inspection of the property and research and analysis of the market, I opine the following market value in terms of cash or of financing terms equivalent to cash, as of this date:

$3,358,000  
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

The assumptions and limiting conditions, descriptions, definitions, data, calculations and reasoning processes upon which the values are predicated are contained in the following appraisal report per Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Thank you for the opportunity to be of service.

Sincerely,

William B. Love Appraisals, Inc.

Maggie Love, MAI  
Certified General Appraiser  
No. CG00001753
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<td>8-21</td>
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<td>Statement of Assumptions and Limiting Conditions</td>
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<td>Description of Scope of Work</td>
<td>25-29</td>
</tr>
</tbody>
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<td>31-37</td>
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</table>

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<td>81-114</td>
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<td>Chart of Resales Since 2000</td>
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<td>118-132</td>
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<td>133-144</td>
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<tr>
<td>Preliminary Land Status Reports</td>
<td>145-148</td>
</tr>
</tbody>
</table>


APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief, ...

1. the statements of fact contained in this report are true and correct.

2. the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. the appraisal was developed and the appraiser report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.

8. the appraisal was developed and the appraisal report 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.

9. the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

10. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. as of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

12. no one provided significant professional assistance to the person signing this certification.

13. the appraiser has made a physical inspection of the property appraised and that the property owner, or his designated representative, was given the opportunity to accompany the appraiser on the property inspection.
14. 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 acceptance of this assignment.

15. In my opinion, the market value in terms of cash or of financing terms equivalent to cash is: $3,358,000 (THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

William B. Love Appraisals, Inc.

Maggie Love, MAI
Certified General Appraiser
No. CG00001753
EXECUTIVE SUMMARY

Case Name: Proposed Valle Seco 2019 Land Exchange
Federal Parcels 1 through 9, 11

Highest and Best Use: agriculture, recreation, homesites

Improvements: None

Final opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Effective date of Value: August 14, 2020. The ranch managers have confirmed that the condition of the properties remains the same as of the dates of inspection.

The appraisal is being written during what has now become a four month COVID-19 pandemic with accompanying economic depression and social unrest. This crisis has the potential to have significant impacts on real estate values.

In my experience, financial institutions are functioning and residential real estate markets are strong. The potential impact on rural/recreational/agricultural properties will differ. Because such properties have unique locational and physical characteristics, market participants are specialized and traditionally well-funded. Marketing/exposure times can be lengthy, say years, under normal circumstances. It is possible that the remote location could improve demand to shelter in paradise. Local brokers say that the real estate market is very busy. The local MLS shows relatively stable trends. The number of year to date listings greater than 34 acres for 2020, 121, is up from the same time period in 2019, 104. Likewise, the number...
of sales is up, 252 sales year to date in 2020 and 245 sales in 2019. Over 50% of the participants in the June COVID-19 Impact Survey feel the agriculture land market is unchanged. Currently, I do not have sufficient market evidence to measure how the pandemic is and will affect real estate values.
PHOTOGRAPHS
All of the photographs were taken by Maggie Love on October 22 and 23, 2019.

Parcel 1

Looking west at the south portion

Looking northwest at the south portion
Looking east at the north portion
Parcel 2

Looking west at Parcel 2

Looking west at Parcel 2
Paragraph 1

Paragraph 2

Image 1

Paragraph 3

Image 2

Paragraph 4

Image 3

Paragraph 5
Parcel 4

Looking southeast from the pond one-quarter mile away

Looking south from the northwest corner
Looking south along the west boundary
Parcel 5

Looking east at Parcel 5

Looking north at Parcel 5
Parcel 6

Looking south at Parcel 6

Looking east at Parcel 6
Parcel 7

Looking south at Parcel 7

Looking northwest at Parcel 7
Looking east from the northwest corner
Parcel 8

Looking south at Parcel 8

View from Parcel 8
Parcel 9

Looking northeast at Parcel 9
Parcel 11

Looking north from the south boundary

Looking north from the south portion
Looking south from the south portion

Looking north
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made based on the following assumptions and limiting conditions. Use of this report for any purpose constitutes acceptance of these assumptions and limiting conditions.

It is assumed that:

1. The legal description and size are correct.
2. The title to the property is marketable. No liability is assumed for matters of a legal nature such as title defects, encroachments, liens, etc.
3. There are no encumbrances or defects of title other than those mentioned in this report.
4. The property is free and clear of all liens other than those mentioned in this report.
5. The property is efficiently managed and properly maintained.
6. All engineering is correct. No new survey was made of the property and sketches and maps in this report are for illustrative purposes only.
7. There are no hidden or unapparent conditions of the property, subsoil or structures which may render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which may be required to discover these factors.
8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
9. There is full compliance with all applicable Federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

10. All applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

11. All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

12. The utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. The information contained in this report, gathered from reliable sources, and opinions furnished by others, is considered to be correct; however, no responsibility is assumed as to the accuracy thereof.

This appraisal report has been made with the following general limiting conditions:

1. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The date of value to which the opinions expressed in the report apply is shown in the “Letter of Transmittal”. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

6. Use of this report by anyone constitutes acceptance of the assumptions and limiting conditions.

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

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.

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

1. The appraisal is subject to the extraordinary assumption that the subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance.
DESCRIPTION OF SCOPE OF WORK

Identification:

Case Name Proposed Valle Seco 2019 Land Exchange - Federal Parcels 1 through 9 and 11

The purpose and intended use of the appraisals is to provide a value basis for the potential, voluntary land exchange. The Forest Supervisor for the San Juan National Forest is the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate Curtis, Land/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

The definition of market value is:

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 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.
Highest and Best Use: agriculture, recreation and homesites

Improvements: None

Opinion of Market Value in terms of cash or of financing terms equivalent to cash:

$3,358,000
(THREE MILLION, THREE HUNDRED AND FIFTY-EIGHT THOUSAND DOLLARS)

Descriptions:

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-Acres</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>175.48</td>
<td>Creeks, meadow and hillside</td>
</tr>
<tr>
<td>2</td>
<td>.66</td>
<td>Small private road</td>
</tr>
<tr>
<td>3</td>
<td>16.4</td>
<td>Bench, overlooks San Juan River</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-Acres</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>80</td>
<td>Hillside</td>
</tr>
<tr>
<td>5</td>
<td>33</td>
<td>Overlooks Blanco River</td>
</tr>
<tr>
<td>6</td>
<td>20</td>
<td>Hillside</td>
</tr>
<tr>
<td>7</td>
<td>55</td>
<td>Forest Service Road 660A</td>
</tr>
<tr>
<td>8</td>
<td>3.486</td>
<td>Hillside</td>
</tr>
<tr>
<td>9</td>
<td>.02</td>
<td>Meadow, severed by county road</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-Acres</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>68</td>
<td>Strip of hillside</td>
</tr>
</tbody>
</table>

Total 452.06
This is an Appraisal Report per USPAP and UASFLA. Preparation involved the following procedures.

1. Defining the larger parcel is required to begin the appraisal process.
   
   As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110).
   
   “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use...As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.”

   In this appraisal, the larger parcels vary. Refer to the further discussion in “Analysis of Highest and Best Use”.

2. I inspected the properties on October 22 and 23, 2019 with Becca Smith, Land and Mineral Specialist, Pagosa Ranger District; Charles Brown, Senior Review Appraiser, Rocky Mountain Region; and Mike Anderegg of Love Appraisals. The inspection involved driving through the properties. I have confirmed that the conditions remain the same with the ranch managers. The effective date of the appraisal is the date through which the analyses extend.

3. Area and neighborhood data are based on information compiled by our office over the last 50 years.

4. A thorough investigation and analysis of market data has been conducted in developing the estimated land value. A more exact description of the market investigation is contained in the valuation portion of this report.

5. The sales comparison approach is utilized to estimate the land value. The cost approach is not applicable because there are no improvements. The income approach is not appropriate because it does not reflect sellers’ and buyers’ motivations for remote, recreational and agricultural properties.

6. I submitted the initial appraisal to Charles Brown, Senior Review Appraiser on August 14, 2020. Mr. Brown responded with email comments requesting some corrections; an analysis of potential real estate taxes; further discussion of larger parcels and any market impact due to limited usability and small sizes; a question regarding seller duress on a comparable sale; and an acreage range for the unit value for Federal Parcels 5 and 11 and the Federal
Parcel as a whole. His suggestions are incorporated in the report dated August 23, 2020.

The scope of this appraisal is only limited by the assumptions and limiting conditions contained in this report. The intent of this appraisal is to be in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation; the Uniform Appraisal Standards for Federal Land Acquisitions; and the Statement of Work included in the Addenda.

Property Rights Appraised

The property interest corresponds to the fee simple estate. The fee simple estate 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.” (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, Chicago 2015, page 90.)

The Preliminary Land Status Report included in the Addenda shows a few exceptions. The following quote from the Statement of Work, describes these exceptions.

For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation
easements to be placed on a portion of Federal Parcel 1 as part of the exchange. Draft easements will be provided to the appraiser.

The following unauthorized improvements exist on the Federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

The exceptions for ditches, canals, electric lines, roads and fences are typical of the market. The impact of the conservation easement on a portion of Federal Parcel 1 will be considered in "Land Value". The appraisal includes the mineral interests except that Federal Parcels 3 and 5 have outstanding mineral rights. The Federal government does not own the oil and gas minerals on Federal Parcel 3 or any of the minerals on a small portion of Parcel 5.
LEGAL DESCRIPTIONS

The legal descriptions are provided by the Statement of Work, Land Description Verifications and Preliminary Land Status Reports included in the Addenda.
AREA DATA

General information, such as the area’s environmental, social, economic and governmental forces is relevant in an appraisal because these forces affect property value. Analyses of these forces sets the background in which to consider the specific property being appraised, supplies information essential to recognize trends in the area, and provides a base from which to estimate highest and best use and the final estimate of value.

The Subject tracts are located in Archuleta County, Colorado. Archuleta County is located in the southwestern portion of Colorado in the San Juan Mountains. Please refer to the map on the next page. Parcels 10 and B are now excluded from the appraisal.

Archuleta County has a total land area of 1,364 square miles or 872,960 acres. It is mostly rectangular and spans sixty-six miles from east to west and thirty-three miles from north to south. The Federal and State Governments own 50% of the land in the county and 15% is owned by the Southern Ute Indian Tribe. Only 35% of the County is in private ownership.

The topography of the County varies greatly. The northern portion is mountainous rising to 13,000+ foot peaks at the Continental Divide. There are numerous, comparatively level valleys in the southwest where the soil is a deep, fertile loam.
Several mountain valleys form the central portion of the County. The San Juan River, with headwaters in the San Juan Mountains, and its tributaries provide most of the water resources.

The climate is typical of mountainous Colorado with moderate summers and sunny winter days. There are over 300 days of sunshine each year. The average annual rainfall is twenty inches. Snowfall is one hundred inches in Pagosa Springs and four hundred inches on Wolf Creek Pass. The annual temperature mean at Pagosa Springs is 42.2°.

Pagosa Springs is named for and developed around a unique geologic feature, hot springs. It is one of the oldest towns in the San Juan Basin. It is located at the junction of U.S. Highways 160 and 84 where the highways cross the San Juan River. It has a consolidated school system, numerous retail and service establishments, and several banks. It is serviced by a County owned airport.

The greatest natural resource of Archuleta County is its scenic countryside and beautiful mountains. The high percentage of ownership of land by the National Forest Service including parts of two wilderness areas, make this county an ideal spot for tourism and recreation. The distance of Archuleta County from any major market and the lack of an adequate transportation system from Archuleta County to other areas severely limit the possibilities for manufacturing or significant agricultural production in the county. However, the attractive environmental factors make the county desirable for information based enterprises.
Social Forces

Social forces that affect real estate values are primarily exerted by population characteristics. In the past 30 years, Archuleta County has experienced a population increase combined with an influx of capital as people have become attracted to the beauty and recreational potential of the area. The growth is displayed on the following chart.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2,117</td>
<td></td>
</tr>
<tr>
<td>1920</td>
<td>3,590</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>3,806</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>3,030</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,629</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2,733</td>
<td>4.0%</td>
</tr>
<tr>
<td>1980</td>
<td>3,644</td>
<td>33.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5,345</td>
<td>46.7%</td>
</tr>
<tr>
<td>2000</td>
<td>9,898</td>
<td>85.2%</td>
</tr>
<tr>
<td>2010</td>
<td>12,084</td>
<td>22.0%</td>
</tr>
<tr>
<td>2018 estimate</td>
<td>13,765</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

The 2010 population of Pagosa Springs was 1,727. The 2010 population of the Pagosa Lakes area was estimated at 6,500.

In 1970, Eaton International began the development of the recreational development known as Fairfield Pagosa, just west of Pagosa Springs. Commercial development west of town and in Fairfield Pagosa catalyzed competition in the Town of Pagosa Springs resulting in a “face-lift” of the old commercial district. Single family and condominium construction in Fairfield Pagosa has provided a major contribution to the area economy since the early 1980's. The amount of construction is illustrated by the following graph with the total number of building permits in Archuleta County.
Social forces, primarily recent population growth, led to a dynamic real estate economy with record land sales and construction through 2006. The number of building permits have declined dramatically since then, corresponding with the downturn in the national construction economy, but the number of building permits shows improvement since the low in 2010.

**Governmental Forces**

Governmental forces are stable to improving. The County is governed by three County Commissioners, and a paid County Manager. The area's tax structure is competitive with other recreational areas in Colorado. Police, fire protection, and public utilities are adequate and provide an infrastructure encouraging population growth. Archuleta County is zoned and building permits are required.
Economic Forces

The primary sources of income were timber, mining, and ranching. Now, the main economic base of Archuleta County is tourism and recreation and construction. The many recreational opportunities include rafting, fishing, hunting, hiking and skiing. Wolf Creek Ski Area is located at the summit of Wolf Creek Pass, elevation 11,000 feet, and often has the best snow conditions in Colorado. Wolf Creek has 1,200 acres of terrain serviced by five chairlifts and three surface lifts. It has 175,000 to 200,000 skiers a season.

All of the economic indicators show that the area experienced growth between 1990 and 2007. The Archuleta County sales tax, based on 4% of all retail sales in the County is arrayed on the following bar graph. The recent declines also reflect errors in prior accounting. The overall trend is for improving revenues since 2012.
Real estate in every category in Archuleta County was in a steady upward trend through 2007. The market was pushed by increasing demand from outside the area and very limited supply. The local economy suffered from the decline in construction and real estate sales velocity, corresponding with the national economy. Sales velocity plummeted from a record in 2006 as illustrated by the following chart of land sales greater than 34 acres in Archuleta County.

<table>
<thead>
<tr>
<th>Year</th>
<th># of Land Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>104</td>
</tr>
<tr>
<td>2007</td>
<td>44</td>
</tr>
<tr>
<td>2008</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>22</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>13</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>51</td>
</tr>
<tr>
<td>2019</td>
<td>35</td>
</tr>
</tbody>
</table>

Sales velocity has improved over the low in 2011. Land resales show appreciating values through 2008. But, virtually all of the resales show declining values until around 2012. The recent market evidence depicts conflicting trends.

The long term economic outlook for the area appears more favorable. Continued population growth should maintain demand for vacant and improved properties. The area has adequate land and utilities to support development and expansion. Residents agree that the location, climate, and recreational opportunities provide a desirable quality of life.
NEIGHBORHOOD DATA

The ten Federal parcels are located in three distinct neighborhoods described as follows.

San Juan River Area

Parcels 1, 2 and 3 are located approximately ten miles northeast of Pagosa Springs with primary access from U.S. Highway 160 going up to Wolf Creek Pass on the north. The neighborhood extends from Wolf Creek Pass on the north to the National Forest boundary on the south, approximately four miles northeast of Pagosa Springs. The neighborhood is surrounded by the National Forest on the east and west and has the amenities of river bottom with exceptional views of the surrounding mountains. It has historically been devoted to large landholdings traditionally used for agriculture, but there has been increasing subdivision activity in the southern portion of the neighborhood.

The highest and best use of the neighborhood, like the entire county, has evolved from agriculture to rural homesites with corresponding agricultural uses. A few subdivisions and some small rural homesites, both primary and secondary, are located in this area. Scattered historic and new commercial uses are located in the neighborhood such as guest cabins, a bed and breakfast and an RV park.

The San Juan River valley has enjoyed strong demand for large and small rural homesites. San Juan River Ranch (SJRR). A 35+ acres subdivision overlooking the river and the Continental Divide, was developed in the 2000s.
Blanco Basin Area

The neighborhood of Parcels 4 through 9 may be defined as the Blanco Basin. This area is transected by Forest Service Road 657 and the Rio Blanco. It is confined on all sides by the San Juan National Forest. The boundaries of the National Forest closely follow the river valley.

This neighborhood has convenient access, 10 miles from Pagosa Springs via U.S. Highway 84 and five to 13 miles on Forest Service Road 657, also known as County Road 326 and the Blanco Basin Road. The neighborhood has excellent views plus the amenity of river frontage and attractive river bottom land. Demand for rural homesites within the neighborhood has remained strong, but very little supply is available. Blue Mountain Ranches Subdivision provided 41 small lots in the early 1970s.

Corral Mountain Area

The neighborhood of Parcel 11 may be described as the land along the Piedra Road, County Road 600, extending from its origin at U.S. Highway 160 on the south to the boundary to the Hinsdale County line on the north. Subject is in the center of the neighborhood. The land to the west of this road is heavily developed into small lots, in a variety of subdivisions collectively known as Pagosa Lakes. The southern portion of the neighborhood features commercial development at the intersection with the highway and a golf course and airport. North of the airport, and east of the Piedra Road, the land is primarily residential in nature and in larger parcels of 35
acres or more in size. There is a new subdivision of smaller lots known as the Reserve. The older 35+ acre subdivision of Eagle Peak Ranches is east of Subject.

This was a rapidly developing, desirable neighborhood with good access provided by Piedra Road and water and sanitation provided by the Pagosa Area Water and Sanitation System (PAWS) throughout most of the neighborhood. It is a transitional neighborhood between the small lot subdivisions to the west and the larger lot development to the east and the National Forest boundary to the north. Many portions of this neighborhood offer excellent scenic views of the mountains to the north and east. Virtually all of the land in the south portion of the neighborhood has been subdivided for residential use. A few large ranches remain in the north portion of the neighborhood.
PROPERTY DATA

Site Description

The following paragraphs will first provide descriptions applicable to all ten parcels and then will supply individual site descriptions. The properties have no utilities, no mineral deposits, no water rights, nor hazardous substances.

Improvements

None. The unauthorized improvements existing on the Federal parcels, ditches, roads, fencing and a stock pond, are typical of the market and are encompassed in land value.

Fixtures

None

Use History

Vacant

Sales History

None

Rental History

None
Assessed Value and Annual Tax Load

The Federal land is currently exempt from taxation. The estimated tax is supplied below.

Colorado Statute provides different levels of taxation. Properties classified as agricultural receive preferential tax treatment with assessed value based on income potential. Those classified as residential are the assessed at approximately 7.5% of actual value. Vacant land is assessed at 29% of actual value. The discrepancy is readily noticeable in the taxes for the comparable sales arrayed below.

<table>
<thead>
<tr>
<th>No.</th>
<th>Size/Acre</th>
<th>Taxes</th>
<th>Taxes/Acre</th>
<th>Assessed Value</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Lacking Access</td>
<td>160</td>
<td>$3,297</td>
<td>$20.61</td>
<td>$67,580</td>
<td>Vacant</td>
</tr>
<tr>
<td>San Juan River Sale 1</td>
<td>35.15</td>
<td>$4,323</td>
<td>$122.98</td>
<td>$89,150</td>
<td>Residential</td>
</tr>
<tr>
<td>San Juan River Sale 2</td>
<td>35</td>
<td>$13</td>
<td>$0.38</td>
<td>$270</td>
<td>Agricultural</td>
</tr>
<tr>
<td>San Juan River Sale 3</td>
<td>408</td>
<td>$7,029</td>
<td>$17.23</td>
<td>$130,950</td>
<td>Residential</td>
</tr>
<tr>
<td>Corral Mtn. Sale 1</td>
<td>50</td>
<td>$62</td>
<td>$1.24</td>
<td>$1,000</td>
<td>Agricultural</td>
</tr>
<tr>
<td>Corral Mtn. Sale 2</td>
<td>35.25</td>
<td>$1,051</td>
<td>$29.82</td>
<td>$17,020</td>
<td>Vacant</td>
</tr>
<tr>
<td>Corral Mtn. Sale 3</td>
<td>55</td>
<td>$69</td>
<td>$1.25</td>
<td>$1,110</td>
<td>Agricultural</td>
</tr>
<tr>
<td>Corral Mtn. Sale 4</td>
<td>50</td>
<td>$2,474</td>
<td>$49.48</td>
<td>$40,790</td>
<td>Vacant</td>
</tr>
</tbody>
</table>

I conclude that the Federal Parcels will be classified Agricultural as the highest and best uses are assemblage with the adjoining ranches and the assessed values will not include improvements. The comparable sales with Agricultural classifications were highlighted above. Unfortunately, the range in price per acre is still large, $.38 to $6.03. Corral Mountain Sales 1 and 3 provide more consistency, say taxes of $1.25 per acre. The estimated taxes on the Federal Parcels would be:

\[
452.06 \text{ acres} \times $1.25\text{ per acre} = $565.08
\]
Zoning

The appraisal is subject to the following hypothetical condition as outlined in the Statement of Work.

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.

Under this hypothetical condition, the Subject parcels, like all unincorporated land in the county, would be zoned Agricultural/Ranching (AR). The zoning imposes a minimum lot size of 35 acres for two residential units, a 40 foot maximum height, and setback requirements. Any division of land into tracts smaller than 35 acres requires compliance with the county subdivision requirements.

Potential Hazards

Flood Plain: Zone A is defined as “No Base Flood Elevations determined”. Zone X is defined as “Areas determined to be outside the 0.2% annual chance floodplain”.

Parcel 1 is in Zone X according to FEMA Map No. 08007C0285D dated September 25, 2009.

Parcel 2 is in Zone X according to FEMA Map No. 08007C0120D dated September 25, 2009.

Parcel 3 is in Zone X according to FEMA Map No. 08007C0285D dated September 25, 2009.

Parcels 4 and 6 are in Zone X according to FEMA Map No. 08007C0480D dated September 25, 2009.

Parcel 5 is in Zone -X according to FEMA Map No. 08007C0480D dated September 25, 2009.
Parcels 7, 8 and 9 are in Zone X according to FEMA Map No. 08007C0485D dated September 25, 2009.

Parcel 11 is in Zone X according to FEMA Map Nos. 08007C0075D and 08007C00250D both dated September 25, 2009.

Geologic: None
Environmental: None

Please realize that I am not a geologist, engineer or biologist. The scope of my investigation is limited to inspecting the property, reading the information provided by the client, and checking the flood plain maps.

Parcel 1

Site Description

Parcel 1 is an irregularly shaped tract containing 175.48 acres. It extends three-quarter miles from east to west and approximately three-quarter miles from north to south at the widest and longest points. The north approximately six acres, located in suitable wild and scenic river corridor, is to be encumbered by a conservation easement, a requirement for the exchange. The draft easement dated April 23, 2020 outlines an easement to Colorado Open Lands allowing existing improvements, which are only roads, irrigation ditches and fencing, and prohibits any other improvements. A copy of the draft is included in my files. The proposed easement will only encumber a small portion of the property in a sloping location and has very little impact on value.
A portion of the southwest part of Parcel 1 is an irrigated meadow and the
remainder is sloping hillside ranging in elevation from 7,640 feet at the northwest
corner to 8,640 feet in the southeast corner. It is mostly timbered with spruce, fir and
aspen. Johnny Creek, Deer Creek and a tributary to Deer Creek cross the parcel.

Parcel 1 has developed, private access from the adjoining Bootjack Ranch
interior roads, but this is not legal access. Legal, public access through National
Forest lands is by non-motorized travel approximately .3 mile cross country from the
East Fork Road, 667, or three miles cross country from the Fawn Gulch Road, 666.
The lack of legal access restricts the highest and best use.

Please refer to the topographic map contained after the discussions of Parcels
1, 2 and 3 and the prior photographs.

**Parcel 2**

Parcel 2 is a tiny triangle containing .66 acres. It encompasses a small,
private road that is authorized through a private road easement. There is no legal,
public or administrative access to this road. This road is used by a non-Federal party
for ranch access. Any legal public access is non-motorized travel from about one
mile away on the Allen’s Park Road, Road 112.

This is a sloping parcel at an elevation of 7,680 feet to 7,720 feet. The
property consists of a northeast slope of open meadow.

**Parcel 3**

Parcel 3 is a 16.4 acre bench, 100 feet east and south of the San Juan River.
The elevations range between 7,520 feet to 7,680 feet. The parcel is predominantly
spruce and fir forest with some ponderosa pine. Johnny Creek crosses the parcel.
The property does not have legal access from the adjoining private land owner.
Public access would be non-motorized travel for .2 mile and crossing the San Juan River.
Parcel 4

Parcel 4 is an 80 acre parcel surrounded by private property on three and one-half sides. Public access is non-motorized travel for over a mile from the closest roads. It is sloping hillside ranging in elevation from 8,080 feet to 8,440 feet. Vegetation includes spruce, firs, ponderosa pine, aspen and a few small meadows. It does not have legal or developed access.

Parcel 5

Parcel 5 is an irregularly shaped bench on the south side of the Blanco River. It contains 33 acres and has developed access from a private road, but not legal access. This property does have electricity and will be subject to an electric line easement. Elevations range from 7,760 feet to 8,000 feet. It is heavily timbered with spruce, firs and pines. It overlooks the Blanco River, but has a steep bank between the property and the river.

Parcel 6

Parcel 6 is a 20 acre surrounded by private land. There is no legal or public access. It is a sloping hillside ranging in elevation from 7,980 feet to 8,080 feet. The vegetation is spruce, firs and pines, with very few openings.
**Parcel 7**

Parcel 7 is a long, thin parcel containing 55 acres. The entirety of Forest Service Road 660.A, approximately .6 mile, is located within the property. It is mostly level at elevations between 8,000 feet and 8,120 feet. The property is vegetated with spruce, firs and some ponderosa pine with limited views.

**Parcel 8**

Parcel 8 is a square parcel containing 3.486 acres. It consists of sloping hillside ranging in elevation from 8,100 feet to 8,200 feet. The vegetation is open meadows and aspen. It does not have developed access which would be cross country for one-quarter mile. This property does have excellent views of the Continental Divide to the north.

**Parcel 9**

Parcel 9 is a tiny triangle containing .02 acres. It consists of a level irrigated meadow on the southeast side of the Blanco Basin Road, County Road 326. It has legal public access, but is too small for any development.
Parcel 11

The Corral Mountain Parcel contains 68 acres. The property has developed, but not legal access from an authorized road. Non-legal, non-motorized access requires approximately three miles of travel. Elevations range from 8,520 feet to 8,850 feet on the north. The vegetation includes meadows, ponderosa pines, spruce, fir and some aspen.
ANALYSIS OF HIGHEST AND BEST USE

The Uniform Appraisal Standards for Federal Land Acquisitions defines highest and best use as “The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future...To be a property’s highest and best use must be (1) physically possible; (2) legally permissible; (3) financially feasible; and (4) must result in the highest value.” (Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2016, pages 22 and 23)

Physically Possible

Most of the Subjects have usable topography which allows most uses. However, there are physical constraints to the uses of most of the parcels. Parcel 1 has relatively steep topography and an unusual shape. Parcel 11 also has a long, narrow shape which is less desirable for most uses. Parcel 9 is too small to be usable for anything except for agriculture in conjunction with adjoining properties.

Legally Permissible

The lack of legal access constrains development on all of the parcels except for Parcels 7 and 9. Also, the small sizes of Parcels 2, 3, 5, 8 and 9 preclude these parcels from being legal, developable lots. The only possible uses would be agriculture and recreation with adjoining lands, except for Parcel 7.
Financially Feasible

The demand for residential recreational uses has driven land values in Archuleta County beyond the price that can be supported by agriculture, grazing. Thus, the financially feasible uses for the Subjects are residential in conjunction with agriculture, recreation and wildlife habitat. The highest and best use of each parcel is for assemblage into an adjoining agricultural use in conjunction with a residential/recreation homesite except for Parcel 7 which has sufficient access and a large enough size to be an individual homesite.

Larger Parcel

Defining the larger parcel is required to begin the appraisal process. As defined in the Uniform Appraisal Standards for Federal Land Acquisitions (page 110). “The larger parcel is the tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use... As a result, the appraiser must determine the larger parcel in every appraisal for Federal acquisition purposes.” None of the Federal parcels are physically contiguous and each comprise individual larger parcels as described in the following paragraphs. Also, presuming that the Federal Parcels are in private ownership, they do not have unity of ownership with any adjoining lands.

Parcel 1

Parcel 1 has a large enough size to allow residential development. But, it is heavily wooded with an irregular shape and does not have vehicular access. It
comprises its own larger parcel considering these constraints and the proposed conservation easement on a small portion.

**Parcel 2**

Parcel 2 is too small, .66 acres, to be physically and legally usable as a stand-alone larger parcel. This larger parcel is the .66 acres with the highest and best use to sell to an adjoining owner.

**Parcel 3**

Parcel 3 is a 16.4 acre larger parcel, but is too small to be legally usable.

**Parcel 4**

Parcel 4 contains 80 acres and is surrounded by private land on three and one-half of the four sides. It is its own larger parcel, an 80 acre hillside with no vehicular access.

**Parcel 5**

This 33 acres has developed access and electricity, but not legal access. It is a stand along larger parcel.

**Parcel 6**

Parcel 6 is a 20 acre larger parcel completely surrounded by private land with no access. It does quality for a Senate Bill 35 Variance because it has been
physically severed by adjoining National Forest ownership. But, it does not have legal access.

**Parcel 7**

This parcel has access and is large enough to be a legal, developable lot. It is a stand-alone larger parcel.

**Parcel 8**

The larger parcel is 3.486 acres, too small to be legally developable and lacking access.

**Parcel 9**

Parcel 9, containing .02 acres, is neither legally nor physically developable. The larger parcel is the small fragment.

**Parcel 11**

Parcel 11 is a 68 acre larger parcel without legal access.
LAND VALUE

Six procedures are available to appraise land. The sales comparison approach is the most appropriate procedure when adequate sales data is available. The sales comparison approach calls for an appraisal by comparing, weighing and relating sales of similar sites to the property being appraised. I utilize the sales comparison approach to estimate the value of Subject as an adequate number of comparable sales are available and the other approaches are less applicable.

I searched the public records, supplied by the Archuleta County Assessor’s Office, for sales greater than 34 acres in Archuleta County. My research extends from 2012 through approximately the date of the appraisal. I have inspected all of the nearby sales. I also searched for smaller sales in the San Juan River Area and the Blanco Basin Area because of the smaller sizes of Parcels 2, 3, 5, 6, 8 and 9. The small legal lot sales show massive increments for a small size ranging from $26,000 to $40,000 per acre. But, they are not comparable because they are developable.

The following Federal Parcels are too small to the legally developable and sold as stand alone parcels. They only have one legal potential use which is to sell to the adjoining owner. The small sales uncovered by the research have been legally subdivided or are lots prior to Senate Bill 35 was instituted in 1973. Senate Bill 35 requires that the division of land into a size smaller than 35 acres complies with the county subdivision regulations. In Archuleta County, a legal small lot subdivision requires central water and sewer.
The restricted legal uses of these parcels may impact market value due to their limited usability. The discussion on the discount for lack of legal access, utilizes paired sales to support a market derived discount. Unfortunately, I don’t know of any market data to indicate a value impact, if a discount or the opposite, a premium, is appropriate. In the case of all of these Federal Parcels, the adjoining private landowner has expressed the desire to acquire them.

I conclude the only reliable way to value these unusable parcels is as a contributory value to a legal parcel, say at least 35 acres. This valuation is appropriate because the highest and best use of the unusable parcels is assemblage with an adjoining owner. This analysis does actually provide a discount for lack of usability, by not showing the premium in unit price witnessed by smaller, legal lots.

The following chart arrays the sales considered most comparable to each area as well as the sale uncovered by the research that lacks access. This sale is not sufficiently similar to any of the Subjects in location or physical characteristics to
be used for direct comparison. To arrive at the indicated values, I compare the Subjects to the most similar sales, which have access, and then use a paired sales analysis to supply a market derived discount for the lack of access.

Details of the Comparable Sales are included in the Addenda. A location map for the sales will be included with the valuations of the individual parcels.
### San Juan River Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeiler/Harrington</td>
<td>12/12</td>
<td>$550,000</td>
<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
<tr>
<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

### Blanco Basin Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aquarius/Southern Baptists</td>
<td>08/20</td>
<td>$205,000</td>
<td>35.13</td>
<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
<td>2</td>
<td>CJ Brimhall/Clayton</td>
<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

### Corral Mountain Area Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

### Sale Lacking Access

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>
All of the sales conveyed the fee simple estate, similar to the estate appraised for Subject. They had varying mineral interests, but real estate professionals agree that the mineral estate does not contribute to value in this portion of Archuleta County. There were no leases or permits associated with any of the sales. Blanco Basin Sale 3 has a conservation easement, but the seller confirms it did not impact the price. Likewise, I do not think the small, six acre conservation easement on Parcel 1 impacts the value. It is on a steep, undevelopable hillside.

All of the sales had cash equivalent financing and typical conditions of sale with willing sellers and willing buyers.

Market Conditions-Time

A chart showing all of the resales in Archuleta County since 2000, to our knowledge, is included in the Addenda. This chart arrays resales of 32 vacant tracts mostly greater than 34 acres. It contains a total of 38 resales of which 17 declined in price, one was stable and 20 sales went up. Basically, the dichotomous trends make it difficult to discern if a time adjustment is appropriate. For instance, these following two resales in the San Juan River Area, also show contradicting trends.

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01</td>
<td>$610,000</td>
<td></td>
<td>35.15 acres, private access,</td>
</tr>
<tr>
<td>12/12</td>
<td>$550,000</td>
<td>-10%</td>
<td>overlooking river</td>
</tr>
<tr>
<td>11/06</td>
<td>$500,000</td>
<td></td>
<td>35 acres, Forest Service inholding</td>
</tr>
<tr>
<td>09/14</td>
<td>$650,000</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
In conclusion, because of the lack of market support for an applicable time trend, I do not make any adjustments.

**San Juan River Area**

The following chart summarizes the most recent, similar sales in the neighborhood. A location map is included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeiler/Harrington</td>
<td>12/12</td>
<td>$550,000</td>
<td>35.15</td>
<td>$15,647</td>
<td>hillside overlooking the San Juan River</td>
</tr>
<tr>
<td>2</td>
<td>Schaffer/Slack</td>
<td>09/14</td>
<td>$650,000</td>
<td>35</td>
<td>$18,571</td>
<td>inholding</td>
</tr>
<tr>
<td>3</td>
<td>Saddleback/Bootjack</td>
<td>07/14</td>
<td>$8,800,000</td>
<td>408</td>
<td>$21,569</td>
<td>meadows, East and West Fork of San Juan River</td>
</tr>
</tbody>
</table>

The highest and best uses of the larger parcels range from a 35 acre legal lot for Parcels 2 and 3 to 175.4 acres for Parcel 1. The sales bracket these sizes and suggest that a size adjustment is not recognized in this market. I deem that the three parcels are sufficiently similar in physical characteristic, timbered, sloping tracks with good potential views, to have the same applicable unit price. The discount for lack of access will be considered in the following paragraphs.

Giving equal weight to Sales 1 and 2 gives a unit price of $17,000 per acre as if the Federal parcels had access. Sale 3 is superior because it includes irrigation and seven miles of river frontage. The adjustments to the comparable sales are summarized on the grid following the location map.
Discount for Lack of Access

No sales lacking legal access are available that are directly comparable to the Subjects. The one sale lacking access uncovered by the research for this appraisal is inferior in all characteristics. Therefore, I develop a paired sales analysis in order to adjust for the lack of access.

I have searched throughout my appraisal career for land sales lacking public access. Most of the sales sell to adjoining landowners for buffer and expansions of residential and recreational uses. Typical declines for lack of access range from 30% to greater than 70% depending on the desirability of the tract. There is even the occasional assemblage sale which shows a premium when the assembled parcel is essential to the adjoining owner.

The most recent Archuleta County sale lacking access is arrayed below. The details of the sale are included in the Addenda.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuck et al/Eagle Shadow</td>
<td>06/12</td>
<td>$150,000</td>
<td>160</td>
<td>$938</td>
<td>sloping, pinon and juniper</td>
</tr>
</tbody>
</table>

The closest sale is arrayed below. A photograph and location map are included on the following page. The location map also depicts the sale lacking access.

<table>
<thead>
<tr>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martinez/Hilbert</td>
<td>05/20</td>
<td>$320,094</td>
<td>104.76</td>
<td>$3,055</td>
</tr>
</tbody>
</table>

Pairing this sale to the sale lacking access indicates a 69% decline (1-$938/$3,055). The actual decline would be less because the sale with access has superior physical features of same irrigated meadow and severed river frontage.
I found another older sale lacking legal access located east of Pagosa Springs on the San Juan River. It can be paired with the sale of the adjacent tract. The two parcels meet at the center of the San Juan River and are similar except for a superior amount of level meadow land on the sale with access.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size - Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/98</td>
<td>Macht/Klein</td>
<td>$420,000</td>
<td>105</td>
<td>$4,000</td>
<td>Landlocked and on side of river away from highway</td>
</tr>
<tr>
<td>7/98</td>
<td>King Brown/King Capital</td>
<td>$743,900</td>
<td>87.36</td>
<td>$8,515</td>
<td>San Juan River frontage and Hwy 160 frontage</td>
</tr>
</tbody>
</table>

The unit price for the tract without access reflects a 53% downward adjustment from the sale with access. However, the sale without access had steeper topography on a portion of the tract, indicating a portion of the downward adjustment may be for topography rather than access. The buyer of the land without access was able to obtain a small tract of adjacent land between his parcel and the highway and build an expensive bridge in order to end up with a parcel with access.

For additional support, I have analyzed paired sales from near Mancos in southwestern Colorado which were landlocked at the time of the sale. The same purchaser bought adjoining tracts, similar in all ways except for access. These sales are summarized as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size - Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/98</td>
<td>Bayles/Redstone</td>
<td>$224,000</td>
<td>625</td>
<td>$350</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Hindmarsh/Redstone</td>
<td>$200,000</td>
<td>480</td>
<td>$417</td>
<td>Landlocked</td>
</tr>
<tr>
<td>6/98</td>
<td>Aramark/Redstone</td>
<td>$760,000</td>
<td>755</td>
<td>$1,007</td>
<td>access to Hwy. 160</td>
</tr>
</tbody>
</table>
Combining the two landlocked sales results in a unit price of $377 which reflects a 62% downward adjustment from the sale with access.

Two more sets of paired sales show similar percentage declines for lack of access.

**Montezuma County, East Canyon**

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/05</td>
<td>Mathews/Malouff</td>
<td>$40,000</td>
<td>40</td>
<td>$1,000</td>
<td>Totally landlocked by steep BLM hillside</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Hoffman</td>
<td>$120,000</td>
<td>80</td>
<td>$1,500</td>
<td>Horseback access</td>
</tr>
<tr>
<td>03/04</td>
<td>Weber/Truaz</td>
<td>$216,000</td>
<td>120</td>
<td>$1,800</td>
<td>Horseback access</td>
</tr>
<tr>
<td>11/05</td>
<td>Malouf/Truaz</td>
<td>$250,000</td>
<td>120</td>
<td>$2,083</td>
<td>County road</td>
</tr>
</tbody>
</table>

These paired sales show 33% to 44% declines for the landlocked parcel compared to those accessible by horseback and a 52% decline compared to county road access.

**La Plata County, Hillside Sales near Durango**

<table>
<thead>
<tr>
<th>Date</th>
<th>Grantor/Grantee</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/10</td>
<td>Crader/City of Durango</td>
<td>$670,000</td>
<td>222</td>
<td>$3,018</td>
<td>Horse Gulch, no access</td>
</tr>
<tr>
<td>11/10</td>
<td>1401 Inv./McCutchin</td>
<td>$500,000</td>
<td>76.42</td>
<td>$6,543</td>
<td>West of Durango, easement access</td>
</tr>
<tr>
<td>02/10</td>
<td>Corallo/McCreedy</td>
<td>$250,000</td>
<td>35.17</td>
<td>$7,108</td>
<td>Durango Ridge, subdivision road</td>
</tr>
<tr>
<td>06/10</td>
<td>Bruns/End-IRA, Inc. (Malcolm)</td>
<td>$294,000</td>
<td>35.11</td>
<td>$8,374</td>
<td>Trappers Crossing, subdivision road.</td>
</tr>
</tbody>
</table>

These recent paired sales show 54% to 64% declines for lack of access.
I conclude that a 50% discount is appropriate for the lack of access. This adjustment is well supported by the paired sales.

The calculations showing the estimated unit price for each parcel, the discount for lack of access and the estimated values will be provided in a summary at the end of this discussion.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price per acre</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>12/12</td>
<td>09/14</td>
<td>09/14</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
<tr>
<td>Location</td>
<td>San Juan River</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td>Access</td>
<td>None</td>
<td>Yes</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior river frontage</td>
</tr>
<tr>
<td>Improvements</td>
<td>Yes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$15,647</td>
<td>$18,571</td>
<td>$21,569</td>
</tr>
</tbody>
</table>
Blanco Basin Area

The following chart summarizes the most recent, similar sales in the neighborhood. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
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<td>1</td>
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<td>$5,835</td>
<td>seasonal access</td>
</tr>
<tr>
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<td>01/14</td>
<td>$235,000</td>
<td>33.93</td>
<td>$6,926</td>
<td>sloping hillside</td>
</tr>
<tr>
<td>3</td>
<td>Blanco Basin/RTN-LGN II, LLC</td>
<td>12/16</td>
<td>$8,000,000</td>
<td>400</td>
<td>$20,000</td>
<td>irrigated meadow</td>
</tr>
</tbody>
</table>

Sales 1 and 2 are most similar to Parcels 4 and 6, sloping hillsides with limited views because of topography and timber. Sale 2 requires upward adjustment for the seller duress. It was “priced to sell” for $275,000 or $8,105 per acre and sold in 97 days. The seller had paid $492,000 in 2006 (Time Trend Sale A). The seller was in financial duress because of a divorce and has to dispose of the property quickly.

Sale 1 has 12 miles of seasonal access, inferior to Sale 2. The estimated unit price for Parcels 4 and 6 relies on Sale 2 with upward adjustment to $7,000 per acre if these parcels had access.

Parcels 5, 7, 8 and 9 are superior with some open, level topography allowing the mountain views. Sale 3 shows the top of the price range for land in the Blanco Basin Area. This property included a new custom house with a cost of $850,000 or $2,125 per acre, leaving a land value of $17,875 per acre. However, the sale has superior irrigation and superior views further north in the Blanco Basin Area and closer to the mountains. Adjusting this sale downward for superior features, yields
an estimated unit price of $15,000 per acre for Parcels 5, 7, 8 and 9. Parcels 5 and 8, however, lack access and require a discount.

The calculations depicting the estimated values, including the previously described discount for lack of access, are summarized at the end of this discussion.

<table>
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<tr>
<th>Subject</th>
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<td>$6,926</td>
<td>$20,000</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate w/ conservation easement</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
<td>Duress +</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>08/20</td>
<td>01/04</td>
<td>12/16</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td>$5,835</td>
<td>$6,926+</td>
<td>$20,000</td>
</tr>
<tr>
<td>Location</td>
<td>Blanco Basin Area</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>Seasonal</td>
<td>Private</td>
<td>Superior</td>
</tr>
<tr>
<td>Appeal</td>
<td>Timber</td>
<td>Timber</td>
<td>Superior</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td></td>
<td>Custom house ($2,126)</td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$5,835-</td>
<td>$6,926</td>
<td>$17,875--</td>
</tr>
</tbody>
</table>
Corral Mountain Area

The closest sales to the Corral Mountain Parcel 11 are arrayed on the following chart. A location map and adjustment grid are included at the end of this discussion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size-Acres</th>
<th>$/Acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huft/GC Colorado</td>
<td>11/15</td>
<td>$370,000</td>
<td>50</td>
<td>$7,400</td>
<td>meadow</td>
</tr>
<tr>
<td>2</td>
<td>Herzog/Wullschleger</td>
<td>09/16</td>
<td>$290,000</td>
<td>35.25</td>
<td>$8,227</td>
<td>meadow and ridge</td>
</tr>
<tr>
<td>3</td>
<td>Perry/Stanberry</td>
<td>01/20</td>
<td>$485,000</td>
<td>55</td>
<td>$8,818</td>
<td>meadow and creek</td>
</tr>
<tr>
<td>4</td>
<td>Huft/Goeckner</td>
<td>02/17</td>
<td>$440,000</td>
<td>50</td>
<td>$8,800</td>
<td>meadow and stream</td>
</tr>
</tbody>
</table>

Corral Mountain is a strip containing 68 acres. It is most similar to Sale 1 and 2 if it had legal access. Sales 3 and 4 are superior because they have live water. Sales 1 and 2 bracket a price of $8,000 per acre rounded if Parcel 11 had access. Again, the access discount is applied in the following summary.
<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
<th>Sale 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price per acre</strong></td>
<td>$7,400</td>
<td>$8,227</td>
<td>$8,818</td>
<td>$8,800</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
<td>Fee simple estate</td>
</tr>
<tr>
<td>Financing</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Motivations</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Market Conditions</td>
<td>11/15</td>
<td>09/16</td>
<td>01/20</td>
<td>02/17</td>
</tr>
<tr>
<td>Adjusted Unit Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Corral Mtn. area</td>
<td>Similar</td>
<td>Similar</td>
<td>Similar</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>None</td>
<td>Superior</td>
<td>-</td>
<td>Superior</td>
</tr>
<tr>
<td>Appeal</td>
<td>Similar</td>
<td>Similar</td>
<td>Superior</td>
<td>-</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted unit price</td>
<td>$7,400-</td>
<td>$8,227-</td>
<td>$8,818--</td>
<td>$8,800--</td>
</tr>
</tbody>
</table>
Summary of Estimated Values

The calculations arriving at the estimated value for each parcel are arrayed below.

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Size-acres</th>
<th>$/Acre</th>
<th>Less discount</th>
<th>Adj. $/Acre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>175.48</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$1,491,580</td>
</tr>
<tr>
<td>2</td>
<td>0.66</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$5,610</td>
</tr>
<tr>
<td>3</td>
<td>16.40</td>
<td>$17,000</td>
<td>50%</td>
<td>$8,500</td>
<td>$139,400</td>
</tr>
<tr>
<td>4</td>
<td>80.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$280,000</td>
</tr>
<tr>
<td>5</td>
<td>33.00</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$247,500</td>
</tr>
<tr>
<td>6</td>
<td>20.00</td>
<td>$7,000</td>
<td>50%</td>
<td>$3,500</td>
<td>$70,000</td>
</tr>
<tr>
<td>7</td>
<td>55.00</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$825,000</td>
</tr>
<tr>
<td>8</td>
<td>3.486</td>
<td>$15,000</td>
<td>50%</td>
<td>$7,500</td>
<td>$26,145</td>
</tr>
<tr>
<td>9</td>
<td>0.02</td>
<td>$15,000</td>
<td>0%</td>
<td>$15,000</td>
<td>$300</td>
</tr>
<tr>
<td>11</td>
<td>68.00</td>
<td>$8,000</td>
<td>50%</td>
<td>$4,000</td>
<td>$272,000</td>
</tr>
<tr>
<td>Total</td>
<td>452.05</td>
<td></td>
<td></td>
<td></td>
<td>$3,357,535</td>
</tr>
<tr>
<td>Rounded</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,358,000</td>
</tr>
</tbody>
</table>

The total includes ten parcels which could be sold in at least four separate transactions with the adjoining private lands. The purpose of this appraisal is to derive a single market value conclusion of a fee simple interest in the package of Federal lands. USPAP Standards Rule 1-4(e) requires “when analyzing the assemblage of the various estates or component parts of a property, an appraiser must analyze the effect on value, if any, of the assemblage. An appraiser must refrain from valuing the whole solely by adding together the individual values of the various estates or component parts”. Needless to say, there is no good market evidence to indicate if an adjustment is necessary to arrive at a single value. The
following chart and map illustrate the only sales in Southwest Colorado that I know of with multiple parcels.

<table>
<thead>
<tr>
<th>No.</th>
<th>Grantor/Grantee</th>
<th>Date</th>
<th>Price</th>
<th>Size – Acres</th>
<th>$/acre</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fox Fire Farms/Keyah Grande/USA</td>
<td>10/07</td>
<td>$756,000</td>
<td>1,080</td>
<td>$700</td>
<td>Three parcels</td>
</tr>
<tr>
<td>2</td>
<td>Wallace/TCF/USA</td>
<td>11/09</td>
<td>$3,315,000</td>
<td>4,573</td>
<td>$725</td>
<td>Eight parcels</td>
</tr>
<tr>
<td>3</td>
<td>Zwicker/TCF/USA</td>
<td>05/14</td>
<td>$347,000</td>
<td>441.6</td>
<td>$786</td>
<td>One parcel</td>
</tr>
<tr>
<td>4</td>
<td>Alexander/TCF/USA</td>
<td>04/14</td>
<td>$780,000</td>
<td>800</td>
<td>$975</td>
<td>One parcel</td>
</tr>
</tbody>
</table>
All of the sales sold to the USA for incorporation into Canyons of the Ancients National Monument. These sales require extraordinary verification and treatment. But, I determined that they are arms-length because they involved willing sellers and buyers, had no threat of condemnation and was based on extensive approved appraisals. I confirmed the sales with the buyer/seller, appraiser and the review appraiser. Pairing Sale 2, which comprised eight parcels, to the nearby remaining sales does not show a discount for the multi-parcel sale. Instead, it is bracketed by the inferior sale which have less interesting canyon topography and the two superior sales which have more dramatic topography.

I conclude that neither a discount, nor a premium is necessary in this appraisal.

The Appraisal Statement of Work says, “In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06 acre Federal property. The appraisal should also provide...a unit value (per acre) for the Federal property as a whole, and acreage ranges in which those unit values remain valid for use.”

The unit price for the 33 acre Federal Parcel 5, $7,500 per acre, is valid for a range in size of 20 to 40 acres. The unit price for 68 acre Federal Parcel 11, $8,000 per acre, is appropriate for a range in size from 35 to 80 acres. The unit price for the Federal property as a whole is mathematically calculated as $7,428 per acre ($3,358,000 ÷ 452.05 acres).
ADDENDA
QUALIFICATIONS

Maggie Love is President and an employee of William B. Love Appraisals, Inc., a woman-owned corporation. She worked as part-time secretary/bookkeeper and researcher since (b) (6). In (b) (6) she became a full-time appraiser.

Clients

A partial list of clients she has served or is serving as Fee Appraiser includes:

United States Department of Justice; Bureau of Indian Affairs; Bureau of Reclamation; United States Forest Service; Department of the Army, Corps of Engineers; National Park Service; Internal Revenue Service; General Services Administration; Chevron, Inc.; Colorado State University; Utah Power and Light; Northwest Pipeline Corporation; Shell Pipe Line Corporation; Gas Company of New Mexico; the Town of Telluride; the City of Durango; La Plata County; the City of Cortez; Montezuma County; School District RE-1; Ute Mountain Ute Tribe; Navajo Tribal Utility Association; and numerous mortgage institutions, private individuals, attorneys and relocation companies.

Experience

From (b) (6) to the present, she has worked as a full time fee appraiser and has completed over 1,800 narrative appraisal reports. Approximately 50% of her appraisals are rural and recreation properties including over 125 appraisals of conservation easements since 1988.

Unusual appraisal assignments include guest ranches, Indian ruins, conservation easements, bean warehouses, feed lots, a solid waste disposal facility and a chuckwagon supper.

Her appraisals of government projects include: the 250,000 acre expansion of Ft. Carson at Pinon Canyon for the Department of Army, Corps of Engineers; the Closed Basin Project and McPhee Dam and Reservoir for the Department of Justice; 52 parcels for the relocation of U.S. Highway 64 in Bloomfield, New Mexico; the improvements to U.S. Highway 160 in Monte Vista and Alamosa, Colorado; the Aztec Ruin National Monument expansion for the National Park Service; and the Red Mountain Project for The Trust for Public Lands and the Forest Service.

She has qualified twenty-six times as an expert witness in U. S. Federal Court in Denver, Colorado and Albuquerque, New Mexico; and District Court in Montezuma, La Plata, Montrose and El Paso Counties, Colorado; and U.S. Tax Court.
She served as an Arbitrator for Montezuma County, La Plata County, and San Miguel County, Colorado for assessment appeals. She has testified for assessment appeals in La Plata County, Colorado.

**Education**

Bachelor of Arts with Distinction, International Affairs, (b) (6)

(b) (6)

Completed Colorado real estate certificate courses: Real Estate Practice, Real Estate Law, Real Estate Finance, Real Estate Contracts, Real Estate Appraisals I, Colorado Water Law, Real Estate Closings, Construction and Ethics and Professional Practices.

Completed the National Highway Institute Eminent Domain Workshop for Attorneys and Appraisers.


Completed American Institute of Real Estate Appraisers’ Courses:

- Appraisal Principles
- Basic Valuation Procedure
- Litigation Valuation
- Capitalization Theory & Techniques, Parts I, II and III
- Standards of Professional Practice, Parts A, B and C
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Advanced Market Analysis and Highest and Best Use
- Valuation of Conservation Easements


Instructed Real Estate Appraisal I and co-instructed Farm and Ranch Valuation for the University of Colorado, Continuing Education.
Completed the Valuation of Conservation Easements classes and participated in the Conservation Easement Appraisal Seminars offered by the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Completed the four Colorado Division of Real Estate's required Conservation Easement Appraiser Update Courses.

Professional Affiliations and Activities

Member of the Appraisal Institute, professionally designated MAI
Colorado Chapter Board of Directors, (b) (6)
Member Appraisal Institute Unification Task Force, (b) (6)
Member Colorado Chapter 22 Admissions Committee, (b) (6)
Regional Representative, (b) (6)
Member General Experience Review Panel

Member of the Board of Real Estate Appraisers for the State of Colorado, (b) (6)
Chair, (b) (6)

Member of the Nominating Committee for Judicial District No. 22, (b) (6)

Associate Member Four Corners Board of Realtors
Board of Directors (b) (6)
Chair, Membership Committee, (b) (6)

Member International Right-of-Way Association
Chair, Four Corners Satellite Chapter

Member Cortez Chamber of Commerce
Board of Directors, (b) (6)

Victims Assistance and Law Enforcement Board (VALE), (b) (6)
Chair, (b) (6)

Colorado Certified General Appraiser No. CG00001753
New Mexico General Certified Appraiser No. 00523-G
Arizona Certified General Appraiser No. 31796
Utah Certified General Appraiser No. 5510046-CG00
SALE LACKING ACCESS
Photograph taken looking west from two miles east on June 10, 2020 by Maggie Love.

Grantor: Sara D. Tuck and Kevin F. Dudley
Date: 06/20/2012
Instrument: WD
Reception No.: 21203868

Grantee: Eagle Shadow Ranch, LLC

Legal Description: Lots 1, 2, 6 and 7, Section 8, Township 33 North, Range 2
West, N.M.P.M., Archuleta County, Colorado

Sale Price: $150,000
Size: 160 acres  $/Acre: $938

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical - sold to adjoining landowner

Description: sloping pinon and juniper
Verification: Jess Ketchum, appraiser, 970-731-1986

Location: Southwest of Pagosa Springs
Buyer Motivation: assemblage into adjoining ranch
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel No.: 5965-082-00-010
Taxes: $3,297.28 ($20.61/acre)
Highest and Best Use: same as Subject
Physical Address: County Road 500, Pagosa Springs
Utilities: none
Water: none
Hazards: none
Marketing Time: none
Resale Information: none
SAN JUAN RIVER AREA SALES

COMPARABLE SALE NO. 1

Photograph taken looking north on February 6, 2013 by Maggie Love.

Grantor: Ken Zeiler and Martha Zeiler  Date: 12/12/2012
Grantee: Donald R. Harrington and
Nita H. Harrington

Instrument: WD  Reception No.: 21208708

Legal Description: A tract of land in the SE1/4SW1/4 of Section 13, Township 36
North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $550,000
Size: 35.15 acres  $/Acre: $15,647

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: sloping hillside overlooking the San Juan River, good views, developed easement access

Verification: Mike Heraty, agent, 970-264-7000

Location: north of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5579-133-00-038

Taxes: $4,322.88 ($122.98/acre)

Highest and Best Use: same as Subject

Physical Address: 8091B East U.S. Highway 160

Utilities: electricity and phone on property

Water: none

Hazards: none

Marketing Time: 48 DOM

Resale Information: Prior sale for $610,000 in July 2001, Time Trend Sale M.
COMPARABLE SALE NO. 2

Photograph taken looking northwest from the locked gate one mile east on July 9, 2020 by Maggie Love.

Grantor: Kevin T. Schaffer and Ronald P. Schaffer    Date: 09/16/2014
Grantee: Francis Marion Slack III    Instrument: WD

Reception No.: 21405344

Legal Description: A tract of land located in Sections 9 and 10, Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $650,000
Size: 35 acres    $/Acre: $18,571

Property Rights Conveyed: fee simple estate

Financing: owner financing of $300,000 at 5.5% interest for five years - cash equivalent

Conditions of Sale: typical
Description: 2.5 miles from Highway 160 on seasonal Forest Service Road 647; private seasonal access, National Forest on two sides, Turkey Creek, good views

Verification: MLS and Jess Ketchum, appraiser, 970-731-1986

Location: northeast of Pagosa Springs

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5579-091-00-004

Taxes: $13.16 ($.38/acre)

Highest and Best Use: same as Subject

Physical Address: Forest Service Road 647 to private, developed driveway

Utilities: none

Water: none

Hazards: none

Marketing Time: 234 days

Resale Information: prior sale $500,000 in November 2006, Time Trend Sale Z
COMPARABLE SALE NO. 3
Photograph taken looking north on October 15, 2014 by Maggie Love.

Grantor: Saddleback Ranch, LLC
Grantee: Bootjack Ranch, LLC
Date: 07/15/2014
Instrument: SWD
Reception No.: 21403926

Legal Description: A tract of land in Sections 7, 12, and 13 in Township 36 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,800,000
Size: 408 acres
$/Acre: $21,569

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical

Description: property is at the confluence of the East Fork and the West Fork of the San Juan River. It has seven miles of river frontage. It is mostly irrigated meadows and timbered ridges.
Verification: David Smith, Ranch Manager, (0)(6)

Location: North of Pagosa Springs

Buyer Motivation: recreational homesite

Improvements: house built in 2003 containing 2,800 square feet

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: recreation

Assessor’s Parcel No.: 5579-124-00-010

Taxes: $7,029.32 ($17.23/acre)

Highest and Best Use: same as Subject

Physical Address: 401 Forest Service Road 667

Utilities: electricity and gas

Water: irrigation and well

Hazards: none

Marketing Time: 181 DOM

Resale Information: none
BLANCO AREA SALES

COMPARABLE SALE NO. 1
Photograph taken looking east on June 9, 2020 by Maggie Love.

Grantor: The Aquarius Foundation  Date: 04/07/2020
Grantee: Southern Baptists of Texas  Instrument: SWD
Reception No.: 22001975

Legal Description: Tract 3, Rito Blanco Ranch filing Number One, according to the
map filed for record November 19, 1997 as Reception No. 97009086

Sale Price: $257,398 - donation based on appraisal; under contract for $205,000 in
August 2020

Size: 35.13 acres  $/Acre: $5,835

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

94
Description: timbered tract with 12 miles of seasonal Forest Service access, good views

Verification: Bart McDonald, Executive Director of Southern Baptists of Texas Foundation, 844-351-8804

Location: Rito Blanco Ranch Subdivision

Buyer Motivation: recreation

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor's Parcel No.: 5703-191-01-003

Taxes: $211.76 ($6.03/acre)

Highest and Best Use: same as Subject

Physical Address: Tract 3, Needles View Place

Utilities: none

Water: none

Hazards: none

Marketing Time: four months

Resale Information: none
COMPARABLE SALE NO. 2
Photograph taken looking southwest from locked gate ½ mile north on June 10, 2020 by Maggie Love.

Grantor: CJ Brimhall Properties, IV
Date: 01/31/2014
Instrument: WD

Grantee: Ralph J. Clayton and
Kimberly Jean Clayton
Reception No.: 21400634

Legal Description: A tract of land in the W1/2 of Section 13, Township 34 North, Range 1 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $235,000
Size: 33.93 acres $/Acre: $6,926

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: seller in duress; paid $492,000 in 2006; listed for $275,000 and was “priced to sell”; sold in 97 days. The seller was in financial duress because of a divorce and had to dispose of the property quickly in a slow market.
Description: One-half mile developed private road access, sloping timbered hillside, National Forest on two sides

Verification: listing agent, LaWana DeWees, (b) (6)

Location: South of Pagosa Springs

Buyer Motivation: homesite

Improvements: none

Economic Characteristics: same as Subject

Zoning: Agriculture Ranching

Current Use: vacant

Assessor’s Parcel No.: 5887-133-00-043

Taxes: $1,451.08 ($42.77/acre)

Highest and Best Use: same as Subject

Physical Address: 1445C County Road 326

Utilities: electricity and telephone

Water: none

Hazards: none

Marketing Time: 97 DOM

Resale Information: prior sale for $492,000 in June 2006, Time Trend Sale A
COMPARABLE SALE NO. 3

Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor: Blanco Basin Land and Cattle, LLC  Date: 12/29/2016
Grantee: RTN-LGN II, LLC  Instrument: WD

Reception No.: 21609318

Legal Description: A tract of land in Sections 20 and 29, Township 35 North,
Range 2 East, N.M.P.M., Archuleta County, Colorado

Sale Price: $8,000,000
Size: 400 acres  $/Acre: $20,000

Property Rights Conveyed: fee simple estate subject to a conservation easement
with one building envelope

Financing: cash

Conditions of Sale: typical - not marketed, sold to neighbor

Description: irrigated tract, great views

Verification: Ken Hare, Blanco Land and Cattle, [b] (6)[/b]
Location: southeast of Pagosa Springs
Buyer Motivation: homesite
Improvements: $850,000 new custom construction
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: homesite and grazing
Assessor’s Parcel No.: 5705-292-00-004
Taxes: $3,385.60 ($8.46)
Highest and Best Use: same as Subject
Physical Address: 12130 County Road 326
Utilities: electricity
Water: well and irrigation
Hazards: none
Marketing Time: none
Resale Information: none
CORRAL MOUNTAIN AREA

COMPARABLE SALE NO. 1

Photograph taken looking west on March 15, 2018 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft
Date: 11/06/2015

Grantee: GC Colorado, LLC
Instrument: WD
Reception No.: 21508252

Legal Description: A tract of land in Sections 19 and 20, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $370,000
Size: 50 acres
$/Acre: $7,400

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: open, rolling meadow
Verification: Clif Davis, GC Colorado. [b] (6) [b]

Location: North of Pagosa Springs
Buyer Motivation: assemblage into larger homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-202-00-121
Taxes: $61.76 ($1.24/acre)
Highest and Best Use: same as Subject
Physical Address: Raptor Place
Utilities: none
Water: none
Hazards: none
Marketing Time: none
Resale Information: none
COMPARABLE SALE NO. 2
Photograph taken looking west on March 15, 2019 by Maggie Love.

Grantor: LD Radcliff Herzog and Bobbie Jayne Herzog
Grantee: Donald L. Wullschleger and Melanie J. Wullschleger

Date: 09/26/2016
Instrument: WD
Reception No.: 21606325

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $290,000
Size: 35.25 acres
$/Acre: $8,227

Property Rights Conveyed: fee simple estate
Financing: cash
Conditions of Sale: typical
Description: National Forest on two sides, meadow and ridge
Verification: Lindy Moore, sales agent, (0) (6)
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor’s Parcel No.: 5581-194-00-132
Taxes: $1,051.00 ($29.82/acre)
Highest and Best Use: same as Subject
Physical Address: 2253 Preservation Place
Utilities: none
Water: available
Hazards: none
Marketing Time: 306 days, listing $324,000
Resale Information: prior sale for $265,000 in May 2012 (Time Trend Sale J)
COMPARABLE SALE NO. 3
Photograph taken looking north on June 10, 2020 by Maggie Love.

Grantor:  Frank Perry and Margaret Perry  
Grantee:  Bradley Tomlin Stansberry  Catherine Clapp Stansberry

Date: 01/22/2020  
Instrument: SWD  
Reception No.: 22000565

Legal Description: A tract of land in Section 19, Township 36 North, Range 2 West, N.M.P.M., Archuleta County, Colorado

Sale Price: $485,000  
Size: 55 acres  
$/Acre: $8,818

Property Rights Conveyed: fee simple estate

Financing: cash

Conditions of Sale: typical

Description: National Forest on one side, meadow and ridge, Martinez Creek

Verification: JR Ford, agent, 970-264-5000
Location: North of Pagosa Springs
Buyer Motivation: homesite
Improvemements: none
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use: vacant
Assessor's Parcel No.: 5581-192-00-144
Taxes: $68.56 ($1.25/acre)
Highest and Best Use: same as Subject
Physical Address: Lot 12C Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 3,094 total DOM; 144 days listed at $545,000
Resale Information: prior sale in March 1994
COMPARABLE SALE NO. 4
Photograph taken looking north on March 15, 2019 by Maggie Love.

Grantor: John M. Huft and Teresa Ann Huft
Date: 02/27/2017
Instrument: WD
Reception No.: 21701150

Grantee: Shawn Goeckner and Vicki Goeckner

Legal Description: A tract of land situated in Section 13, Township 36 North, Range 2 ½ West, N.M.P.M., Archuleta County, Colorado

Sale Price: $440,000
Size: 50 acres
$/Acre: $8,800

Property Rights Conveyed: fee simple estate
Financing: cash to seller - new conventional loan
Conditions of Sale: typical
Description: meadow and ridge, National Forest on two sides, stream
Verification: JR Ford, listing agent, 970-264-5000
Location: north of Pagosa Springs
Buyer Motivation: homesite
Improvements: vacant
Economic Characteristics: same as Subject
Zoning: Agriculture Ranching
Current Use:
Assessor’s Parcel No.: 5583-131-00-107
Taxes: $2,473.76 ($49.48/acre)
Highest and Best Use: same as Subject
Physical Address: 10728 Lot 14A Preservation Place
Utilities: none
Water: none
Hazards: none
Marketing Time: 660 DOM, listed for $475,000
Resale Information: none
<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Price</th>
<th>% Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>07/01</td>
<td>$256,000</td>
<td>33.93%</td>
<td>33.93 acres, easement access, Blanco Area Sales</td>
</tr>
<tr>
<td></td>
<td>06/06</td>
<td>$492,000</td>
<td>92%</td>
<td>National Forest on two sides</td>
</tr>
<tr>
<td></td>
<td>01/14</td>
<td>$235,000</td>
<td>-52%</td>
<td></td>
</tr>
<tr>
<td>B</td>
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<td>$12,207,300</td>
<td>-41%</td>
<td>Blue Sky Ranch</td>
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<td></td>
<td>06/16</td>
<td>$7,200,000</td>
<td>-41%</td>
<td>1,350+ acres</td>
</tr>
<tr>
<td>C</td>
<td>05/10</td>
<td>$337,700</td>
<td>-31%</td>
<td>47 acres, south</td>
</tr>
<tr>
<td></td>
<td>12/18</td>
<td>$234,500</td>
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<td>Archuleta County</td>
</tr>
<tr>
<td>D</td>
<td>09/12</td>
<td>$145,000</td>
<td>-31%</td>
<td>35 acres, Alpine Lakes</td>
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<tr>
<td></td>
<td>08/19</td>
<td>$100,000</td>
<td>-31%</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10/04</td>
<td>$8,900,000</td>
<td>44%</td>
<td>Square Top Ranch</td>
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<tr>
<td></td>
<td>04/06</td>
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<td>-30%</td>
<td></td>
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<tr>
<td>F</td>
<td>02/11</td>
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<td>49 acres</td>
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<td>-29%</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>06/11</td>
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<td>-23%</td>
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<td></td>
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<tr>
<td>H</td>
<td>12/05</td>
<td>$870,000</td>
<td>-21%</td>
<td>36 acres</td>
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<td></td>
<td>06/18</td>
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<td></td>
</tr>
<tr>
<td>I</td>
<td>02/11</td>
<td>$225,000</td>
<td>-16%</td>
<td>35 acres, Navajo River Ranch</td>
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<td></td>
<td>05/18</td>
<td>$169,000</td>
<td>-16%</td>
<td></td>
</tr>
<tr>
<td>J</td>
<td>12/12</td>
<td>$325,000</td>
<td>-14%</td>
<td>35 acres, Rito Blanco</td>
</tr>
<tr>
<td></td>
<td>08/18</td>
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<td>-14%</td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>06/16</td>
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<td>40 acres, south of Pagosa Springs</td>
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<tr>
<td></td>
<td>07/18</td>
<td>$120,000</td>
<td>-14%</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>03/04</td>
<td>$165,000</td>
<td>-9%</td>
<td>35.25 acres, Alpine Lakes</td>
</tr>
<tr>
<td></td>
<td>10/14</td>
<td>$150,000</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>04/19</td>
<td>$131,000</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>M</td>
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<td>35.15 acres, private access, San Juan River Area Sales</td>
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<tr>
<td></td>
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<td>01/18</td>
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<td>Percentage</td>
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<tr>
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<td>70</td>
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<tr>
<td></td>
<td>02/15</td>
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<td>09/18 &amp;</td>
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</tr>
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<td>$90,000</td>
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<td>29%</td>
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<td>$650,000</td>
<td></td>
<td>30%</td>
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<td>33%</td>
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<tr>
<td>CC</td>
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<td>$1,100,000</td>
<td></td>
<td>158 acres and residence</td>
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<td></td>
<td>09/16</td>
<td>$1,585,000</td>
<td></td>
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<td>Date</td>
<td>Price</td>
<td>% Change</td>
<td>Location</td>
</tr>
<tr>
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<td>---------</td>
<td>----------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>DD</td>
<td>11/16 &amp; 02/17</td>
<td>$174,000</td>
<td></td>
<td>70 acres, Alpine Lakes</td>
</tr>
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<td>02/19</td>
<td>$253,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>06/11</td>
<td>$195,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12/14</td>
<td>$110,000</td>
<td>-44%</td>
<td>Alpine Lakes, 71 acres</td>
</tr>
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<td>05/18</td>
<td>$160,000</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>03/14</td>
<td>$190,000</td>
<td></td>
<td>36 acres, west of</td>
</tr>
<tr>
<td></td>
<td>07/17</td>
<td>$275,000</td>
<td>45%</td>
<td>Pagosa Springs</td>
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</table>
APPRAISAL STATEMENT OF WORK FOR THE PROPOSED VALLE SECO 2019 LAND EXCHANGE

ONE NON-FEDERAL PARCEL TOTALING 880.00 ACRES +/- IN SIZE WITHIN THE BOUNDARY OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO.

AND TEN FEDERAL PARCELS TOTALING 452.06 ACRES +/- IN SIZE CURRENTLY PART OF THE SAN JUAN NATIONAL FOREST IN ARCHULETA COUNTY, COLORADO.

Real estate appraisals are needed for the proposed exchange of the above-referenced lands. An Agreement to Initiate was executed on May 17, 2019. Modification #1 of Agreement to Initiate was executed on May 5, 2020. Modification #2 of the Agreement to Initiate was executed on July 24, 2020.

<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</td>
<td>880.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>Bootjack Ranch, LLC</td>
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<tr>
<td>Non-Federal Property:</td>
<td>maximum of 880.00 acres</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Parcel 1 - Bootjack Ranch Johnny Creek</td>
<td>175.40</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 2 - Bootjack Ranch Road</td>
<td>0.66</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 3 - Bootjack Ranch River Bank</td>
<td>18.40</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 4 - Rancho del Sol Middle</td>
<td>80.00</td>
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<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
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<tr>
<td>Federal Parcel 5 - Rancho del Sol Ranch Ponderosa</td>
<td>53.00</td>
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<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 6 - Rancho del Sol Inholding</td>
<td>20.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 7 - El Rancho Pinoso J.T. Farm</td>
<td>25.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 8 - El Rancho Pinoso Bank</td>
<td>3.496</td>
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<tr>
<td>Federal Parcel 9 - El Rancho Pinoso Corn</td>
<td>0.02</td>
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<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Parcel 11 - Cornal Mountain</td>
<td>68.00</td>
<td>Archuleta</td>
<td>San Juan</td>
<td>Pagosa</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Federal Property:</td>
<td>maximum of 452.06 acres</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The non-Federal parcel A includes two water rights as identified in the RFVS to be conveyed in the exchange. Some of the Federal parcels will include power line, access easements, conservation easements, and unauthorized improvements as identified in the ATI as modified and are to be conveyed “as-is.”

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.

In addition to a value of the total Federal property, the appraisal should provide unit values (per acre) of the above Federal Parcel 5 (33.00 acres) and Federal Parcel 11 (68.00 acres) as each contributes to the whole 452.06-acre Federal property. The appraisal should also provide a unit value (per acre) for the non-Federal property as a whole, and a unit value (per acre) for the Federal 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 San Juan National Forest as the client. The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

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, Senior Review Appraiser  
USDA Forest Service, Rocky Mountain Region  
1617 Cole Boulevard, Lakewood, CO 80401  
303-275-5375 (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 May 17, 2019, Modification #1 of Agreement to Initiate, Modification #2 of Agreement to Initiate, Commitment for Title Insurance Order No. AR21901410, Commitment for Title Insurance Order No. HD21603267-3 (Amended), the Preliminary Land Description Verification forms, and other documents included in this SOW and/or to be provided to the contract appraiser.

Please note that Federal Parcel 10 and non-Federal Parcel B are illustrated on the following Vicinity Map, however, they have been removed from the proposed land exchange per Modification #2 of Agreement to Initiate.
REVISED FINAL SOW – Proposed Valle Seco Land Exchange

Page 4
GENERAL SPECIFICATIONS

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.

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 Senior 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 Senior 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 Senior Review Appraiser upon request, but such information will be clearly marked as not appropriate for dissemination under the FOIA.

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.

REVISED FINAL SOW – Proposed Valle Seco Land Exchange
Page 8
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 Senior 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 uninstructed 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 Senior 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
- Recodation 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 San Juan National Forests as the client.

Intended Users – The intended users shall, in addition to the client, include Senior Review Appraiser Charles Brown, Regional Appraiser Tate W. Curtis, Lands/Realty personnel attached to the San Juan

REVISED FINAL SOW – Proposed Valle Seco Land Exchange

Page 10
National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of
General Counsel personnel, duly designated officials of the Western Land Group, Inc., David K.
Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C.
Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd.

Dissemination of appraisal reports to the intended users – other than the Senior Review Appraiser –
will be after the technical review is completed by the Senior 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 modified), “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 Senior 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 – Section 1
of the May 6, 2019, Commitment for Title Insurance Order No. AR21901410. In addition, Schedule B
– Section 2 identifies 18 Exceptions with 14 corresponding Notes. The impact to value, if any, shall be
discussed for each of the Requirements and Exceptions.
Three water rights for stock ponds (WDID 2903646, 2903647, and 2903685) are associated with the non-Federal Parcel A. Two of these water rights (WDID 2903647 and 2903685) will be transferred to USA and should be considered in the analysis. WDID 2903646 will not be transferred to the USA and it 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 of the mineral estates which are owned by the parties are proposed to be conveyed in this exchange. Non-Federal Parcel A has outstanding mineral rights as detailed in the Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019 and updated in the Valle Seco Mineral Title Status report dated February 20, 2020. The Federal Parcels 3 and 5 have outstanding mineral rights as detailed in the ATI.

No reservations are proposed for the non-Federal property. For the Federal property, the USA will reserve a right-of-way for ditches or canals constructed by the authority of the United States Act of August 30, 1890 (26 Stat. 391; 43 USC 945).

The appraisal will consider the La Plata Electric Association, Inc. (LPEA) existing power line on Federal Parcel 5 which will remain on the parcel. The appraisal will also consider the Archuleta County public road easement on Federal Parcel 9 which will remain on the parcel.

The appraisal will consider any value impact of the conservation easement to be placed on a portion of Federal Parcel 1 as part of the exchange. A draft easement will be provided to the appraiser.

The following unauthorized improvements exist on the federal parcels. Federal Parcel 1 has an unknown structure on the edge of the meadow perhaps related to water distribution, an abandoned ditch, four unauthorized roads, and several fences. Federal Parcel 2 has a fence. Federal Parcel 5 has an abandoned ditch, an unauthorized road, and a fence. Federal Parcel 9 has an unauthorized ditch and fence. Federal Parcel 11 has a stock pond. All of these parcels will be conveyed "as-is".

Legal Description – The preliminary legal descriptions are identified in Exhibits A and B of the Agreement to Initiate, Modification #1 of the Agreement to Initiate, and Modification #2 of 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., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd., and at least one representative of the San Juan National Forest in addition to the appraiser and the USDA Forest Service Senior Review Appraiser.

Additional Information – The following documents are included as attachments to this SOW:

- Request for Appraisal Services dated November 5, 2019
- Agreement to Initiate executed May 17, 2019
- Modification #1 of Agreement to Initiate
- Modification #2 of Agreement to Initiate

REVISED FINAL SOW – Proposed Valle Seco Land Exchange
• 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. AR21901410 effective May 6, 2019 covering the non-Federal Parcel A
• Preliminary Federal Land Status Report
• Valle Seco Mineral Rights Acquisition for Land Exchange—Status Report dated February 22, 2019
• Draft Deed of Conservation Easement Bootjack Ranch USFS Exchange Parcel (Federal Parcel 1)

**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.

One hypothetical condition is identified within this statement of work that are applicable to the Federal parcel:

_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._

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 subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleared or the effect of the hazardous substances or petroleum products shall be remediated prior to the conveyance._

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 Senior 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 (as amended by Modification #1 of the Agreement to Initiate and Modification #2 of 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/marketability 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 Senior Review Appraiser a final appraisal report. “Draft” copies will not be accepted. The Senior Review
Appraiser will then review the final appraisal report for acceptance or recommended revisions. Dissemination to representatives of the San Juan National Forest, duly designated officials of the Western Land Group, Inc., David K. Skidmore, Cynthia A. Sites, and duly designated representatives of Bootjack Ranch, LLC, the David C. Lindner Trust, the David C. Lindner Dynasty Trust, and the Double Springs Partnership Ltd. will be after technical review and approval by the Senior 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.
# Preliminary Land Description Verification

**Federal Land**

## Purchase/Exchange Name:
Valle Seco Proposed Land Exchange Federal Parcel 1

## Forest Name:
San Juan NF, Pagosa RD

## Assessor's Parcel Number:

## County, Town, or Borough:
Archuleta County

## State:
Colorado

### 1. Legal Description:

New Mexico Principal Meridian, Colorado

| T. 36 N., R. 1 E., |
| sec. 7, SW1/4SW1/4SW1/4NE1/4, S1/2SE1/4SW1/4, W1/2NE1/4NE1/4SE1/4, |
| W1/2SW1/4NE1/4SE1/4, W1/2NW1/4SW1/4SE1/4, and W1/2SW1/4SW1/4SE1/4. |

| sec. 18, lot 1, W1/2NW1/4NW1/4NE1/4, W1/2SW1/4NW1/4NE1/4, and NE1/4NW1/4. |

### 2. Area:

| Official (Public Land Survey) | 175.48 acres |
| Record (title/deed/county) | 175.48 acres |
| Actual (land survey, infor.) | |
| Tax Assessor's (taxing authority) | |

### 3. Record Documents:

BLM Master Title Plat, Original and Resurvey Plats, BLM Supplemental Plat of Section 7 approved in 1943 and Patent Records

### 4. Comments:

Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 175.48 acres.

Cadastral Surveyor, Bureau of Land Management  
Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
USDA - Forest Service

File Code: 5400 Landownership 5500 Landownership Title Management

PRELIMINARY LAND DESCRIPTION VERIFICATION FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 2

Forest Name: San Juan NF, Pugosa RD

Assessor’s Parcel Number:

County, Town, or Borough: Archuleta County
State: Colorado

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

A portion of land situated in the SE1/4SW1/4 of section 1, township 36 north, range 1 west, New Mexico Principal Meridian, Colorado, being the result of a local survey filed in the Archuleta County Clerk and Recorder on October 3, 2007, labeled as “Exhibit A” performed by Thomas E. Au, Colorado Professional Land Surveyor 34996 and being more particularly described as follows:

BEGINNING at the C-S 1/16 sec. cor. of sec. 1, marked with an iron post, 2 ½ ins. diam., with a brass cap mld: as described in the official record of the 1972 Dependant Resurvey of T. 36 N., R. 1 W., N.M.P.M, under Group 569;

THENCE, S. 3° 05’ W., along the N-S centerline of section 1, a distance of 320.00 feet to a point on the southwesterly right-of-way of a gravel road;

THENCE, N. 26° 58’ W., along the southwesterly right-of-way of a gravel road, a distance of 359.08 feet to the intersection of the E-W centerline of the SW1/4 of section 1;

THENCE, S 89° 50’ E., along the E-W centerline of the SW1/4 of section 1, a distance of 180.00 feet to the POINT OF BEGINNING containing 0.66 acres of land.

Exhibit “A”: Attached hereto and made part of.

2. Area: Official (Public Land Survey) 0.66 acres

Record (title/deed/county) Actual (land survey, infir.) Tax Assessor’s (taxing authority)

3. Record Documents:
4. Comments:

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

For purposes of acquisition, the acreage is 0.66 acres.

Cadastral Surveyor, Bureau of Land Management

Date

(attach additional pages as necessary for items 1 thru 4) Page 2 of 3
A PORTION of SE/4SW/4 Section 1
TOWNSHIP 36 North, RANGE 1 West, ARCHULETA COUNTY, STATE OF COLORADO

BASELINE AND MERIDIAN

GRAPHIC SCALE
1 INCH = 50 FEET

EXHIBIT "A"

A PORTION of SE/4SW/4 OF SECTION 1,
TOWNSHIP 36 North, RANGE 1 West of the New Mexico Principal Meridian, County of Archuleta,
STATE OF COLORADO, being more particularly described as follows:

Beginning at the center-south 1/10 corner of said Section 1 whence the
south 1/4 corner of said Section 1 bears 09°10' N. 245.00
feet, thence 03°10' E. 354.25 feet along the west line of said SE/4SW/4 of Section 1.

distance of 350.00 feet.

Thence S. 90°10' W. a distance of 350.00 feet to the north line of said
SE/4SW/4 of Section 1.

Thence N. 90°10' E. along said north line a distance of 100.00 feet to the
POINT OF BEGINNING.

Said tract contains 0.66 acres, more or less.

P15 34176

EXHIBIT "B"

A PORTION of SE/4SW/4 Section 3
TOWNSHIP 36 North, RANGE 1 West, ARCHULETA COUNTY, STATE OF COLORADO

Pinnacle Surveying, Inc.

1036 1074
LOVE APPRAISALS, INC.

USDA - Forest Service
File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 3
Forest Name: San Juan NF, Pagosa RD
Assessor's Parcel Number:
County, Town, or Borough: Archuleta County State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian, or lot, block,
warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 36 N., R. 1 W.,
Sec. 13, that part of the NE1/4NW1/4 lying 100 feet east of the medial line of the San Juan River

2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>16.4 acres</td>
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</tr>
</tbody>
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3. Record Documents:
BLM Master Title Plat, BLM Dependent Resurvey approved in 1972 and Patent Records.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. The following errors and/or concerns, need to be corrected/addressed before this description should be used. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 16.4 acres.

Cadastral Surveyor, Bureau of Land Management: Date
(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
## Preliminary Land Description Verification

### Federal Land

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<th>Purchase/Exchange Name</th>
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<tr>
<td>County, Town, or Borough</td>
<td>Archuleta County</td>
</tr>
<tr>
<td>State</td>
<td>Colorado</td>
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### 1. Legal Description

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

New Mexico Principal Meridian, Colorado
T: 34 N, R: 1 E.,
Sec. 11, E1/2SW1/4.

### 2. Area

| Official (Public Land Survey) | 80 acres |
| Record (title/deed/country)   | 80 acres |
| Actual (land survey, infor.)   |          |
| Tax Assessor's (taxing authority) |        |

### 3. Record Documents

BLM Master Title Plat, GLO Original Survey in 1883 and Patent Records.

### 4. Comments

Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 80 acres.

Cadastral Surveyor, Bureau of Land Management
Date: 11/14/2018

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
### Preliminary Land Description Verification

#### Federal Land

**Purchase/Exchange Name:** Valle Seco Proposed Land Exchange Federal Parcel 5  
**Forest Name:** San Juan NF, Pagosa RD  
**Assessor's Parcel Number:**  
**County, Town, or Borough:** Archuleta County  
**State:** Colorado

#### 1. Legal Description:

(Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrants, parcel, grant, etc., as appropriate.)

New Mexico Principal Meridian, Colorado  
T. 34 N., R. 1 E.,  
Sec. 10, a portion of the N1/2SE1/4NE1/4 to include existing “Bench Pasture”,  
Sec. 11, a portion of the W1/2NW1/4 to include existing “Bench Pasture”,  
N1/2SW1/4SW1/4NW1/4, and N1/2SE1/4SW1/4NW1/4.

#### 2. Area:

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#### 3. Record Documents:

BLM Master Title Plat, GLO Original Survey in 1883.

#### 4. Comments:

The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 33 acres.

[Signatures]

Cadastical Surveyor, Bureau of Land Management

Date: 11/4/2018

(attach additional pages as necessary for items 1 thru 4)
LOVE APPRAISALS, INC.

USDA - Forest Service

File Code: 5400 Landownership
5500 Landownership Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

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<td>County, Town, or Borough:</td>
<td>Archuleta County</td>
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1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 34 N., R. 1 E.,
Sec. 11, N1/2SE1/4NE1/4.

2. Area:

<table>
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<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>Actual (land survey, infr.)</th>
<th>Tax Assessor's (taxing authority)</th>
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<tr>
<td>20 acres</td>
<td>20 acres</td>
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3. Record Documents:
BLM Master Title Plat, Original Survey in 1883 and Patent Records.

4. Comments:
Do to the age of the PLSS the land description has potential problems; however, the risk appears minor and the conveyance/activity should not be affected.

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

For purposes of acquisition, the acreage is 20 acres.

[Signature]
[Title/Position]
Cadastral Surveyor, Bureau of Land Management
Date 1/14/2019

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
**USDA - Forest Service**

**File Code:** 5400 Landownership  
**5500 Landownership Title Management**

**PRELIMINARY**  
**LAND DESCRIPTION VERIFICATION**  
**FEDERAL LAND**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name:</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name:</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number:</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough:</td>
<td>Archuleta County</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.)  
   New Mexico Principal Meridian, Colorado  
   T. 34 N., R. 1 E.,  
   Sec. 1, a portion of the SE1/4SE1/4 lying 30 feet northerly of the centerline of National Forest System Road 660.  
   T. 34 N., R. 2 E.,  
   Sec. 6, a portion of lot 7 lying 30 feet northerly of the centerline of National Forest System Road 660, N1/2SE1/4SW1/4, and NW1/4SW1/4SE1/4

2. **Area:**  
<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIC (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55 acres</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **Record Documents:**  
   BLM Master Title Plat, GLO original surveys and BLM Dependent Resurvey approved in 1992.

4. **Comments:**  
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

For purposes of acquisition, the acreage is **55** acres.

*Signature*

**Cadastral Surveyor, Bureau of Land Management**  
**3/22/17**  
**Date**

(attach additional pages as necessary for items 1 thru 4)  
**Page 1**  
**of 1**
FILE CODE: 5400 Landownersh 5500 Landownershi Title Management

PRELIMINARY
LAND DESCRIPTION VERIFICATION
FEDERAL LAND

Purchase/Exchange Name: Valle Seco Proposed Land Exchange Federal Parcel 8

Forest Name: San Juan NF, Pagosa RD

Assessor's Parcel Number:

County, Town, or Borough: Archuleta County
State: Colorado

1. Legal Description: (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.)
New Mexico Principal Meridian, Colorado
T. 34 N., R. 2 E.,
Sec. 5, a portion of the NW1/4NW1/4SW1/4.

2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (Hdld deed/city)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (Owning authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3.486</td>
<td>3.486</td>
</tr>
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</table>

3. Record Documents:
BLM Master Title Plat and original survey approved in 1892.

4. Comments:
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to segregate land based on acreage.

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

For purposes of acquisition, the acreage is 3.486 acres.

Cadastral Surveyor, Bureau of Land Management
10/2/16

(attach additional pages as necessary for items 1 thru 4) Page 1 of 1
**USDA - Forest Service**

File Code: 5400 Land ownerships  
5500 Land ownership Title Management  

**Preliminary Land Description Verification**  
**Federal Land**

<table>
<thead>
<tr>
<th>Purchase/Exchange Name</th>
<th>Valle Seco Proposed Land Exchange Federal Parcel 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Name</td>
<td>San Juan NF, Pagosa RD</td>
</tr>
<tr>
<td>Assessor's Parcel Number</td>
<td></td>
</tr>
<tr>
<td>County, Town, or Borough</td>
<td>Archuleta County</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)

New Mexico Principal Meridian, Colorado  
T. 34 N., R. 1 E.,  
Sec. 1, a portion of Lot 1, lying northerly and westerly of E. P. fenceline.

**2. Area:**  

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title deed county)</th>
<th>Actual (land survey info.)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
</table>

**3. Record Documents:**  

**4. Comments:**  
The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged and to eliminate ambiguities with legal description.

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

For purposes of acquisition, the acreage is 0.02 acres.

Cadastral Surveyor, Bureau of Land Management  
3/8/17  
Date

(attach additional pages as necessary for Items 1 thru 4)  
Page 1 of 1
# Preliminary Land Description Verification

**Federal Land**

## Purchase/Exchange Name:
Valle Seco Proposed Land Exchange Federal Parcel 11

## Forest Name:
San Juan NF, Pagosa RD

## Assessor's Parcel Number:

## County, Town, or Borough:
Archuleta County

## State:
Colorado

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

**New Mexico Principal Meridian, Colorado**

T. 36 N., R. 3 W.,
Sec. 17, a portion of the SE1/4SE1/4 lying southerly and easterly of existing fenceline; Sec. 29, a portion of the E1/2SE1/4 lying northerly and easterly of existing fenceline; and a portion of the SE1/4NE1/4 lying easterly of existing fenceline.

Sec. 20, a portion of the NE1/4NE1/4 lying easterly of existing fenceline; a portion of the NE1/4NE1/4 lying northerly of existing fenceline; an a portion of the NE1/4SE1/4 lying easterly of existing fenceline.

## 2. Area:

<table>
<thead>
<tr>
<th>Official (Public Land Survey)</th>
<th>Record (title/deed/county)</th>
<th>GIS (Calc. from GIS)</th>
<th>Tax Assessor's (taxing authority)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68 acres</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 3. Record Documents:

BLM Master Title Plat, Original Survey approved in 1883, BLM Dependent Resurvey approved in 1987.

## 4. Comments:

The land description has potential problems and should not be used as written in the subject conveyance/activity document. A proper legal description will need to be determined from a Dependent Resurvey. A Dependent Resurvey is recommended to identify parcel of land to be exchanged.

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

For purposes of acquisition, the acreage is 68 acres.

Cadastral Surveyor, Bureau of Land Management 11/14/2018

(attach additional pages as necessary for items 1 thru 4)
## Preliminary Status Report
**Federal Selected Land**

### Proponent
**Serial No.**
**Forest**

### Valle Seco Land Exchange

#### San Juan National Forest

<table>
<thead>
<tr>
<th>Legal Description</th>
<th>Acres</th>
<th>In/Out</th>
<th>Surface Status</th>
<th>Sub-Surface Status</th>
<th>Acq. Date/Auth</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td><strong>Bootjack Ranch</strong></td>
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<tr>
<td><strong>Parcel 1</strong></td>
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<td></td>
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<tr>
<td>T. 36. N. R. 1 W., NMPM, Archuleta County, Colorado</td>
<td>40.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 3</td>
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<tr>
<td>Sec. 13, NE1/4NE1/4;</td>
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<td></td>
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<tr>
<td><strong>T. 36. N. R. 1 E., NMPM, Archuleta County, Colorado</strong></td>
<td>92.98</td>
<td>IN</td>
<td>PD</td>
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<td>6-3-1905/3-3-1891</td>
<td>See Note 2</td>
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<td>Sec. 18, Lot 1 (42.98 acres), NE1/4NW1/4, W1/2W1/2NW1/4NE1/4;</td>
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<td>Sec. 7, S1/2SE1/4SW1/4, W1/2W1/2W1/2SE1/4, SW1/4SW1/4SW1/4NE1/4;</td>
<td>42.50</td>
<td>IN</td>
<td>PD</td>
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<td>6-3-1905/3-3-1891</td>
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<td><strong>Parcel 2</strong></td>
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<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 4</td>
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<tr>
<td>Sec. 1, portion of SE1/4SW1/4 lying northeast of fence;</td>
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<tr>
<td><strong>Parcel 3</strong></td>
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<td>ACQD</td>
<td>PVT</td>
<td>11-28-1932/3-20-1922</td>
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<tr>
<td>Sec. 13, a portion of the NE1/4NW1/4 lying 100' east of the San Juan River;</td>
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</tr>
<tr>
<td>Rancho del Sol</td>
<td>Parcel 4</td>
<td>T. 34 N., R. 1 E., NMMP, Archuleta County, Colorado</td>
<td>80.00</td>
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<tr>
<td>---------------------</td>
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<tr>
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<td>PD</td>
<td>PD</td>
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<tr>
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<td>Sec. 10, portion of the N1/2SE1/4NE1/4 within the existing &quot;Bench Pasture&quot;;</td>
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<tr>
<td></td>
<td>Sec. 11, N1/2S1/2SW1/4NW1/4, a portion of the W1/2NW1/4;</td>
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<td>IN</td>
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<td>PD</td>
<td>3-2-1907/3-3-1891</td>
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<tr>
<td></td>
<td>Sec. 11, N1/2SE1/4NE1/4;</td>
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<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>3-2-1907/3-3-1891</td>
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<td>El Ranchito Pinoso</td>
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<td>PD</td>
<td>PD</td>
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<tr>
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<td>Sec. 1, portion of SE1/4SE1/4 north of NSFR 660;</td>
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<tr>
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<td>3-2-1905/3-3-1891</td>
</tr>
<tr>
<td></td>
<td>Sec. 6, portion of lot 7 north of NSFR 660, N1/2SE1/4SW1/4, portion of NW1/4SW1/4SE1/4 to include the headgate for the J.T. Tiernan No. 1 Ditch;</td>
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<td></td>
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<tr>
<td>Parcel 8</td>
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<td>3.486</td>
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<td>PD</td>
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<td>6-3-1905/3-3-1891</td>
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<tr>
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<td>-------------------</td>
</tr>
<tr>
<td>Sec. 5, portion of the NW1/4NW1/4SW1/4;</td>
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<td></td>
<td></td>
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<td>Parcel 9</td>
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<td>PD</td>
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<td>3-2-1907/3-3-1891</td>
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<td>See. 1, portion of the Lot within the ELP fence line;</td>
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<tr>
<td>Toner Ranch, Middle Fork of the Piedra River</td>
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<td>Parcel 10</td>
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<td>3-23-1829/3-20-1922</td>
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<td>Sec. 10, S1/2SW1/4SE1/4;</td>
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<tr>
<td>Corral Mountain</td>
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<td>Federal Parcel 11</td>
<td>T. 36 N., R. 3 W., NMPM, Archuleta County, Colorado</td>
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<td>IN</td>
<td>PD</td>
<td>PD</td>
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<tr>
<td>Sec. 17, Portion of SE1/4SE1/4;</td>
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<tr>
<td>Sec. 20, Portion of E1/2E1/2;</td>
<td>40.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 8,9</td>
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<td>Sec. 29, Portion of the E1/2NE1/4</td>
<td>8.00</td>
<td>IN</td>
<td>PD</td>
<td>PD</td>
<td>6-3-1905/3-3-1891</td>
<td>See Note 8,9</td>
</tr>
<tr>
<td>All of the above within the existing fence.</td>
<td></td>
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<td>TOTAL ACREAGE:</td>
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</tbody>
</table>
NOTES:

*BLM Index to Unpatented Mining Claims Report regarding the above-selected lands shows an active claim in NMPM, T. 36, N., R. 1 E., Sec. 7, NE1/4.

The SUDS Report depicting additional SUPs that may or may not affect the above-selected lands will need to be generated at the forest level.


2. ALP Veiver's Other Surface Right layer shows a separated right (SJN194) for a ditch and canal dated 3/3/2009. The case name is Saddleback Ranch, LLC.

3. ALP Veiver's Title Claims and Encroachment Cases layer shows a suspected encroachment with a case number of 0213-0006-792.

4. ALP Veiver's Right of Way layer shows a Road ROW (SJN110) which might be near the parcel. The casename is Bootjack Management Company (aka Koinonia LLC), and the action date is 6/17/2008.


6. ALP Veiver's Other Surface Right layer shows separated rights (SJN166 & SJN169) for a ditch and canal both dated 3/9/2012. The case name on both is Robert D. Lindner Family Trust.

7. ALP Veiver's Title Claims and Encroachment Cases layer shows a suspected encroachment might be near the parcel with a case number of 0213-0006-794.

8. ALP Veiver's Other National Designated Area layer shows the Piedra Special Management Area is near the parcel.

9. ALP Veiver's Right of Way layer shows a Road ROW which might be near the parcel. The casename is Double Springs Partnership LTD, and the action date is 12/11/1992.

Prepared by  Rob Duerzin
Date  11/13/2018