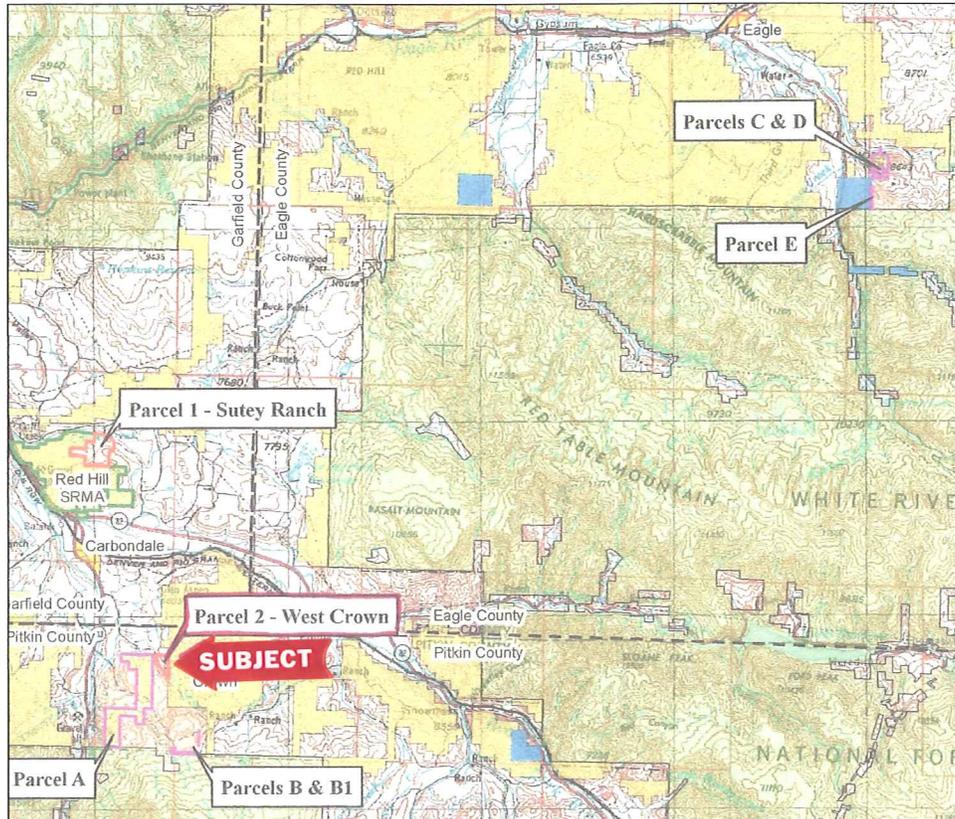


# Appraisal of Real Property Conveyed in Self-Contained Narrative Report Format

**SUTEY RANCH BLM LAND EXCHANGE - WEST CROWN PARCEL**  
111.78 Acres of Vacant Land in Private Ownership (Non-Federal Parcel 2)  
Portion of East Half of Section 24 in Township 8 South and Range 88 West  
Located on the East Side of Pitkin County Road 111 (Prince Creek Road)  
Southeast of Town of Carbondale, Unincorporated Pitkin County, Colorado  
OVS - Agency Case #COC-74812FD and IVIS #L12214 / 0031885



As of  
**November 15, 2012**

Prepared For  
**Kent Stevens, MAI - Senior Appraiser**  
**Office of Valuation Services (DOI)**  
12136 West Bayaud Avenue  
Lakewood, Colorado 80228

Prepared By  
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January 7, 2013

Kent Stevens, MAI - Senior Appraiser, Office of Valuation Services (DOI)  
12136 West Bayaud Avenue, Lakewood, Colorado 80228

**Re: Appraisal of West Crown Parcel for Sutey Ranch BLM Land Exchange**  
111.78 Acres of Vacant Land in Private Ownership (Non-Federal Parcel 2)  
Portion of East Half of Section 24 in Township 8 South and Range 88 West  
Located on the East Side of Pitkin County Road 111 (Prince Creek Road)  
Southeast of Town of Carbondale, Unincorporated Pitkin County, Colorado

Dear Mr. Stevens:

The subject of this appraisal is the West Crown Parcel, which is identified as Non-Federal Parcel 2 for the proposed Sutey Ranch BLM Land Exchange. The case includes one other Non-Federal parcel plus six Federal parcels that are located in Eagle, Garfield, and Pitkin Counties, Colorado. The subject comprises 111.78 acres of vacant land that is privately owned by an entity controlled by the proponent (Prince Creek Crown, LLC). The property is situated three miles southeast of the Town of Carbondale in Pitkin County, and borders a popular recreational area (The Crown). It has vehicular access from County Road 111, which receives no public winter maintenance. The entire subject property was determined to comprise a single larger parcel of 111.78 acres.

The purpose of this appraisal is to form an opinion of the market value of the fee simple interest in the subject property. The client is the U.S. Department of the Interior, Office of Valuation Services (OVS). The only intended users are the client, the Bureau of Land Management (BLM) Colorado State Office and associated Field Office, Western Land Group, Inc., as well as owners of the Non-Federal parcels (Leslie and Abigail Wexner, as represented by Gideon Kaufman). The intended use is to assist the BLM Colorado State Office (on behalf of the United States of America) in connection with a proposed exchange of identified Federal and Non-Federal Lands. The value opinion is effective as of November 15, 2012, or the date of my recent inspection. Since the subject property is vacant land, the Sales Comparison Approach was the only valuation technique utilized. Based on the following analysis, it is my opinion that the market value of the fee simple interest in the subject property, effective as of November 15, 2012, is \$950,000.

This appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA or "Yellow Book"), as well as requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646) as amended. No other supplemental standards are applicable. The valuation analysis and report also complies with a Statement of Work that was provided by the client, which describes the request for appraisal services (copy found in the addenda).

Respectfully submitted,



Kevin A. Chandler, MAI

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## APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraiser.
- the appraiser has no present or prospective interest in the property appraised, and no personal interest or bias with respect to the parties involved.
- the compensation received by the appraiser for the appraisal is not contingent on the analyses, opinions, and conclusions reached or reported.
- the appraisal was made, and the appraisal report was prepared, in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).
- the appraisal was made, and the appraisal report was prepared, in conformity with the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP), except to the extent that the UASFLA required invocation of USPAP's Jurisdictional Exception Rule, as described in section D-1 of the UASFLA.
- the appraiser has made a personal inspection of the appraised property which is the subject of this report, and all comparable sales used in developing the opinion of value. The appraiser inspected the subject parcel by foot and vehicle on August 23, 2012, at which time I was accompanied by Kent Stevens, MAI (review appraiser for OVS), as well as duly authorized representatives of the intended users (including the owner). The subject property was briefly inspected again on November 15, 2012 to confirm the physical condition had not changed.
- no one provided significant professional assistance to the appraiser signing this report.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, I have completed the continuing education program of the Appraisal Institute, and have never been charged with any ethics violations.
- I prepared a Restricted Use appraisal of the subject property (plus some adjacent land) for the proponent with an effective date of value of September 13, 2010, but 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.

In my opinion, the market value of the subject property as of November 15, 2012 is **\$950,000**

Certified by,



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

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

<b>Property Ownership:</b>	Privately owned by Prince Creek Crown, LLC (an entity that is controlled by the proponent of the land exchange)
<b>Location and Access:</b>	The subject is located about three air miles southeast of the State Highway 82 corridor and Town of Carbondale, in the Crystal River Valley area of unincorporated Pitkin County, Colorado. The property has direct but seasonal vehicular access from County Road 111, a gravel surface road that forms its western boundary. Unauthorized hiking/biking trails are heavily used by the public to access The Crown.
<b>Property Description:</b>	The subject property comprises 111.78 deeded acres (part of a 159.82-acre parcel), which was determined to be the larger parcel for the valuation analysis. This vacant tract has favorable terrain at elevations of 7,100 to 7,300 feet, and is mostly grazing pasture with no irrigated land. It has good views of the area but lacks a major water amenity, and the parcel adjoins public (BLM) land to the east.
<b>Improvements/Utilities:</b>	The subject property is vacant (bare) land with no existing building improvements. There is no municipal water or sewer service in the neighborhood, but rural homesites often utilize private wells and septic systems. Electric and telephone service is available to the site at the county road.
<b>Legal Description:</b>	Unplatted tract of land in the East Half of Section 24, of Township 8 South and Range 88 West, 6 <sup>th</sup> P.M. Pitkin County, Colorado (with no appurtenant water rights)
<b>Estate Appraised:</b>	Fee simple title subject to encumbrances listed in the title insurance commitment for the property (copy in addenda)
<b>Zoning/Land Use:</b>	Resource - 30 Acre, by Pitkin County (current zoning)
<b>Highest and Best Use:</b>	One single-family rural residential homesite (seasonal use or year-round with some private winter road maintenance) with complimentary agriculture and/or recreation
<b>Larger Parcel:</b>	Entire 111.78-acre subject property (based on market data)
<b>Effective Date of Value:</b>	November 15, 2012 (date of my recent physical inspection)
<b>Opinion of Market Value:</b>	<b>\$950,000</b> (\$8,500 per acre as rounded for the property)

## PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on August 23, 2012



Street Scene of Prince Creek Road Looking Southeast (subject parcel on left)



Subject Parcel (in foreground) Looking Northeast from Prince Creek Road

## PHOTOGRAPHS OF SUBJECT PROPERTY

Taken by Kevin A. Chandler, MAI on August 23, 2012



Subject (at center) Looking East from Two Shoes Ranch (towards The Crown)



Unauthorized Trail at Subject Property (used by the public to access The Crown)

## ASSUMPTIONS AND LIMITING CONDITIONS

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

1. This appraisal analysis is not pursuant to any hypothetical conditions or extraordinary assumptions, which would have been instructed by the client in the appraisal instructions.
2. The appraiser assumes no responsibility for legal matters affecting title to the subject parcel, which is assumed to be good and marketable and held by the owner of record. The subject property is appraised as if free and clear of all liens and encumbrances, except those listed in the title insurance commitment provided (copy in the addenda).
3. The legal description and parcel size provided to the appraiser by the client are assumed to be correct, with the subject property comprising 111.78 deeded acres (per survey). The appraiser made no boundary survey of the subject property, and is not responsible for discrepancies in regards to title, survey, easements, encroachments, and/or boundaries.
4. The maps and sketches included in this report are meant to assist the reader in visualizing the property, with no responsibility assumed for their accuracy. This information was provided by the intended users, various governmental entities, and my visual inspection.
5. Opinions, estimates and other data furnished by third parties are assumed to be correct, and the appraiser professes no legal expertise in regards to access to the subject parcel.
6. Possession of this report or any copy does not carry with it the right of publication, nor may it be used for any other purpose than the stated intended use. I acknowledge that all appraisal reports submitted to the client (OVS/DOI) for review become the property of the United States of America, and may be used for any legal and proper purpose.
7. During the inspection of the appraised property, the appraiser noted no indications of hazardous material or wastes, pollutants, leaking underground storage tanks, or other toxic/hazardous conditions. The detection of hazardous material is not part of the scope of this appraisal, and the appraiser is not qualified to detect such substances or conditions. The presence of hazardous substances, or other potentially hazardous materials, may adversely affect the market value of the property. The value opinion reported herein is predicated on the assumption that there are no such materials, substances, or conditions on the subject parcel, or in proximity thereto, that would cause a loss in market value.
8. The appraiser reserves the right to alter statements, analysis, conclusions, or any value opinion in the appraisal if facts become known to the undersigned that are pertinent to the appraisal process, and were unknown at the time of report preparation.
9. Upon the request of the United States Attorney or the Department of Justice, the contract appraiser agrees to testify regarding the appraisal. However, a supplemental contract will be negotiated as necessary, with no liability assumed by the appraiser for legal matters.

## SCOPE OF THE APPRAISAL

The **scope of work** identifies the appraisal problem to be solved, determines the necessary work to develop a credible assignment result, and discloses this process adequately in a written report. Effective July 1, 2006, changes to the Uniform Standards of Professional Appraisal Practice (USPAP) have been finalized in regards to scope of work. They give the appraiser flexibility to tailor each assignment so the work product is customized to meet specific needs of the client.

The **purpose** of this appraisal is to form an opinion of the market value of the fee simple interest in the **subject property**, which is identified as the West Crown Parcel (Non-Federal Parcel 2) for the proposed Sutey Ranch BLM Land Exchange. The case includes another Non-Federal parcel plus six Federal parcels that are located in Eagle, Garfield, and Pitkin Counties, Colorado.

The **client** is the U.S. Department of the Interior, Office of Valuation Services (OVS). The only **intended users** are the client, the Bureau of Land Management (BLM) Colorado State Office and associated Field Office, Western Land Group, Inc., as well as the current owners of the Non-Federal parcels (Leslie and Abigail Wexner, as represented by Gideon Kaufman, Esquire).

The **intended use** is to assist the BLM Colorado State Office (on behalf of the United States of America) in connection with a proposed exchange of identified Federal and Non-Federal Lands.

The **date of value** is November 15, 2012, which is the date of my most recent inspection of the appraised property. The subject was initially inspected by foot and vehicle on August 23, 2012, at which time the appraiser was accompanied by the review appraiser (Kent Stevens, MAI) and representatives of the intended users (including the BLM, Western Land Group, and proponent). A brief re-inspection of the subject on November 15, 2012 (with the review appraiser) confirmed that the physical condition of the property had not changed materially since August 23, 2012.

The **appraisal process** reflects the existing zoning and physical characteristics at the property, with a highest and best use of rural residential development with agriculture and/or recreation. The **larger parcel** was determined by the appraiser to be the entire 111.78-acre subject property. The Cost Approach is not necessary for this analysis since the subject property is vacant land. The Income Capitalization (Development) Approach is also not applicable since the property does not generate major income, and subdivision is neither imminent nor maximally productive. Only the Sales Comparison Approach was employed, with comparable property sales in the local market researched through local offices for the County Assessor as well as the Clerk/Recorder. The most similar sales in proximity to the subject were selected, which were inspected by the appraiser as indicated on the Market Data Record sheets. Each was compared to the subject and adjusted for various factors to establish the market value of the property on a price per acre basis. Sales of other parcels in the area that I conducted varying amount of research on before deciding that they were not comparable enough to include as primary comparables are also discussed.

This narrative appraisal is written in **self-contained format**, and the **date of report** preparation and transmittal to the client is January 7, 2013. It conforms with the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA a/k/a "Yellow Book"), as well as the Uniform Standards of Professional Appraisal Practice (USPAP). The report was also prepared in compliance with a Statement of Work that was provided by the client (copy in the addenda).

## PROPERTY RIGHTS APPRAISED

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

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” [*The Dictionary of Real Estate Appraisal*, Fifth Edition (Chicago: Appraisal Institute, 2010), Page 140]

The Statement of Work states that the property interest to be appraised is the fee simple interest, subject to exceptions indicated in the title insurance commitment and legal description provided (prepared by Land Title Guarantee Company on September 12, 2011 as Order #Q62004216-5). Permitted title exceptions for the subject property and their impact on value are discussed below:

- Exceptions 1 thru 8 are standard for this property type, would be administratively acceptable to the United States of America, and thus do not have an adverse impact on market value.
- Exceptions 9 and 10 reference right-of-way for ditches or canals constructed by the authority of the United States, as well as the right of a proprietor of a vein or lode to extract and remove his ore if found to penetrate or intersect the premises. These reservations by various United States Patents are typical for this property type, and have no effect on market value.
- Exceptions 11 and 12 are reservations by previous owners of royalty interests for all oil, gas, and other minerals produced and saved from the property, and Exception 13 is an agreement regarding their termination or transfer. Since there are no known mineral resources at the subject with commercial value, these reservations have no adverse impact on market value.
- Exception 14 is a resolution by the Pitkin County Planning and Zoning Commission that denied an application by the prior owner (1041 Special Review) to develop a single-family house at the northeastern forty acres of the subject due to critical wildlife habitat for elk/deer. Any impact on value from this development restriction has been considered in the analysis.
- Exception 15 has been deleted, but is an easement along an existing road that allows ingress, egress, and utilities for private residential purposes, which benefits an adjacent forty-acre parcel to the southwest. This easement would not have an adverse impact on market value since it is located west of County Road 111, and thus does not traverse the subject property. While this reservation was erroneously included in the legal description for the West Crown Parcel for the Statement of Work, the parcel will not be conveyed subject to this reservation.
- Exceptions 16 and 17 reference any rights, interests, or easements in favor of the public, as well as right-of-way for the uninterrupted flow, of waters in Prince Creek. While common for waterfront property, these reservations have no effect on market value since Prince Creek flows along the west side of County Road 111, and thus does not traverse the subject parcel.
- Exception 18 references any facts, rights, interests, or claims which may exist or arise due to fence lines along the southwestern boundary, existing trails, and easements or rights-of-way for Prince Creek Road, as shown on the improvement survey. This condition is typical for rural properties and acceptable to the United States of America, with no impact on value.

## **DEFINITION OF MARKET VALUE**

The Statement of Work provided by the client directs the appraiser to utilize this definition of market value for BLM Land Exchanges:

"The most probable price in cash, or terms equivalent to cash, that lands or interests in lands should bring in a competitive and open market under all conditions requisite to a fair sale, where the buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence." [43 CFR 2200 0-5(n)]

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 Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception (which has been invoked regarding exposure time and marketing time).

## **LEGAL DESCRIPTION**

The Statement of Work provided to the appraiser by the client includes a lengthy metes and bounds legal description for the subject property (West Crown Parcel or Non-Federal Parcel 2). While a complete legal description is found in the title insurance commitment (addenda of the report), the subject property is an unplatted tract of land that is generally described as follows:

Parcel of Land in the East Half of Section 24 (comprising 111.78 acres)  
Township 8 South, Range 88 West, 6<sup>th</sup> Principal Meridian, Pitkin County, Colorado

## **SUMMARY OF APPRAISAL PROBLEMS**

The subject is one of eight properties for the proposed Sutey Ranch BLM Land Exchange, which comprises six Federal parcels totaling 1,470.01 acres in size, as well as six Non-Federal parcels totaling 668.41 acres in size. Each parcel is located within Garfield, Eagle, or Pitkin Counties. Identified as the West Crown Parcel (a/k/a Non-Federal Parcel 2), the subject is privately owned by an entity that is controlled by the proponent (Leslie and Abigail Wexner), who also own the nearby Two Shoes Ranch in Pitkin County (4,300 deeded acres with extensive improvements). The proposed land exchange has been generally well received by the local public, although the proponents had been unable to gain the full support of Pitkin County for a variety of reasons that are beyond the scope of this assignment. While some controversy exists, the project is being processed as an administrative exchange (not legislated), and facilitated by Western Land Group. However, Pitkin County announced their support of the land exchange on December 14, 2012 after continued negotiations with the proponent, which includes other consideration besides land. The subject property is situated south of Carbondale in the Crystal River Valley area, and adjoins a large block of public land (The Crown) that is managed by BLM for intensive recreation. This vacant tract has seasonal access from a county road (no public winter maintenance) and lacks a water amenity, but features favorable terrain, public dry utilities, and prime wildlife habitat. It is zoned Resource - 30 Acre by Pitkin County, which allows subdivision at a minimum lot size of thirty acres. However, the concluded highest and best use is one rural residential homesite with complimentary agriculture/recreation. The appraisal problem to be solved requires locating the best comparable sales which occurred during the past few years for my valuation analysis, namely larger tracts of rural land in the area with potential for a similar highest and best use. While adequate sales are available, only a few of these transactions are truly comparable and some warranted downward adjustments to account for declining market conditions since closing.

## AREA AND MARKET DATA

While the subject parcel is located south of the Town of Carbondale in unincorporated Pitkin County, the area surveyed also includes eastern Garfield County due to its close proximity. The scenic Roaring Fork Valley is situated south of Interstate-70 on the Western Slope of Colorado, and extends for about fifty miles to the southeast. The City of Glenwood Springs is the Garfield County seat, while the City of Aspen is the Pitkin County seat and anchors the south end of the valley. The area is traversed by State Highway 82, which follows the Roaring Fork River to its confluence with the Colorado River in the picturesque Glenwood Canyon at Glenwood Springs.

### Demographic Profile

Demographic data from the 2010 U.S. Census for Garfield and Pitkin Counties is summarized below. Garfield County has about three times more permanent residents than Pitkin County, but registers a generally similar median age, average household size, and per capita income as the State of Colorado. Pitkin County reports a higher median age and lower household size than the state, but is much more affluent in terms of per capita income (twice as high as Garfield County). While the combined 2010 population for both counties of 73,537 people is less than 2% of the total for Colorado, both counties outpaced the statewide average in regards to growth since 2000. Municipalities in the Roaring Fork Valley (and their 2010 population) include Glenwood Springs (9,614), Carbondale (6,427), Basalt (3,857), Snowmass Village (2,826), and Aspen (6,658).

Area Surveyed	Population	2000 % Change	Households	Median Age	Average HH Size	Per Capita Income
Garfield County	56,389	+28.8%	20,359	34.5 years	2.73 people	\$36,019
Pitkin County	17,148	+15.3%	8,152	42.0 years	2.09 people	\$74,414
State of Colorado	5,029,196	+16.9%	1,972,868	36.1 years	2.49 people	\$42,107

### Economic Conditions

The local economy was traditionally based on agriculture, primarily cattle ranching and mining. However, tourism has emerged as the primary industry, with over two-thirds of the labor force employed in the retail and service sectors. Aspen Skiing Company operates four resorts in Pitkin County (i.e., Aspen Mountain, Aspen Highlands, Buttermilk, and Snowmass), and reports 1.33 million skier visits during the 2011/2012 ski season (11% of the total for the State of Colorado). Natural resource extraction (mostly oil and gas) remains prevalent in western Garfield County. As of October 2012, Garfield County reports an unemployment rate of 7.3%, with Pitkin County at 9.0%. These rates are similar to the statewide average for the same time period of 7.5%, but are much higher than 2008 averages of 3.1% for Garfield County and 3.3% for Pitkin County.

### Transportation and Services

State Highway 82 is the only major arterial in the region, which originates at Interstate-70 in Glenwood Springs and travels southeast for about 42 miles to Aspen. The road continues east for another forty miles to its terminus at U.S. Highway 24, but must traverse Independence Pass via a narrow route that is closed during the winter season. A network of paved and gravel county roads provide secondary access, but the highway corridor is heavily traveled and very congested. The Aspen Regional Airport can accommodate commercial jet service, and offers direct flights from major national cities during the winter and summer seasons. Glenwood Springs features regional shopping centers, including several national big-box stores, with mostly neighborhood services down-valley in Carbondale, El Jebel, Basalt, Snowmass, and Aspen. The area has two daily newspapers, state-of-the-art hospitals, and satellite campus for Colorado Mountain College.

## AREA AND MARKET ANALYSIS

### **Land Use and Development Trends**

Pitkin County has the most stringent zoning and land use regulations for the State of Colorado, with a Growth Management Quota System (GMQS) that limits the amount and timing of new residential housing. Since less than 10% of the total acreage within Pitkin County is privately owned, the supply of land that is available for residential development is extremely limited. These factors combine to make Aspen and Pitkin County one of the most expensive real estate markets in the country, which primarily caters to wealthy individuals and international buyers. Garfield County offers much more affordable housing prices and caters to the working class, with flexible land use regulations that generally allow much higher densities than Pitkin County. Private property is concentrated along the highway corridor between Glenwood and Aspen, with the narrow valley floor surrounded by mountain ranges in the White River National Forest. Most residential housing and commercial facilities are located within incorporated areas, and the highest density is found at ski area base villages (such as condominium and timeshare projects). The remainder of the valley is rural in nature, and features working ranches, rural homesites, large-lot subdivisions, and ample public land (most of which is managed by the BLM or USFS). While Pitkin County has an established public open space/trails/parks program, a tax proposal to create a similar program in Garfield County was not approved by local voters in November 2012.

### **Recreational Opportunities**

The scenic Roaring Fork Valley offers four seasons of recreational opportunities, including golf, fishing, boating, camping, hunting, hiking, cycling, alpine and Nordic skiing, and snowshoeing. The Crystal River and Fryingpan River are major tributaries of the Roaring Fork River, and Reudi Reservoir (located upstream of Basalt on the Fryingpan River) is a popular recreation area. Glenwood Springs features natural hot springs, commercial cavern tours, and whitewater rafting. The White River National Forest mostly surrounds Aspen, including the Hunter Fryingpan, Collegiate Peaks, and Maroon Bells Snowmass Wilderness Areas. Glenwood Springs is situated south of the Flat Tops Wilderness Area, with large blocks of BLM land found near the city limits and at Carbondale. The Rio Grande Trail is a former railroad corridor that was acquired by local government, and this mostly paved and public hiking/biking path links Glenwood with Aspen.

### **Carbondale and Crystal River Valley**

The subject neighborhood is considered to be the area surrounding the Town of Carbondale, which is located along the Roaring Fork River at State Highways 82 and 133. Carbondale has about 6,400 residents and is a bedroom community for nearby Glenwood Springs (located twelve miles northwest) and the wealthy up-valley community of Aspen (about thirty miles southeast). Mount Sopris provides a prominent natural landmark, as it is a few miles south of Carbondale. Most rural residential housing is concentrated in the Missouri Heights area, which is located north of the highway along the drainage of Cattle Creek. Single-family subdivisions with two to ten acre homesites include Callicotte Ranch, Hawk Ridge, Ten Peaks Mesa, Aspen Mesa Estates, Red Table Acres, High Aspen Ranch, Spring Park Ranch, Spring Park Meadows, and Spring Park Mesa. The Crystal River Valley is located south of Carbondale, along the Crystal River and Highway 133 corridor, and extends for about thirty miles to the towns of Redstone and Marble. The neighborhood is transitioning from agriculture to a bedroom community for local residents, and many historic working cattle ranches have been acquired by developers for rural subdivision. Rogers, Bailey, Wexner, Considine, Nieslanik, Fales, and Turnbull operate large ranches in the neighborhood, with much of their land protected into perpetuity from future development via conservation easements that are held by Aspen Valley Land Trust (AVLT) and/or Pitkin County.

## AREA AND MARKET ANALYSIS

### Real Estate Market Conditions

The local real estate market comprises both Garfield and Pitkin Counties, with recent sale price and volume trends summarized as follows (the data source is Land Title Guarantee Company):

Garfield County	2007	2008	2009	2010	2011	Jan - Sep 2012
Total Dollar Volume Sold	\$1,222,625,600	\$723,167,700	\$236,164,550	\$248,877,800	\$279,072,600	\$272,336,988
Number of Transactions	2,805	1,560	631	699	921	884
Average Overall Sale Price	\$435,874	\$463,569	\$374,270	\$356,048	\$303,010	\$308,074
Average Single-Family Price	\$455,769	\$448,167	\$414,627	\$387,630	\$311,271	\$336,429
Median Single-Family Price	\$362,000	\$372,000	\$339,900	\$297,500	\$225,000	\$225,000
Carbondale Average SF Price	\$820,949	\$879,579	\$730,390	\$766,851	\$644,376	\$565,146

Pitkin County	2007	2008	2009	2010	2011	Jan - Sep 2012
Total Dollar Volume	\$2,515,295,672	\$1,365,742,938	\$1,072,548,228	\$1,262,919,589	\$1,269,446,586	\$1,010,257,240
Number Transactions	1,379	828	702	689	756	517
Average Overall Price	\$1,824,000	\$1,649,448	\$1,527,846	\$1,832,975	\$1,679,162	\$1,954,076
Average SF Price	\$4,648,584	\$5,118,572	\$4,902,989	\$4,341,199	\$4,108,658	\$4,052,664
Median SF Price	\$3,551,000	\$4,100,000	\$3,153,088	\$3,175,000	\$2,787,500	\$2,675,000

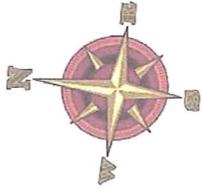
While the local market experienced major growth during the boom period of 2006 through 2008, both counties have been adversely impacted during the past four years by the Great Recession. Total dollar volume for all types of real estate sold in Garfield County averaged \$255 million during 2009, 2010, and 2011. While annualized volume for the first nine months of 2012 is 42% higher at \$363 million, this is only 50% of the total from 2008 and 30% of the 2007 volume. The total number of transactions for 2011 is 67% less than 2007. Single-family home prices in Garfield County decreased by 26% (average) and 38% (median) from 2007 to year-to-date 2012. In regards to Pitkin County, total volume averaged \$1.30 billion during 2009, 2010, and 2011, with 2012 on a similar pace at an annualized volume of \$1.35 billion (but only at 54% of 2007). The total number of transactions for 2011 is 45% less than 2007. Single-family home prices in Pitkin County decreased by 13% (average) and 25% (median) from 2007 to year-to-date 2012. In regards to the Carbondale submarket of Garfield County, the average single-family home price as of September 2012 is 67% higher than the countywide average, but 31% less than 2007. The lack of affordable housing is a major issue for the region, as most of the labor force in Pitkin County commutes from Garfield County due to much higher (but more stable) residential prices. According to a local expert, portions of Eagle, Garfield, and Pitkin Counties that comprise the Roaring Fork Valley witnessed 475 total foreclosure filings during 2010, which is 16% higher than 408 filings in 2010. While the pace is slowing, with 288 filings through September 2012, the prevalence of foreclosure activity since the boom continues to adversely impact sale prices. Residential construction is slowly rebounding at levels that are much lower than 2007 or 2008.

### Regional Summary

In conclusion, the subject is located in the Roaring Fork Valley of Garfield and Pitkin Counties. State Highway 82 traverses the Roaring Fork Valley as it links Glenwood Springs with Aspen, and Carbondale has become a down-valley community that generally caters to the working class. Local real estate market conditions are stabilizing, but still much weaker than the boom period, with much higher overall and residential prices in Pitkin County than Garfield County.

# AREA MAP

# Roaring Fork Valley



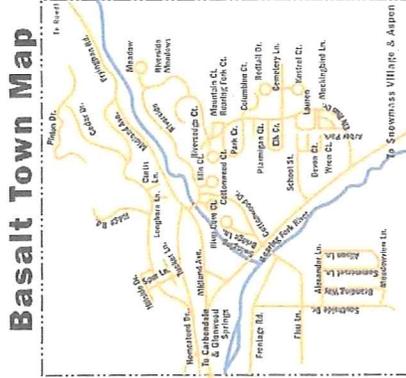
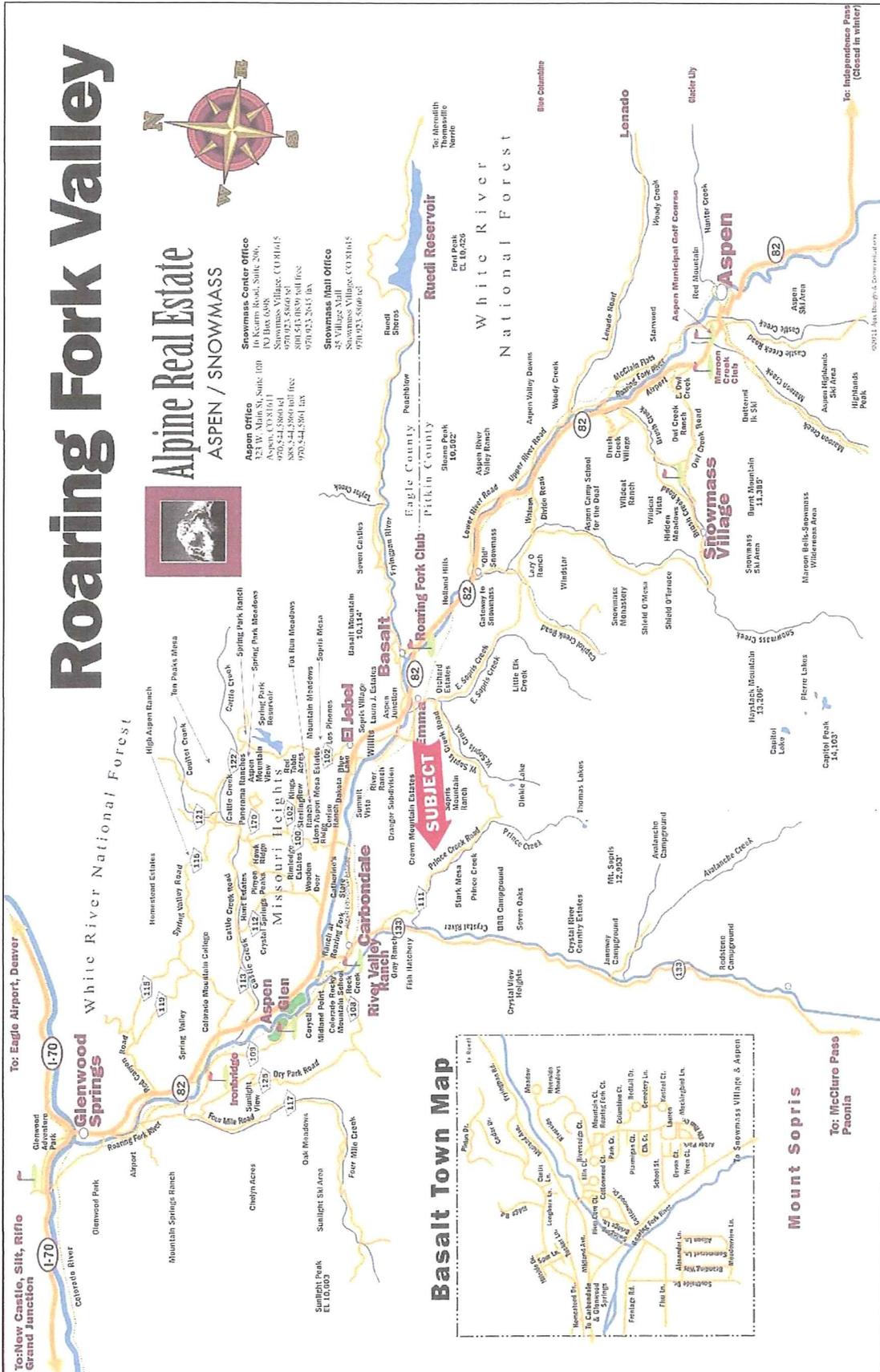
**Alpine Real Estate**  
 ASPEN / SNOWMASS



**Snowmass Center Office**  
 In Kearns Wood, Suite 206,  
 100 Box 16000, Snowmass, CO 81615  
 970.544.5860 ext. 100 office  
 970.544.5860 cell  
 970.544.5861 fax

**Aspen Office**  
 323 W. Main St., Suite 100  
 Aspen, CO 81611  
 970.544.5860 ext. 100 office  
 970.544.5860 cell  
 970.544.5861 fax

**Snowmass Mail Office**  
 48 Village Mall  
 Snowmass Village, CO 81615  
 970.923.8500 ext. 303

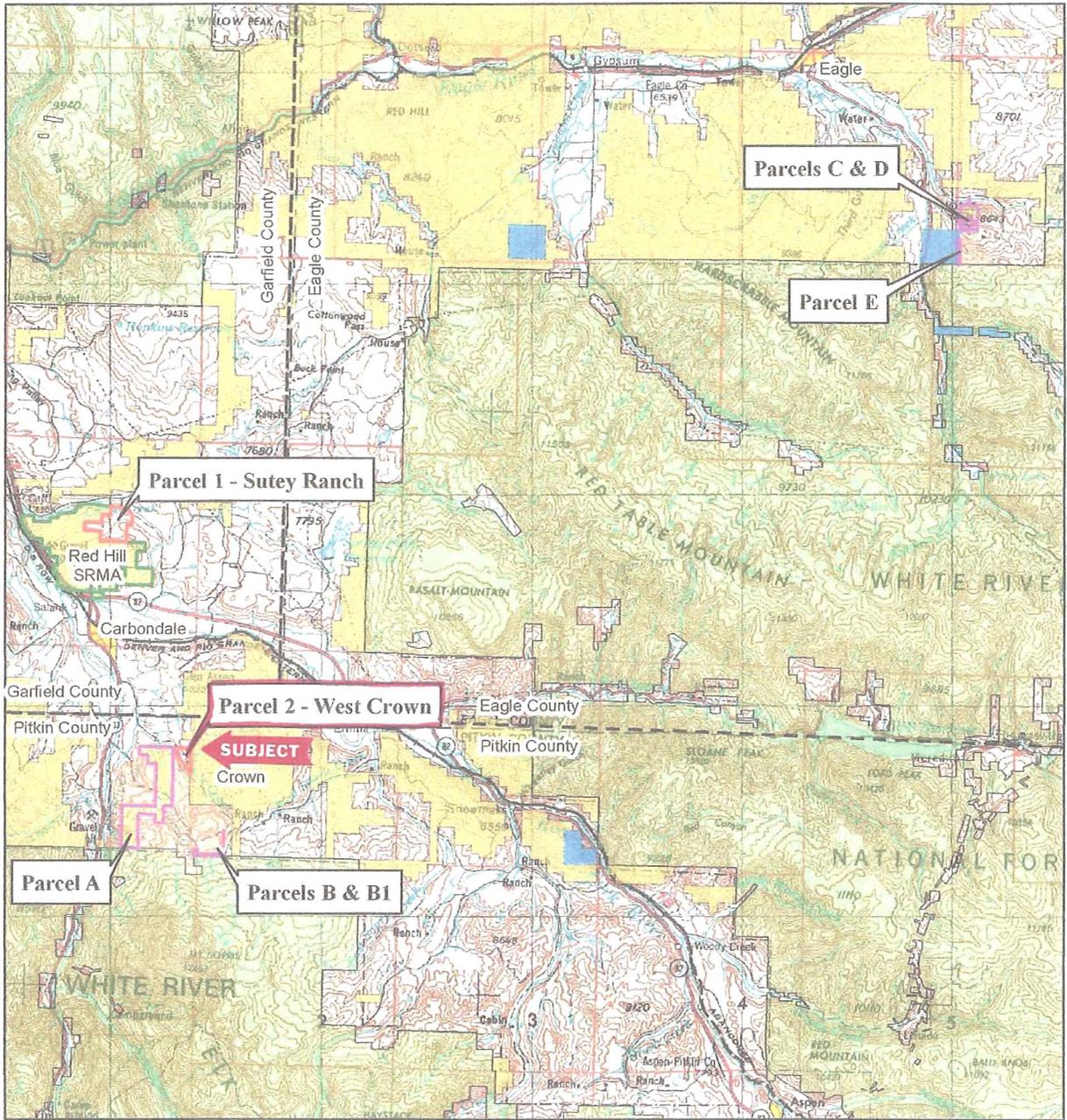


**Mount Sopris**  
 To: McClure Pass  
 Paonia

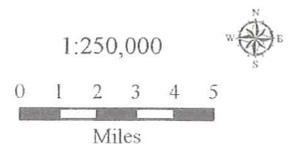
©2011 MapSource.com, Inc.

# LOCATION MAP

## Sutey Ranch Land Exchange Vicinity Map Eagle, Garfield, and Pitkin Counties, Colorado



- |  |   |
|--|---|
|  Non-Federal Parcels            |  BLM                       |
|  Federal Parcels                |  National Forest           |
|  Two Shoes & Lady Belle Ranches |  Colorado State Land Board |
|  Red Hill Special Rec Mgt Area  |  County Boundaries         |



## PROPERTY DATA

The West Crown Parcel comprises 111.78 acres of a 159.82-acre parcel of privately owned land that is situated three miles southeast of the town limits of Carbondale, in the northwest portion of unincorporated Pitkin County, Colorado. The subject is situated between Prince Creek Road and a block of BLM land (The Crown), and is vacant land with no existing building improvements.

### Size and Description

The subject is the northeast portion of one tax parcel formerly known as the Haynes Property. According to recent survey, this irregular (generally triangular) parcel comprises 111.78 deeded acres of the 159.82-acre tract (although the county assessor states the size is only 140.00 acres). The subject is legally described as a tract in the East Half of the Northeast Quarter, East Half of the West Half, as well as Northeast Quarter of the Northeast Quarter of Section 24, in Township 8 South and Range 88 West. The topography is generally level along the county road, with moderate slopes to the east, and elevations range from about 7,100 to 7,300 feet above sea level. Views are rated as good, with the natural landmark of Mount Sopris highly visible looking south. Prince Creek parallels the west side of the county road, but there is no live water, irrigated land, or water rights at the subject property. While county assessor records classify the entire parcel as hay meadows, the subject is appraised as dry grazing land traversed by a few seasonal drainages. Vegetation includes either native grasses or a dense understory of oak brush at lower elevations, with sagebrush and juniper along the hillsides. The subject provides valuable wildlife habitat, and has been identified as a migration corridor plus critical winter range for elk and mule deer. The subject is used for seasonal cattle grazing (in conjunction with BLM allotments), but is too small to safely accommodate big-game hunting. The eastern boundary is formed by The Crown, a large block of public land (9,000 acres managed by BLM) that is very popular for public hiking and mountain biking. It adjoins private land owned by Two Shoes Ranch to the west, and by DKD Trust to the north, with the Prince Creek Village subdivision situated to the northwest.

### Access and Roadways

The subject has direct access from County Road 111 (a/k/a Prince Creek Road), which forms the western boundary of the parcel. It originates in Garfield County at State Highway 133, and is paved with winter maintenance for the first three miles. Prince Creek Road enters Pitkin County after a distance of one mile from the highway, but is only plowed during the winter by Garfield County to the Prince Creek Village subdivision entrance (per agreement between the counties). It becomes gravel and dirt surface as it travels southeast along Prince Creek, skirts the south side of The Crown, and turns northeast as it follows Sopris Creek. It becomes Pitkin County Road 7 (a/k/a West Sopris Creek Road), and eventually connects with State Highway 82 near Emma. The subject is located about one-half mile southeast of the end of county winter maintenance, with private snowplowing required for year-round access (i.e., seasonal vehicular ingress/egress). The interior of the parcel is traversed by a network of unofficial ("social") hiking/biking trails.

### Soil Conditions

I was not provided with a soil report or geotechnical study for the subject property, but my analysis assumes underlying soils are typical for the area. While I did not observe any adverse conditions at the subject parcel during my physical inspection, steep slopes and/or unstable soils that may be prone to erosion may exist at portions of the site. However, I cannot warranty the soil or geotechnical conditions, and further certification by an expert in this field is advised.

## PROPERTY DATA

### **Environmental Hazards**

I was not provided with an environmental study (Phase I or II) for the subject property. Adjacent land uses do not appear to have the potential to cause soil or groundwater contamination, and my physical inspection did not reveal any unusual signs of environmentally hazardous materials or conditions. My analysis assumes the subject site is free and clear of any environmental issues that would have an adverse impact on value, but further certification by an expert is advised.

### **Utilities and Drainage**

The subject is located outside of municipal water and sewer service boundaries for incorporated communities in the area. However, rural homesites in the neighborhood often utilize individual septic disposal systems for sanitary sewer and domestic wells for potable water. Although private wet utilities have not been installed at the property, this is a viable option for the subject. Electric service in the neighborhood is provided by Holy Cross Electrical Association, telephone by Century Link, and natural gas by Atmos Energy. Electric/telephone service currently exists along the county road, and is available for rural residential development at the subject property. Garfield and Pitkin Counties provide police and fire protection for the immediate neighborhood. The property receives moderate snowfall, with some runoff during spring snowmelt. However, the subject appears to have adequate surface drainage and ample uplands for rural homesites.

### **Reservations and Encumbrances**

The property is appraised subject to reservations and outstanding rights that were discussed in a preceding section of this report, which were listed in the recent title insurance commitment. While several permitted title exceptions have been identified, my analysis assumes there are no reservations or encumbrances at the subject property that would adversely impact market value. A resolution from Pitkin County in July 1984 denied 1041 Special Review approval to develop a single-family house at the northeastern forty acres of the subject property due to elk/deer habitat. However, my analysis assumes the subject parcel qualifies as one legal homesite under current land use regulations, and this recorded exception does not adversely impact market value.

### **Water and Mineral Rights**

The subject reportedly has no adjudicated water rights that would be included in the conveyance. A mineral report was not prepared for the Non-Federal parcels in the Sutey Ranch BLM Land Exchange, but there is no indication of past or present mining activity at the subject property. While the surface owner apparently controls some of the mineral rights, knowledgeable parties indicate there are no active oil/gas leases or known mineral resources having commercial value.

### **Assessment and Taxes**

The subject is part of a tract that is identified by the county assessor as Parcel #2463-241-00-041 and Account #R009779. The entire parcel is assessed as vacant agricultural land (140.00 acres), with a 2012 actual value of \$23,500 and corresponding assessed value of \$6,820 (29% of actual). Current real estate taxes of \$424.47 for the entire parcel have been paid as scheduled (no liens). While the actual value for the underlying land only equates to \$167.86 per acre, it is based on a statewide formula for agricultural use (as opposed to comparable sales). The land value would be much higher if the property was assessed as residential land (versus agricultural).

## PROPERTY DATA

### **Zoning and Land Use**

The subject property is zoned RS-30 (Resource - 30 Acre) by Pitkin County. The intent is to protect natural resources and agriculture while allowing for some very low density development. Allowed uses by right include ranching, farming, single-family dwellings, accessory structures, farm buildings, trails, silviculture, horse boarding, bed-and-breakfasts, bus stops, home day care, minor public utilities, home occupation, and camping areas. Conditional uses that require special review include kennels/veterinary clinics, logging, mineral extraction, religious institutions, cemeteries, campgrounds, major public utilities, Nordic ski areas, parks/playgrounds, guest ranches, conference centers, building materials/landscaping sales, commercial recreation, and caretaker dwelling units. Most types of commercial, industrial, and multi-family uses are strictly prohibited in the RS-30 zone district. Pitkin County has currently adopted a minimum lot area for subdivision purposes in the RS-30 district of thirty acres. Only one single-family dwelling unit is permitted per buildable lot, with a maximum allowable floor area of 15,000 square feet. The required setbacks are fifty feet from the front property line, thirty feet from side and rear lines, as well as 100 feet from any highway and the high water line of river and stream corridors. Since the tax parcel was created prior to January 10, 2000 and is privately owned, it qualifies for one residential exemption to the Pitkin County Growth Management Quota System (GMQS). However, this would be governed by a 1041 Hazard Review to identify potentially "Constrained Areas", such as critical wildlife habitat for elk and deer (which is documented at the property). The vested maximum floor area of 5,750 square feet can be increased by the use and/or purchase of TDRs (i.e., 2,500 square feet per each TDR) to the maximum allowed of 15,000 square feet.

### **Sales, Rental, and Use History**

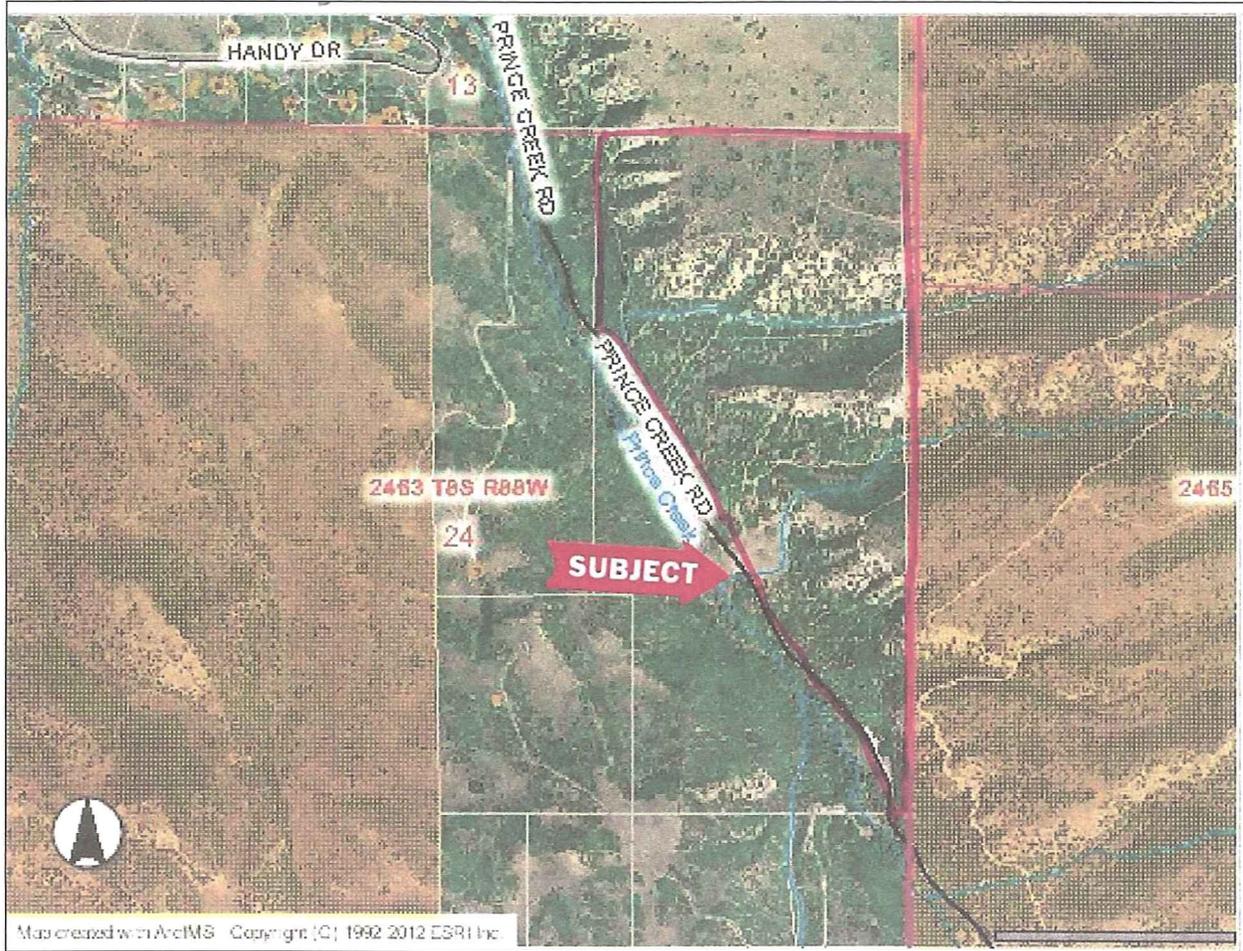
The owner of record of the subject is Prince Creek Crown, LLC, an entity that is controlled by Leslie and Abigail Wexner (owners of Two Shoes Ranch and proponents of the land exchange). They purchased the 159.82-acre holding from Mark Haynes on November 4, 2010 for a purchase price of \$1,950,000 (Reception #575352). The seller acquired the property from Strang Family Associates on October 20, 2005 for an arms-length price of \$1,200,000 (Reception #516656). There have been no other arms-length transfers of ownership of the subject property during the past three years, and it is neither listed for sale nor under contract to purchase at the present time. It has historically been used for private recreation and cattle grazing during the past ten years.

### **Property Data Summary**

The subject of this appraisal is the West Crown Parcel, which is identified as Non-Federal Parcel 2 for the proposed Sutey Ranch BLM Land Exchange. It comprises 111.78 acres of vacant land, and is a portion of a 159.82-acre parcel that is owned by an entity controlled by the proponent. The property is located three miles southeast of State Highway 133 and the Town of Carbondale, within the jurisdiction of Pitkin County, Colorado. The subject has direct but seasonal access from a county road, adequate dry utilities and services for rural residential development, borders public land (managed by BLM) to the east, but has no live water amenity or irrigated acreage. The property is zoned RS-30 by Pitkin County, which allows rural residential development (the minimum lot size is thirty acres) with complimentary agricultural and/or recreational uses. Please refer to the Assessor Parcel Maps, Aerial Map, Surrounding Property Map, Topographic Map, Improvement Survey Plat, and Zoning Map on the following pages for visual edification.



# AERIAL MAP



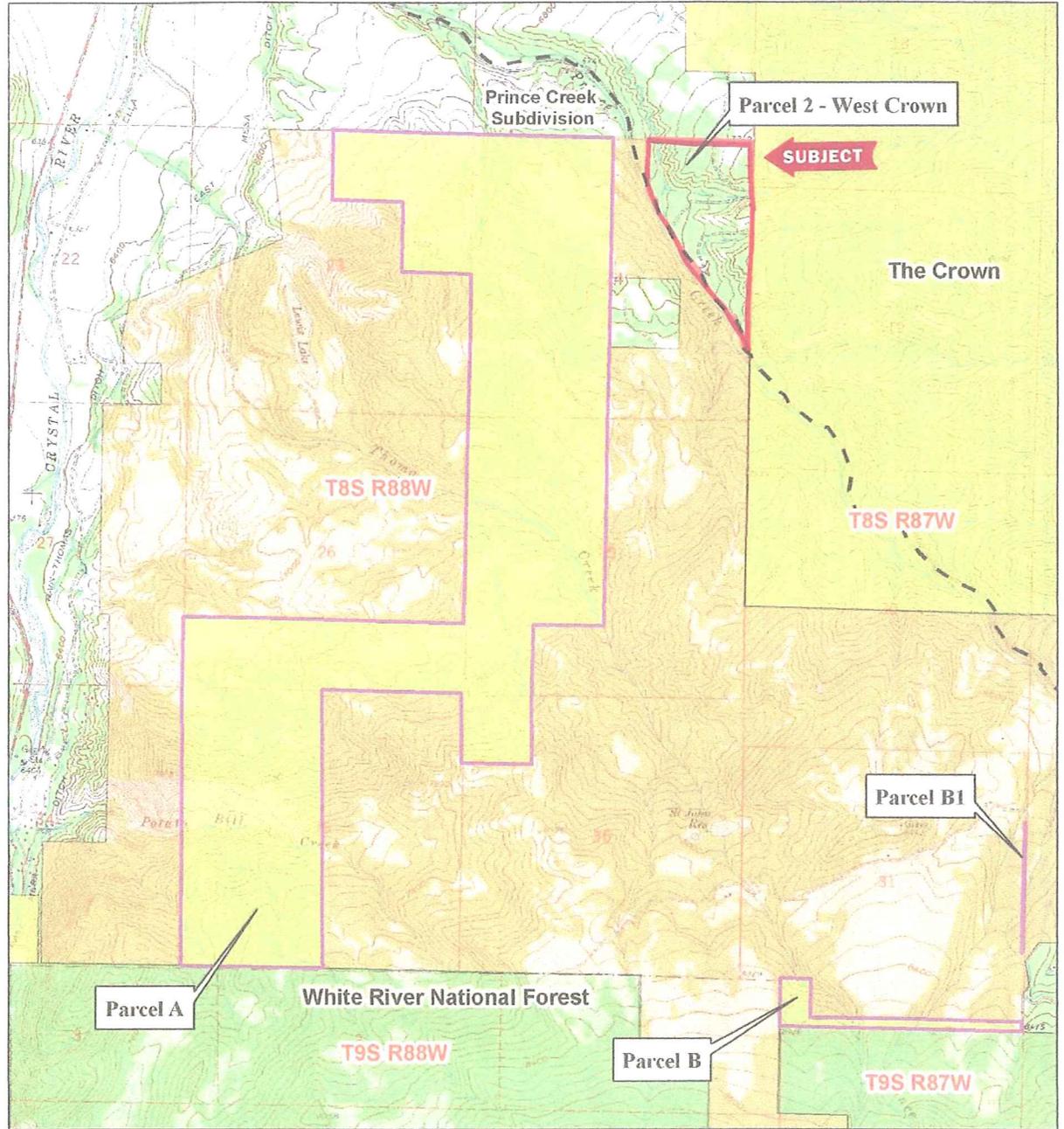
# SURROUNDING PROPERTY MAP

## Sutey Ranch Land Exchange

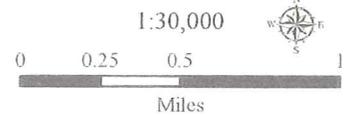
Parcel 2 - West Crown

Parcels A, B, and B1

T. 8 S., R. 87 & 88 W., Sixth Principal Meridian, Pitkin County, Colorado



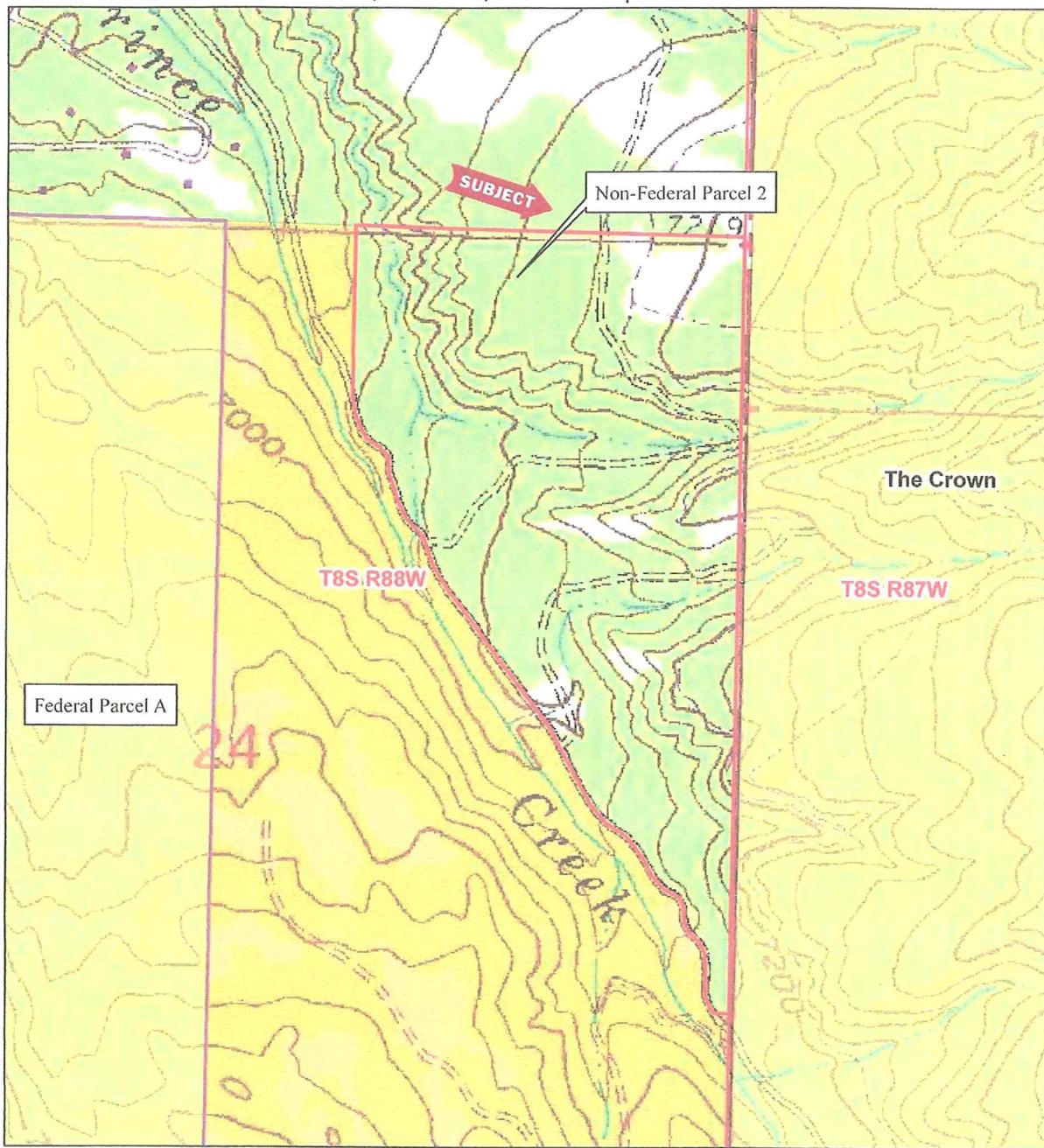
- |                     |                 |                   |
|---------------------|-----------------|-------------------|
| Non-Federal Parcels | BLM             | Prince Creek Road |
| Federal Parcels     | National Forest |                   |
| Two Shoes Ranch     | Private         |                   |



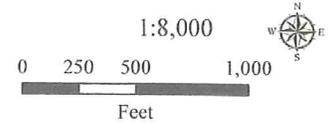
# TOPOGRAPHIC MAP

## Sutey Ranch Land Exchange

Non-Federal Parcel 2 (West Crown)  
T. 8 S., R. 88 W., Sixth Principal Meridian

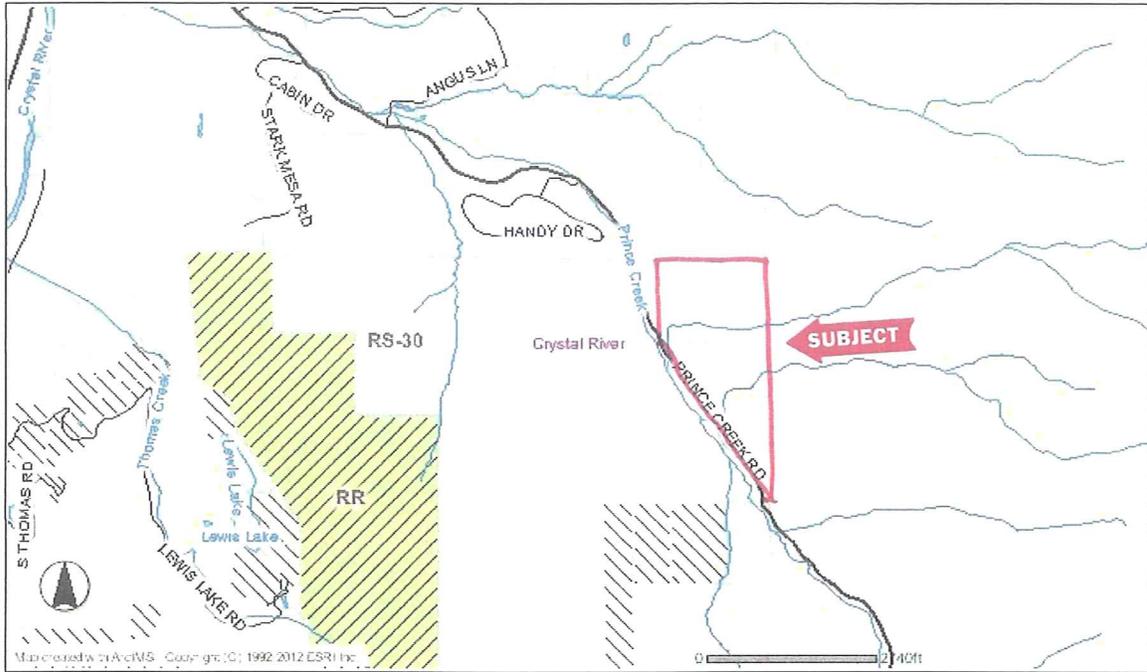


- |                     |                           |
|---------------------|---------------------------|
| Non-Federal Parcels | Bureau of Land Management |
| Federal Parcels     | National Forest           |
| Two Shoes Ranch     | Private                   |





# ZONING MAP



	AC/REC-2 Accommodation/Recreation 2 acres
	AH Affordable Housing
	AH/PUD Affordable Housing/PUD
	AR-10 Agricultural/Residential - 10 acres
	AR-2 Agricultural/Residential - 2 acres
	B-1 Rural Business
	B-2 Business
	BASALT
	I Industrial
	LIR-35 Low Impact Residential - 35 acres
	MHP Mobile Home Park
	PUB Public
	R-15 Moderate Density Residential
	R-15A Moderate Density Residential
	R-30 Suburban Density Residential
	RR Rural Remote
	RS-160 Resource 160 Acre
	RS-20 Resource 20 Acre
	RS-30 Resource 30 Acre
	RS-35 Resource 35 Acre
	SKI-REC Ski Recreation
	T Tourist
	TOSV
	TR-1 Transitional Residential 1
	TR-2 Transitional Residential 2
	U Unclassified
	VC Village Commercial
	VR Village Residential

## HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined for this assignment by The Dictionary of Real Estate Appraisal as “The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity”. The highest and best use conclusion must be clearly supported by market evidence, with the burden of proof on the appraiser if this differs from the existing use of the subject property. Sale or exchange to the United States of America or a public entity is not acceptable, and a “non-economic” highest and best use (such as conservation, natural lands, or preservation) is not valid. Current market conditions and existing zoning are analyzed, and the reasonable probability of a change in zoning must have a factual foundation (market value cannot be predicated upon potential uses that are speculative or conjectural). Since the subject property is vacant land with no existing building improvements, only the highest and best use as if vacant is relevant (i.e., not as improved).

**Legally Permissible** uses depend on zoning requirements, encumbrances, and other restrictions. As discussed in the Property Data section of this report, the subject parcel is zoned RS-30 by Pitkin County, with a minimum buildable lot size of thirty acres for rural residential homesites. While the 111.78-acre West Crown Parcel could potentially be subdivided into as many as three buildable lots, it would have to compete in Pitkin County GMQS to obtain additional allotments (beyond one vested unit). However, the annual ceiling available in the entire Crystal River Area is limited to 10,000 square feet, and subdivision would be inhibited by critical wildlife habitat. Since growth is highly regulated and many other potential applicants exist in the planning area, approval of more than one homesite would be difficult and require considerable time via GMQS. Due to required setbacks and land area for a building envelope, my analysis assumes that the one residential allotment for the entire 159.82-acre parent tract (a/k/a the Haynes Property) would be situated on the east side of the county road (where there are also good views of Mount Sopris). Thus, the 111.78-acre parcel comprises one single-family residential homesite, with a vested maximum floor area of 5,750 square feet. Based on the foregoing, legally permissible uses at the subject include rural residential development (one homesite), agriculture, and/or recreation.

**Physically Possible** uses are determined by location and physical characteristics. As detailed in the Property Data section of this report, the subject has the appropriate location, access, size, and physical characteristics for rural residential development, agriculture, and mountain recreation. The West Crown Parcel enjoys a good location near Carbondale, in the heart of the Roaring Fork Valley and within the desirable Crystal River Valley neighborhood. Although not as prestigious as Aspen or Snowmass, Carbondale is a bedroom community that is in close proximity to services, shopping, schools, Interstate-70, regional airports, golf courses, and major ski resorts. The subject is well suited for rural development, with direct access from a public county road, favorable terrain, and dry utilities to the site. The major detriment is the lack of year-round access, which could be resolved by private snowplowing of the one-half mile segment of Prince Creek Road from the parcel to the end of county winter maintenance. The subject also features prime wildlife habitat and adjoins public land managed by BLM (The Crown) along the eastern boundary, which makes it suitable for complimentary uses such as agriculture (cattle grazing) and/or mountain recreation (i.e., camping, hiking, biking, riding, hunting, and winter activities). Private wells and septic disposal systems are allowed for low-density residential development, and electric/telephone service could be extended to the building envelope. While the subject could accommodate complimentary uses (such as grazing), forestry (logging) and mining are not viable uses due to the lack of these natural resources with commercial value. Rural residential development (one homesite) with agriculture and recreation is physically possible at the parcel.

## HIGHEST AND BEST USE ANALYSIS

**Financially Feasible** uses are based on supply and demand conditions, and generate a positive return on the required investment. As previously discussed, rural residential development, agriculture, and/or recreation are legally permissible and physically possible at the subject parcel. According to the Area and Market Data section of this report, the local residential market is not currently in equilibrium, and the supply of available product exceeds demand at the present time. In fact, most proposed or even approved projects have been placed on hold due to insufficient pre-sales and/or financing for vertical construction. Local market participants indicate the Great Recession adversely impacted the area in Fall 2008, and the consensus is that demand for a significant addition to the inventory of residential lots/homes may not be warranted for years. The Carbondale submarket primarily caters to the entry-level buyer or working class, with much more affordable housing prices than up-valley resort towns of Snowmass and Aspen. There are several existing rural subdivisions in the neighborhood, including 35-acre tracts and smaller lots with common infrastructure. Unfortunately, these projects continue to experience difficulty selling finished homesites at prices that justify acquisition/development costs, and most ranches that were acquired at the peak of the market are distressed, listed for sale, or in a holding pattern. Since the local market is not currently in equilibrium, large-scale residential development is not financially feasible until warranted by improving market conditions. However, the subject parcel is a candidate for only one homesite, and adequate demand exists for this use at the present time.

**Maximally Productive** uses generate the highest return to the land at the least risk to the owner. Development of the West Crown Parcel as one single-family residential homesite (with private winter maintenance of Prince Creek Road) is legally permissible and physically possible. Since this scenario is also financially feasible in the current real estate market, it generates the highest return to the subject parcel. Agriculture and recreation only are not maximally productive, as the nominal income generated from these uses does not justify the required costs of land acquisition. The subject is also a prime candidate for acquisition by BLM and/or local government for public open space, as it is already traversed by social hiking/biking trails and receives heavy use by people that are traveling from Prince Creek Road to The Crown. For example, Pitkin County Open Space and Trails is currently negotiating acquisition of a parking area and trail easement across the Tybar Ranch, which adjoins the subject to the north. The \$1,275,000 purchase price is allocated as \$500,000 to buy 4.6 acres in fee simple for a parking lot along Prince Creek Road, as well as \$775,000 to acquire an easement only for a new hiking/biking trail to The Crown that encompasses about ten acres (one mile long and 30 to 120 feet wide). The subject could also be encumbered by a perpetual deed of conservation easement to prohibit any future development.

**The highest and best use of the subject property** is one single-family residential homesite (either seasonal use only or year-round with some private winter maintenance of the county road) with complimentary agriculture and/or recreation.

## **DETERMINATION OF THE LARGER PARCEL**

Essential in the conclusion of highest and best use is the determination of the larger parcel for valuation purposes. By applying the rules from UASLFA, it is possible that two physically separate tracts may constitute a single larger parcel, or conversely, a single physical tract may constitute multiple larger parcels. The three tests that must be considered are unity of ownership, unity of use, and physical contiguity, with the West Crown Parcel meeting all of these criteria. The subject comprises a portion of a 159.82-acre tax parcel that it is owned by the same entity. Based on the foregoing, I conclude that the 111.78-acre subject property is the larger parcel for valuation purposes, which is consistent with market sales data and the appraisal instructions.

## APPRAISAL METHODOLOGY

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

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

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

**The Income Capitalization Approach** is based on the premise that the value of a property that generates income is equal to the present worth of its future benefits. It is typically the most reliable technique for the appraisal of income-producing property. Market rent and operating expenses are estimated, and consideration is given to the rate of return required by an investor in the prevailing market (i.e., capitalization or discount rate). Net income is established, and then converted to value via the Direct Capitalization process. If the cash flows are expected to vary over time, a discount rate may also be applied to a projected income stream over a reasonable holding period via the Yield Capitalization technique. The Development Approach is a variation of the Income Approach, and utilizes a Discounted Cash Flow (DCF) analysis to estimate the bulks value of subdivided projects with five or more units (i.e., lots, condominiums, or homes).

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

**Valuation of the Subject Property** only employed the Sales Comparison Approach via analysis of comparable sales of rural residential properties in the local market on a price per acre basis. The Cost Approach is not applicable since the subject property is currently vacant (bare) land. The Income Capitalization Approach is not necessary for this analysis since the appraised parcel does not generate major income from agricultural and/or recreational uses. Moreover, parceling the subject into rural homesites is not consistent with the highest and best use conclusion based on zoning/land use. Thus, the Subdivision Development Approach was not employed for this analysis since this technique is also rather speculative due to the many variables associated with subdivision, and is typically only employed when adequate comparables sales are not available. Because the Sales Comparison Approach was the only technique utilized, it provides the best indication of market value for the subject. Since the entire 111.78-acre West Crown Parcel comprises one larger parcel, it was appraised as a single economic unit in the "as is" condition.

## SALES COMPARISON APPROACH

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

1. Research the market to obtain information relative to transactions (listings, sales, etc.) of properties similar to the subject.
2. Qualify the data as to financing terms, motivating forces, and bona fide nature.
3. Determine the relevant unit of comparison, such as price per acre or per square foot.
4. Compare the transactions to the subject and make adjustments to the price per unit to account for differences in location, economic, or physical characteristics.
5. Reconcile the value indications from the comparable sales and analytical techniques to conclude to a final value estimate for the subject property.

### **Selection of Comparable Sales**

Based on the foregoing highest and best use conclusion, the subject property was valued as one single-family homesite (with private snowplowing) due to its zoning and physical characteristics. The local market was researched for recent sales and current listings of comparable properties, with adequate data available for the valuation analysis (despite only three closings since 2008). My search focused on larger rural tracts, and excluded smaller homesites of less than forty acres. Relevant details for the fourteen most similar transactions are summarized on the following page, and report a very wide price range of \$1,879 to \$45,767 per acre. While most were vacant at the time of closing, one sale had existing improvements with contributory value. In my opinion, only four of these sales are similar enough to warrant direct comparison to the subject property.

Detailed data sheets for these transactions are found on the second following pages, including a parcel map, topographic map, and appraiser photograph. The data is followed by a location map. These four transactions were then compared to the subject parcel on a summary and adjustment grid, which is followed by my narrative analysis and resulting value indication for the property. The most recent acquisition of the subject property was also considered in the valuation analysis. The other nine sales that were considered but not utilized as primary comparables are discussed for secondary support, with some explanation given as to why they are not the best transactions.

Confirmation sources include brokers, sellers, buyers, attorneys, lenders, county assessors, as well as MLS. The transactions were confirmed with knowledgeable parties and public records, and each was inspected by the appraiser to the extent possible (sometimes from nearby roads). Please note that the comparable acquired by Pitkin County (Sale One) required extraordinary verification (per Section D-9 of UASFLA) to confirm the price paid was based on market value. My review of comparable property sales with ancillary improvements indicates that the purchase price is almost always attributed to the underlying land only. If it was confirmed that the sale included improvements with contributory value, this indicated amount was deducted from the total sale price to provide an estimate of land value only. The appropriate unit of comparison reflects the actions of typical market participants. Since rural properties in the local market are often priced on the basis of deeded acreage, price per acre was the unit of comparison employed.

**SUMMARY OF COMPARABLE SALES CONSIDERED FOR THE ANALYSIS**

<b>Grantor (Seller) Grantee (Buyer) Location (County)</b>	<b>Sale Date Sale Price Reception</b>	<b>Improvements Land Area Price Per Acre</b>	<b>Description and Comments</b>
<b>THESE SALES WERE SELECTED AS PRIMARY COMPARABLES FOR THE VALUATION ANALYSIS</b>			
Walter Schoellkopf Pitkin County South of Basalt (Pitkin)	Nov-2010 \$895,000 #574912	None (vacant) 79.47 acres \$11,262 per acre	Acquired for wildlife habitat and public open space Year-round access, adjoins BLM, dry grazing land Purchase price based on appraised market value
Fender Four & Susan Handwerk Middle Ranch, LLC Southeast of Carbondale (Pitkin)	Dec-2007 \$4,250,000 #545214	None (vacant) 350.00 acres \$12,143 per acre	Elkhorn Ranch, adjoins BLM and rural subdivision Limited seasonal access, hay meadows, good views Buyer enhanced access and adjudicated water rights
Strang Family Associates Mark Haynes Southeast of Carbondale (Pitkin)	Oct-2005 \$1,200,000 #516656	None (vacant) 140.00 acres \$8,571 per acre	One vested rural homesite, abuts The Crown (BLM) On Prince Creek Road, private winter maintenance Creek, no water rights or irrigated land, good views
Aspen Blue Sky Holdings, LLC 100 Acre Wood, LLC Northeast of Carbondale (Garfield)	Apr-2005 \$650,000 #673205	None (vacant) 102.46 acres \$6,344 per acre	Vacant tract, adjoins BLM and private open space Year-round access, creek, steep areas, good views Seller received \$200,000 of labor plus \$450,000
<b>THESE SALES ARE SUPERIOR TO THE SUBJECT AND NOT SELECTED AS PRIMARY COMPARABLES</b>			
Middle Ranch, LLC Deadwood Ranch I & II, LLC Southeast of Carbondale (Pitkin)	Oct-2011 \$6,500,000 #583857 & -63	None (vacant) 385.00 acres \$16,883 per acre	Re-sale of Elkhorn Ranch plus adjacent 35 acres Had year-round access and perfected water rights Approved for three homes/two cabins/outbuildings
Mark Haynes Prince Creek Crown, LLC Southeast of Carbondale (Pitkin)	Nov-2010 \$1,950,000 #575352	None (vacant) 140.00 acres \$13,929 per acre	Re-sale to motivated buyer for BLM land exchange One vested rural homesite, abuts The Crown (BLM) On Prince Creek Road, private winter maintenance
Perry Sopris Ranch Partnership Sopris LLC & Cold Mtn. Ranch LLC South of Carbondale (Garfield & Pitkin)	Nov-2006 \$27,250,000 #711507, et al	None with value 1,180.00 acres \$23,093 per acre	Acquired by three buyers, adjoins the town limits Highway access, water rights, mostly irrigated land Buildings were demolished, Crystal River frontage
R & W Nieslanik Family, LLLP Iron Rose Land & Cattle I, LLC South of Carbondale (Garfield)	Nov-2006 \$4,753,400 #711704	Yes (\$500,000) 129.29 acres \$36,765 per acre	Portion of Jim Nieslanik Ranch, adjoins private Year-round access, irrigated meadows, good views Price includes newer residence in good condition
Oscar & Wilma Cerise TCI Lane Ranch, LLC East of Carbondale (Garfield)	Aug-2006 \$5,000,000 #705845	None with value 109.25 acres \$45,767 per acre	Frontage on Roaring Fork River, adjoins private Access from Highway 82, meadows, water rights Three homesites, older homes/barns had zero value
Nicholas & June Goluba Golden Triangle Holdings, LLC Northeast of Carbondale (Eagle)	Jul-2006 \$3,290,000 #200620025	None (vacant) 161.82 acres \$20,331 per acre	Near Spring Creek Reservoir, adjoins BLM/forest Seasonal access from forest road, very good views Unable to confirm transaction with party to the sale
William Collins, Jr. Bon & Sue Pietrzak, LLC Southwest of Basalt (Pitkin)	Apr-2006 \$1,500,000 #522652	None (vacant) 114.13 acres \$13,143 per acre	Wonderview Farms, two platted lots, adjoins BLM Year-round access, mountain pasture, limited views Vested approval for two homesites (5,750 SF max)
<b>THESE SALES ARE INFERIOR TO THE SUBJECT AND NOT SELECTED AS PRIMARY COMPARABLES</b>			
Randall & Jean Smith Jackson Ridge, LLC South of Glenwood (Garfield)	Sep-2006 \$212,000 #706546	None (vacant) 112.83 acres \$1,879 per acre	Acquired by neighbor, three lots, adjoins private Above road, steep slopes, no live water, good views No legal or physical access to nearby county roads
Hundred Acre Wood Prop., LLLP JG Real Property, LLC Northeast of Carbondale (Garfield)	Mar-2006 \$3,000,000 #694254	None (vacant) 1,406.31 acres \$2,133 per acre	Portion of Bar Lazy Y Ranch (a/k/a Upper Parcel) Seasonal access, grazing land, adjoins forest/BLM Lower Parcel (524.56 acres) valued at \$6,000,000
Fender Four. LLP et al Crown Mountain Ranch, LLC Southwest of Basalt (Pitkin)	Nov-2005 \$4,750,000 #517168	None with value 559.86 acres \$8,484 per acre	Crown Mountain Ranch, adjoins BLM on one side Year-round access, creek, irrigated meadow, views Subdivided as four homesites (5,750 SF max each)

## COMPARABLE SALE ONE

### Property Identification

General Location: Five miles south of Basalt and State Highway 82  
Physical Address: TBD East Sopris Creek Road, Basalt, Colorado 81621  
Vehicular Access: Direct and year-round from County Road 6  
City/County/State: Unincorporated Pitkin/Colorado  
Tax Identification: Account #R006908 and Account #R007254  
Legal Description: Part of East Half of Section 30, Township 8S, Range 86W

### Property Description

Land Area: 79.47 acres (per legal description, 88.47 acres per assessor)  
Topography: Mostly steep, some level, elevation of 7,300 to 7,900 feet  
Natural Features: Mostly sagebrush hillsides, no live water, average views  
Adjacent Land Uses: Public (BLM) to north and east, private to west and south  
Water Rights: None (no adjudicated water rights were included in transfer)  
Mineral Rights: All owned by seller were conveyed (no valuable resources)  
Improvements: None (vacant land), domestic well, dry utilities only to site  
Zoning District: RS-30, by Pitkin County (minimum lot size of 30 acres)

### Transaction Data

Grantor (seller): Walter H. Schoellkopf  
Grantee (buyer): Pitkin County, Colorado  
Date of Sale: November 4, 2010  
Recording: Reception #574912 (warranty deed)  
Sale Price: \$895,000 (\$11,262 per acre)  
Rights Conveyed: Fee simple estate  
Financing Terms: Cash to seller  
Verification: Seller, Buyer, Appraiser, and Public Records  
Inspected By: Kevin A. Chandler, MAI on 8/23/2012

### Comments

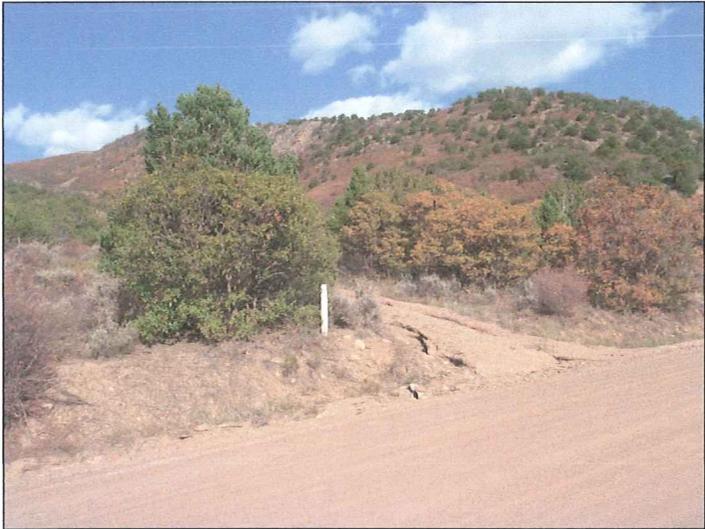
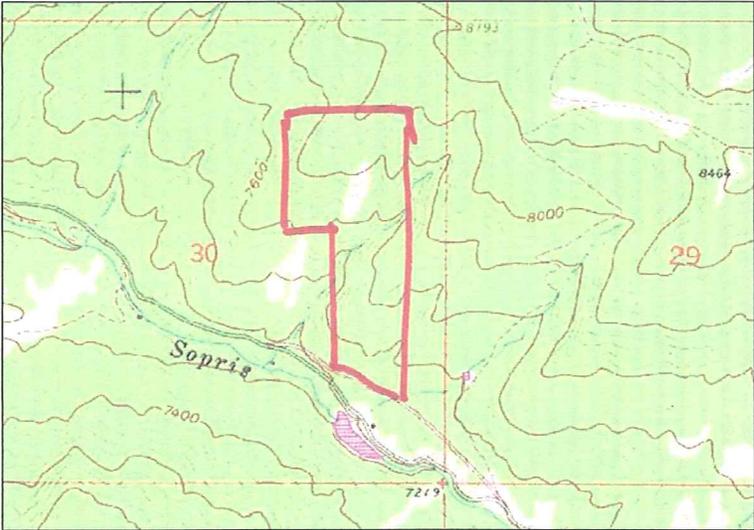
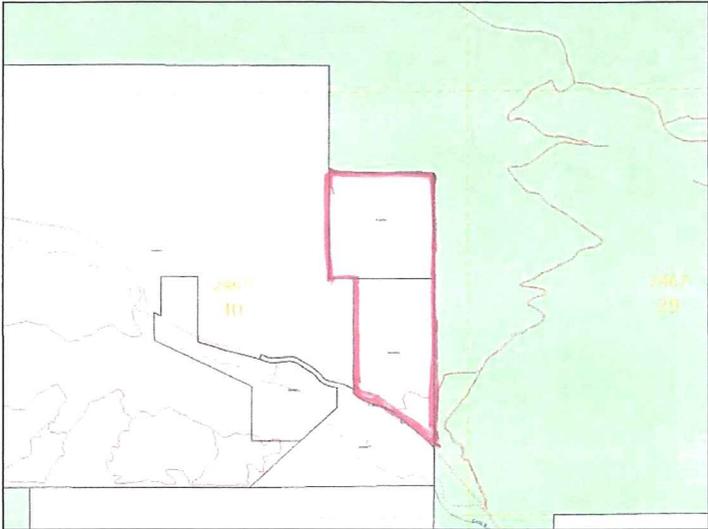
This is the acquisition of two contiguous parcels by Pitkin County for public open space, which are located along East Sopris Creek, and also adjoin BLM lands (which surround Light Hill). The southern parcel fronts the county road and has an estimated size of 39.90 acres (per legal description and GIS mapping), although assessor records overstate the land area at 48.90 acres. The northern parcel is adjacent to the north with no road access and mostly steep terrain, and the land area of 39.57 acres is consistent with assessor records. Each parcel legally qualifies as one rural homesite under existing zoning regulations, with two lots for the 79.47-acre holding. However, steep terrain and the presence of critical wildlife habitat (winter range for elk/deer) adversely impacts residential development at the property, with the most likely scenario being only one single-family dwelling with a limited maximum floor area on the combined holding. However, Pitkin County would likely also award one to three TDRs as a "Constrained Site". The seller acquired these tracts (plus a third homesite to the south) in 1985, and listed it for sale (by owner) at an asking price of \$1,500,000. Pitkin County purchased the land with authorized public open space funds to mainly preserve the wildlife habitat, with no plans for development. The purchase price reflects full market value as established by a third party appraisal, which was confirmed by the extraordinary verification process (as detailed on the following page).

## COMPARABLE SALE ONE (extraordinary verification details)

According to Section D-9 of UASFLA, the following identified items (on pages 89 and 90) must be addressed and documented by the appraiser as part of the extraordinary verification process since the buyer was Pitkin County. The appraiser's response to each question is in parenthesis:

1. Appraiser should review legislation that authorized the acquisition (no official legislation was involved, but I did review the county ordinance which authorized the acquisition).
2. Appraiser must contact the acquiring agency to inspect the appraisal and/or their review (Pitkin County provided a copy of the appraisal that was prepared for the acquisition).
3. Determine that the government's acquisition was a total acquisition of the property (yes).
4. Determine that the sale was for the fee simple interest in the property (yes).
5. Review the appraiser's estimate of highest and best use (due to physical constraints, the highest and best use is development as one rural homesite plus one to three TDRs).
6. Review the appraiser's final estimate of value (the appraiser's opinion of market value was \$895,000, effective as of March 21, 2010, which is equivalent to the purchase price).
7. Review the sales used by the government's appraiser in estimating value (the appraiser used recent and relevant sales and listings of other rural homesites in the neighborhood).
8. Review any breakdown of value that the appraiser may have included in the appraisal report (the appraiser's value opinion reflects vacant land only on a price per acre basis).
9. Review the agency's appraisal review (the appraisal was only reviewed by county staff).
10. Read correspondence from involved parties to determine if there was any undue pressure to consummate a sale at something other than market value (I contacted both seller and buyer, and each party states there was no undue pressure to consummate the sale, as both sides were equally motivated and the price was fairly negotiated between the two parties. Pitkin County is a logical buyer, but had no motivation to pay more than the appraised market value for preservation of wildlife habitat, with little public recreation anticipated).
11. Read the conveyance and closing documents to confirm that the exact estate conveyed was the one that was appraised (the deed confirms that the estate conveyed was the same as what was appraised, with no reservations that would be atypical for the local market).
12. If the estate acquired was an easement, the sale is invalid (the sale was not an easement).
13. Analyze any documents to justify if the payment made was in excess of the approved appraisal (the amount paid was the same as the appraised value and contracted price).
14. Personally verify the sale with both the seller and the buyer (I personally confirmed the transaction with the seller, as well as Dale Will of Pitkin County Open Space and Trails on behalf of the buyer. Both parties agree that the purchase price reflects market value).

**COMPARABLE SALE ONE (maps and photograph)**



## COMPARABLE SALE TWO

### Property Identification

General Location: Four miles southwest of Basalt and State Highway 82  
Physical Address: 2600 West Sopris Creek Road, Basalt, Colorado 81621  
Vehicular Access: Indirect and seasonal from County Road 7 (see comments)  
City/County/State: Unincorporated Pitkin/Colorado  
Tax Identification: Account #R007042 and Parcel #2465-274-02-007  
Legal Description: Part of Sections 27 and 34, Township 8S, Range 87W  
(a/k/a Fender/McGuckin Lot Line Adjustment Parcel 1)

### Property Description

Land Area: 350.00 acres (per county assessor, not confirmed by survey)  
Topography: Mostly level to rolling, elevation of 7,400 to 7,700 feet  
Natural Features: Mountain pasture/meadows, seasonal streams, good views  
Adjacent Land Uses: Mostly private property, public (BLM) land to the east  
Water Rights: None (good water resources but none adjudicated at sale)  
Mineral Rights: All owned by seller were conveyed (no valuable resources)  
Improvements: None with value (homestead cabins), dry utilities only to site  
Zoning District: RS-30, by Pitkin County (minimum lot size of 30 acres)

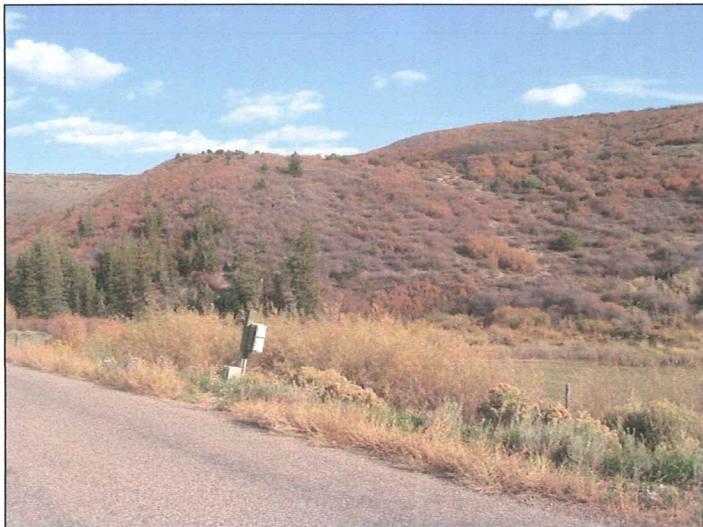
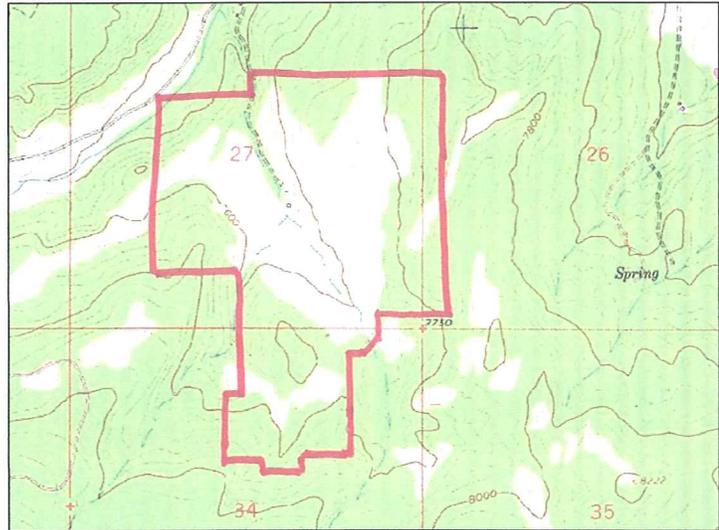
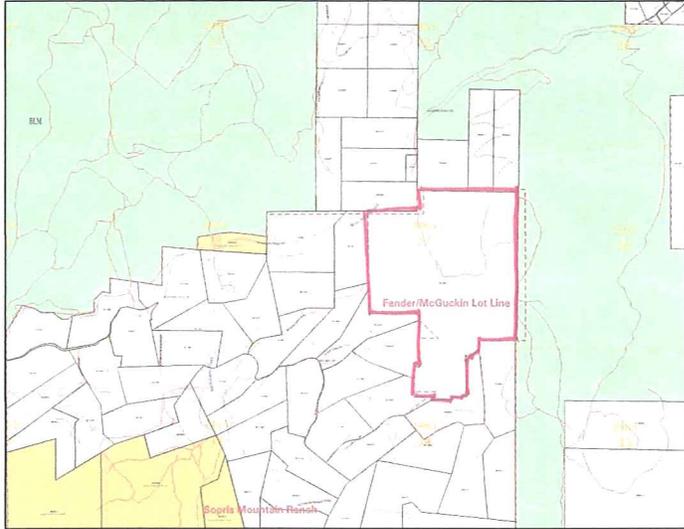
### Transaction Data

Grantor (seller): Fender Four LLLP (43% undivided interest)  
and Susan Fender Handwerk (57% interest)  
Grantee (buyer): Middle Ranch, LLC  
Date of Sale: December 21, 2007  
Recording: Reception #545214 (special warranty deed)  
Sale Price: \$4,250,000 (\$12,143 per acre)  
Rights Conveyed: Fee simple estate  
Financing Terms: Cash to seller  
Verification: Brokers and Public Records  
Inspected By: Kevin A. Chandler, MAI on 8/23/2012

### Comments

Known as Elkhorn Ranch, this holding of vacant land is situated south of West Sopris Creek, and adjoins the Sopris Mountain Ranches rural subdivision. The northwest corner touches the creek, and the interior is traversed by seasonal streams, but it lacks a major live water amenity. Originally part of the Fender Ranch, the property has historically been used for cattle grazing with 50 to 60 acres of flood-irrigated hay meadows (but no adjudicated water rights at closing). The tract has very limited vehicular access from the nearby county road via rugged jeep trails, which are adequate for agriculture/recreation but not for single-family residential development. The ranch was listed during 2003 at an asking price of \$4,500,000, and acquired by a developer for rural subdivision. The buyer spent considerable time and funds to perfect the water rights and improve access, which entailed acquisition of two 35-acre parcels fronting the county road. The buyer also obtained entitlements to construct three new single-family homes, two cabins, plus various outbuildings, and listed the 420-acre holding for re-sale in 2009 at \$18,500,000. The price was reduced to \$9,450,000 for 385 acres of entitled land (less one homesite), which was acquired by Deadwood Ranch, LLC on October 25, 2011 for \$6,500,000 (\$16,883/acre).

**COMPARABLE SALE TWO (maps and photograph)**



## COMPARABLE SALE THREE

### Property Identification

General Location: Three miles southeast of Carbondale, in Crystal River Valley  
Physical Address: TBD Prince Creek Road, Carbondale, Colorado 81623  
Vehicular Access: Direct but seasonal use only from County Road 111  
City/County/State: Unincorporated Pitkin/Colorado  
Tax Identification: Account #R009779 and Parcel #2463-241-00-041  
Legal Description: Part of East Half of Section 24, Township 8S, Range 88W

### Property Description

Land Area: 140.00 acres (versus 159.82 acres per survey, see comments)  
Topography: Mostly level to rolling, elevation of 7,100 to 7,300 feet  
Natural Features: Mountain pasture, sagebrush hillsides, creek, good views  
Adjacent Land Uses: Mostly private property, public (BLM) land to the east  
Water Rights: None (all conveyed in transfer, but none were adjudicated)  
Mineral Rights: All owned by seller were conveyed (no valuable resources)  
Improvements: None (vacant land), dry utilities only to site  
Zoning District: RS-30, by Pitkin County (minimum lot size of 30 acres)

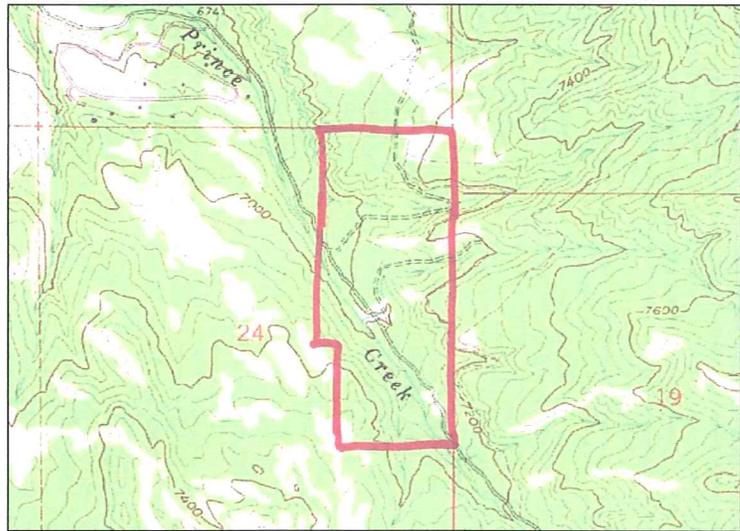
### Transaction Data

Grantor (seller): Strang Family Associates  
Grantee (buyer): Mark Haynes  
Date of Sale: October 20, 2005  
Recording: Reception #516656 (warranty deed)  
Sale Price: \$1,200,000 (\$8,571 per acre)  
Rights Conveyed: Fee simple estate  
Financing Terms: Cash to seller  
Verification: Broker, Buyer, and Public Records  
Inspected By: Kevin A. Chandler, MAI on 8/23/2012

### Comments

Known as the Haynes Property, this vacant tract is situated southeast of Carbondale, traversed by Prince Creek, and adjoins The Crown (9,000 acres of BLM land) along the east boundary. Prince Creek Road follows the creek as it runs diagonally across the tract via a legal easement, but about 20 acres of the property within the road right-of-way are not considered to be usable. While the survey revealed a parcel size of 159.82 acres, the purchase price only reflects 140.00 acres of useable land (the same as county assessor records), which was utilized for the analysis. The seller is a longtime local ranching family that grazed cattle on the property for many years. The buyer purchased it for a single-family homesite, but abandoned this plan when his wife passed away. Although not listed in MLS, the parcel was available for \$3,000,000 through a local realtor (seller's uncle). It was acquired by Prince Creek Crown, LLC (entity controlled by Wexner) on November 4, 2010 for consideration of \$1,950,000. This indicates appreciation of 62.5% over five years, but the price was confirmed to be above market value due to a highly motivated buyer. About 112 acres of the parcel lying east of the road is traversed by a series of unauthorized hiking/biking trails, which are heavily used by the public to access The Crown. This portion of the tract is proposed for conveyance to BLM as part of a federal land exchange, with the remaining 48 acres retained by the owner as an addition to their Two Shoes Ranch.

### COMPARABLE SALE THREE (maps and photograph)



## COMPARABLE SALE FOUR

### Property Identification

General Location: Six miles northeast of Carbondale, north of Missouri Heights  
Physical Address: TBD County Road 121, Carbondale, Colorado 81623  
Vehicular Access: Direct and year-round from County Road 121  
City/County/State: Unincorporated Garfield/Colorado  
Tax Identification: Account #R009570 and Parcel #2391-082-00-259  
Legal Description: Part of Sections 5, 7, and 8, Township 7S, Range 87W

### Property Description

Land Area: 102.46 acres (per county assessor not confirmed by survey)  
Topography: Rolling, some steep slopes, elevation of 7,100 to 7,400 feet  
Natural Features: Mountain pasture, sagebrush hillsides, creek, good views  
Adjacent Land Uses: Mostly private property, public (BLM) land to the south  
Water Rights: Nominal (reportedly for stock only with no irrigation rights)  
Mineral Rights: All owned by seller were conveyed (no valuable resources)  
Improvements: None with value (vacant land), dry utilities only to site  
Zoning District: Rural, by Garfield County (minimum lot size of two acres)

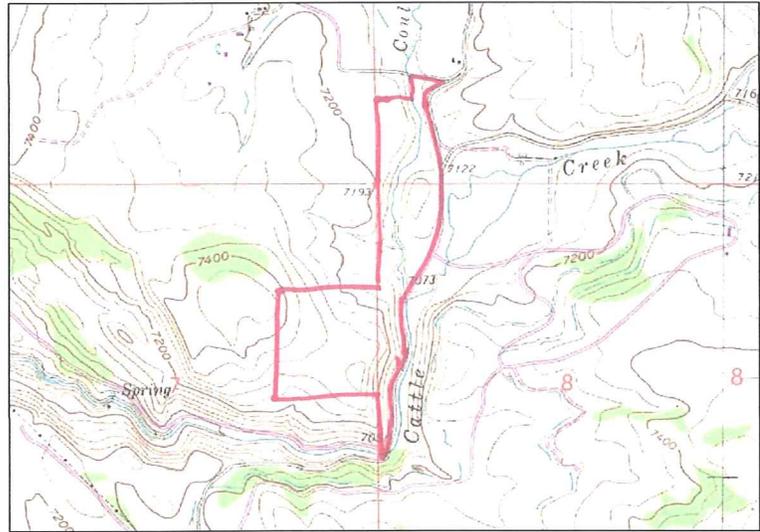
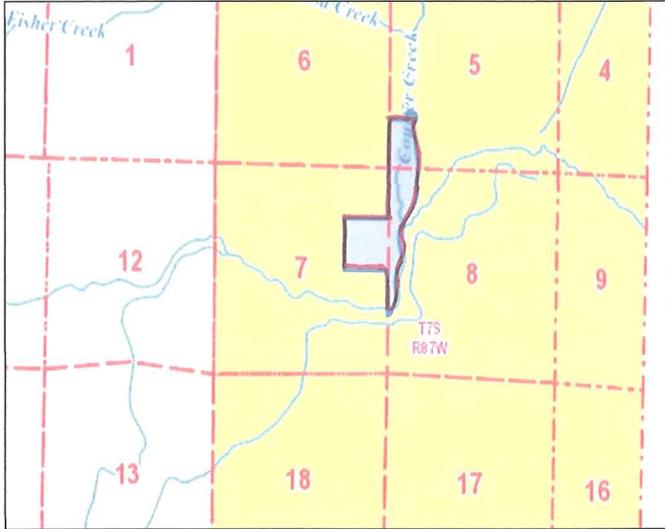
### Transaction Data

Grantor (seller): Aspen Blue Sky Holdings, LLC  
Grantee (buyer): 100 Acre Wood, LLC  
Date of Sale: April 26, 2005  
Recording: Reception #673205 (warranty deed)  
Sale Price: \$650,000 (\$6,344 per acre), see comments  
Rights Conveyed: Fee simple estate  
Financing Terms: Cash to seller (see comments)  
Verification: Buyer and Public Records  
Inspected By: Kevin A. Chandler, MAI on 8/23/2012

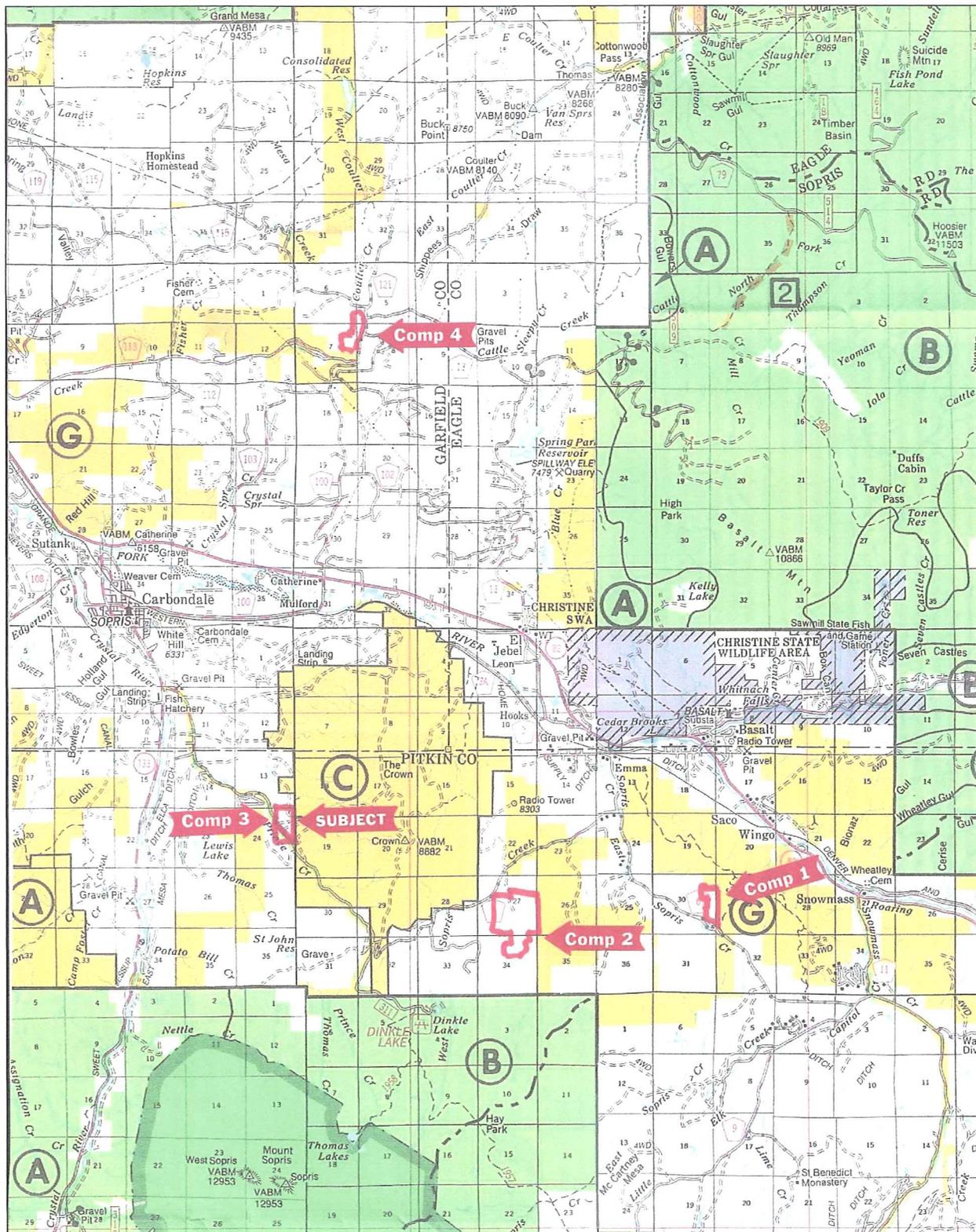
### Comments

Known as the Cohan Property, this parcel is located in the northwest quadrant of County Roads 113 and 121, and adjoins private open space in the Ranch at Coulter Creek rural subdivision. The northern portion of this tract is a narrow strip of land along the drainage of Coulter Creek that is mostly floodplain, while the southern portion is a steep ridge with level area at the top. There is no irrigated acreage, and the water rights were for stock use only with nominal value. The buyer (Chris Cohan) acquired the parcel for private recreation, and built a steep driveway after closing to access a yurt that he installed at the top of the ridge. He manages a local ranch for the seller, and the consideration also includes two years of forfeited salary worth \$200,000. Adding this amount to the recorded purchase price of \$450,000 results in total consideration of \$650,000, which is supported by market data (it was listed at an asking price of \$850,000).

**COMPARABLE SALE FOUR (maps and photograph)**



# COMPARABLE SALES LOCATION MAP



**COMPARABLE SALES SUMMARY AND ADJUSTMENT GRID  
SUTEY RANCH BLM LAND EXCHANGE - WEST CROWN PARCEL**

<b>Description</b>	<b>Subject Property</b>	<b>Sale One</b>	<b>Sale Two</b>	<b>Sale Three</b>	<b>Sale Four</b>
Identification	West Crown Parcel	Schoellkopf Property	Elkhorn Ranch	Haynes Property	Cohan Property
Access (type)	CR 111 (seasonal)	CR 6 (year-round)	CR 7 (seasonal)	CR 111 (seasonal)	CR 121 (year-round)
Deeded Acres	111.78	79.47	350.00	140.00	102.46
Jurisdiction	Pitkin County	Pitkin County	Pitkin County	Pitkin County	Garfield County
Zoning (min. lot size)	RS-30 (30 acres)	RS-30 (30 acres)	RS-30 (30 acres)	RS-30 (30 acres)	Rural (two acres)
Date of Sale	N/A	11/4/2010	12/21/2007	10/20/2005	4/26/2005
Total Purchase Price	N/A	\$895,000	\$4,250,000	\$1,200,000	\$650,000
Total Price Per Acre	N/A	\$11,262	\$12,143	\$8,571	\$6,344
Total Purchase Price	N/A	\$895,000	\$4,250,000	\$1,200,000	\$650,000
Value of Improvements	Zero	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Price for Land Only	N/A	\$895,000	\$4,250,000	\$1,200,000	\$650,000
Land Price Per Acre	N/A	\$11,262	\$12,143	\$8,571	\$6,344
<b>Adjustments</b>					
Market Conditions	Current	0%	-25%	0%	0%
Time Adjusted Price		\$11,262	\$9,107	\$8,571	\$6,344
Property Rights	Fee Simple	=	=	=	=
Financing Terms	Cash	=	=	=	+
Conditions of Sale	Normal	=	=	=	=
Location	Good	-	-	=	+
Access	Average	-	+	=	-
Adjacent Land Uses	Good	=	=	=	=
Utility Availability	Good	=	=	=	=
Natural Features	Average	=	-	=	=
Views/Exposure	Good	+	=	=	=
Property Size	Average	=	=	=	=
Zoning/Land Use	Rural Residential	=	=	=	=
Net Adjustments		-	-	=	+
<b>Indicated Value</b>		<b>&lt; \$11,262 per acre</b>	<b>&lt; \$9,107 per acre</b>	<b>= \$8,571 per acre</b>	<b>&gt; \$6,344 per acre</b>

## SALES COMPARISON APPROACH

### Analysis of Comparable Sales

Prior to adjustments, the comparables indicate a wide price range of \$6,344 to \$12,143 per acre. Consideration was given to property rights conveyed, financing terms, conditions of sale, market conditions (i.e., time), location, access, adjacent land uses, utility availability, natural features, views/exposure, existing improvements, property size, as well as zoning/land use regulations. An explanation of the adjustments made to the comparable sales is summarized in this section.

### Quantitative Adjustments to Sales

In my opinion, insufficient data exists in the local market to make a matched-pair analysis of the sales and derive well-supported quantitative adjustments (i.e., percentage or dollar amounts) for most units of comparison. The exception is dollar adjustments for any existing improvements as well as percentage adjustments for changing market conditions, which are discussed as follows:

**Existing Improvements** may have contributory value if the structures will be used by the buyer. However, the subject parcel is vacant land, and all of the comparables were either vacant land at closing or had older improvements with zero contributory value. Thus quantitative adjustments are not warranted to any of the comparables for existing improvements.

**Market Conditions** are constantly changing, and real estate values tend to fluctuate over time with economic cycles and local trends. The most appropriate technique to measure appreciation and/or depreciation in value during the time period surveyed is via re-sales of the same property. These transactions are rare, but I am aware of one development site in the Roaring Fork Valley that provides a reliable indication of price trends. The Cattle Creek Property comprises about 290 acres of land on the west side of Highway 82, between Glenwood Springs and Carbondale. It has vested approvals for residential housing (about three units per acre), with four different development plans proposed since 2001. The site was acquired at foreclosure in December 2009 for \$15,108,026, and previously in December 2006 for \$18,500,000 (also out of foreclosure). This indicates a loss in value of about 18% over three years, which can be attributed to declining market conditions. I also note that no development activity has subsequently occurred at the site. Sale Two was acquired in December 2007 for \$4,250,000, and then re-sold in October 2011 for \$6,500,000. While the seller realized appreciation of 53%, this is attributed to enhanced access, perfected water rights, vested entitlements, as well as additional land (versus market conditions). Sale Three was purchased in October 2005 for \$1,200,000, and re-sold in November 2010 for \$1,950,000, but the indicated appreciation of 63% is explained by a highly motivated buyer. Based on the foregoing real estate market data for Garfield County and Pitkin County, average single-family home prices are currently 26% and 13% less than 2007, respectively. In regards to Garfield County, the current overall sale price is 16% less than 2006, and 6% less than 2005. Land Title also reports an average sale price for vacant residential land in Garfield County as of September 2012 of \$146,468, which is about 20% less than the 2006 average price of \$184,228. The consensus among local market participants that I surveyed is that rural property values in the Roaring Fork Valley have regressed to levels experienced circa 2005 (before the recent boom). This is especially true of properties (and lots) that were acquired at the peak of the market for speculative development, which local brokers suggest have declined in value by as much as 75%. Although subjective, it is reasonable to assume that current values for development land are 25% less than recent peak levels (2006 through 2008), but are similar to prices achieved circa 2005. Based on the foregoing, Sales One, Three, and Four are current and did not warrant adjustments for time, while a downward adjustment of negative 25% was made to Sale Two (closed in 2007).

## SALES COMPARISON APPROACH

### Qualitative Adjustments to Sales

After the foregoing qualitative adjustments were made for improvements and market conditions, the comparables report a time adjusted price range for land only of \$6,344 to \$11,262 per acre. Since insufficient data exists for a matched-pair analysis to derive market-supported quantitative adjustments for the remaining factors of comparison, only qualitative adjustments were applied. In this instance, upward adjustments (“+”) were made to each comparable for inferior conditions, with downward adjustments warranted for superior conditions (“-“), but no adjustment required if the condition is deemed similar (“=”). The magnitude of the adjustment may also be expressed by multiple qualitative indications (such as “+ +” or “- - -“). The value of the subject parcel should approximate the price of the most similar sale(s), and would be higher than the inferior sale(s) and lower than the superior sale(s). The qualitative adjustments made are as follows:

**Property Rights** can influence sale price if more or less than the fee simple estate is conveyed. For example, there may be a leasehold interest, or the surface rights may be sold separately from the subsurface rights. All of the sales represent the transfer of the fee simple interest in the property, with no water rights or valuable mineral rights included for the subject or comparables. Thus, no adjustments are required to any of the comparables for property rights conveyed.

**Financing Terms** can cause prices to be inflated if the debt obtained is favorable, compared to typical interest rates or loan-to-value ratios available from third party lenders (and vice-versa). The subject property is appraised as cash equivalent, and Sales One, Two, and Three were all cash to seller transactions, with no adjustments required for financing terms. However, a portion of the consideration given for Sale Four was credited by the seller as “sweat equity” on behalf of the buyer, as he forfeited two years of salary after closing. Since the seller essentially “financed” \$200,000 of the price at a zero interest rate, a slight upward adjustment was required to this sale.

**Conditions of Sale** may influence prices when transactions are not considered to be arms-length. For example, the buyer may also be the adjacent owner and pay a premium, or the seller may be motivated to dispose of the property quickly and accept a liquidation price (below market value). Since all of the comparables were confirmed to be arms-length transactions with no unusual conditions of sale noted, adjustments were not warranted to these transactions for this factor.

**Location** takes into account desirability of the neighborhood, as well as proximity to services, amenities, and support facilities. The subject has a good location near Carbondale in the heart of the Roaring Fork Valley, and is in close proximity to services, the highway, and public lands. Sales One and Two are several miles east of the subject along Sopris Creek, in a submarket that generally reports higher real estate prices than Carbondale due to its closer proximity to Basalt and Snowmass. Both are slightly superior to the subject, and warranted downward adjustments. Since Sale Three is the purchase of a larger tract that includes the subject, the location is similar. However, Sale Four is located several miles north of the subject and Carbondale, which is more remote from town and deemed inferior to the subject. Thus, an upward adjustment was made.

**Access** takes into account vehicular ingress/egress from adjacent roadways, and has a major influence on value for rural properties. While some buyers desire solitude, the degree of access dictates the types of uses and residential development allowed (i.e., seasonal versus year-round). The subject has direct access from a county road with no winter maintenance for one-half mile, which requires private snowplowing for rural residential development, and is rated as average. Sales One and Four have year-round ingress/egress from county roads, which is slightly superior to the subject and required downward adjustments. Sale Two has limited access from the nearby county road via jeep trails, which is inferior to the subject and warranted an upward adjustment.

## SALES COMPARISON APPROACH

**Adjacent Land Uses** reflect whether the subject and comparable sales adjoin public or private property, with public more desirable than private. The subject parcel adjoins public land on one boundary that is managed by BLM (The Crown), and is deemed to have good adjacent land uses. Sales One, Two, and Three also adjoin public (BLM) land along one or two boundaries, while Sale Four also borders private open space within a rural subdivision on one side. Thus, each is considered to be similar to the subject, with no adjustments warranted for adjacent land uses.

**Utility Availability** is considered to be a positive factor for rural properties, as the presence of these services provides a benefit for most types of development, and thus commands a premium. Since neither the subject property nor any of the comparables have public water or sewer service available, this factor primarily considers dry utilities. Since electric and telephone service is available to the subject parcel as well as each sale, no adjustments are required for this factor.

**Natural Features** reflects the positive influence on value from desirable physical characteristics, such as a water amenity (creek, river, or lake), irrigated land, topography, vegetation (trees), etc. The subject has average natural features, as the topography is generally favorable with some vegetation and seasonal streams, but it lacks a major water amenity as well as irrigated acreage. Sales One and Three have average natural features that are deemed to be similar to the subject. While Sale Four is traversed by a creek, this is generally offset by the lack of irrigated land and some steep slopes. Thus, these three comparables have similar natural features as the subject, and did not warrant adjustment. However, Sale Two features good water resources that irrigate the hay meadows, which is slightly superior to the subject with a downward adjustment required.

**Views/Exposure** accounts for the fact that properties with southern (sunny) exposure and long range views of the area (mountains) are generally more desirable, and thus command a premium. The subject property has good views of the surrounding area, including nearby Mount Sopris. Sale One has average views (Mount Sopris is obstructed), which is slightly inferior to the subject and thus warranted an upward adjustment. Since Sales Two, Three, and Four enjoy good views of the area (and Mount Sopris), they are similar to the subject with no adjustments required.

**Property Size** adjustments are based on the general rule that the smaller the parcel, the higher the unit price (and vice-versa). Since fewer users have the resources to purchase a larger parcel, less demand should result in a lower unit value. The local market indicates a price discount for large ranches (more than 2,000 acres), and a premium for smaller parcels (often 40 acres or less). Since there is no conclusive data to indicate a difference in per acre price exists for rural parcels that range in size from about 100 acres to somewhat more than 1,000 acres, none was assumed. The subject property comprises 111.78 acres of land area, which is average size for the market. Since the comparable sales comprise between 79.47 and 350.00 acres, each is an average size parcel that is similar to the subject in this regard, and thus did not warrant adjustment.

**Zoning/Land Use** is another consideration, since land use regulations dictate the permitted use and density of the property. The subject is zoned RS-30 by Pitkin County, with a minimum lot size of thirty acres. While the parcel is assumed to have vested approvals for one rural homesite, the owner would have to compete in Pitkin County GMQS to obtain any additional allotments. Sales One, Two, and Three are also zoned RS-30 by Pitkin County, with one rural homesite allowed at each parcel as a use by right. Similar to the subject, the owner could attempt to obtain additional density and/or allotments via GMQS, but the outcome is uncertain and speculative. Sale Four is zoned Rural by Garfield County, with a minimum lot size of only two acres, but the parcel is best suited for one homesite due to physical constraints. Thus, all of the comparables are similar to the subject in regards to zoning/land use, and therefore did not require adjustment.

## SALES COMPARISON APPROACH

### Summary of Comparable Sales

A summary of the adjustments made to each comparable sale, and the resulting value indication for the West Crown Parcel on the basis of price per acre, is summarized as follows:

**Sale One** is the Schoellkopf Property, which is located seven air miles east of the subject on East Sopris Creek Road, south of Basalt and State Highway 82 in Pitkin County. It comprises 79.47 acres of vacant land, and was purchased in November 2010 for \$895,000, or \$11,262 per acre. While Pitkin County acquired the property for open space and critical wildlife habitat, the price was based on a third party appraisal, and thus reflects market value. By direct comparison to the subject, no quantitative adjustment was required for market conditions since the sale is current. Qualitative downward adjustments for slightly superior location and access are partially offset by an upward adjustment for slightly inferior views/exposure. This comparable is otherwise similar, and the indicated market value of the subject property is slightly less than \$11,262 per acre.

**Sale Two** is known as Elkhorn Ranch, a 350.00-acre holding that is located about four air miles southeast of the subject, along West Sopris Creek Road in Pitkin County. This vacant tract was acquired by a developer in December 2007 for \$4,250,000, but a downward adjustment of 25% for declining market conditions results in a current land value of \$9,107 per acre. The purchase price reflects existing conditions at the time of sale, namely limited access from jeep trails, no adjudicated water rights, and lack of vested entitlements. The buyer secured year-round access after closing by acquiring two adjacent 35-acre parcels, perfected water rights, and also obtained vested approvals from Pitkin County for rural residential development. The 385.00-acre holding (including an adjacent 35-acre homesite) subsequently sold during October 2011 for \$6,500,000. Downward qualitative adjustments for slightly superior location and natural features are partially offset by an upward adjustment for slightly inferior access (insufficient for rural homesites). After adjustments, the indicated value of the subject parcel is slightly less than \$9,107 per acre.

**Sale Three** is known as the Haynes Property, which also comprises most of the subject property (excluding about 48 acres lying west of Prince Creek Road). This tract of vacant land along Prince Creek was acquired from Strang (local ranching family) in October 2005 for \$1,200,000. While a survey revealed a land area of 159.82 acres, the price was only based on 140.00 useable acres since the tract is bisected by Prince Creek Road (county holds right-of-way via easement). The buyer re-sold the parcel to an entity controlled by the proponent of the proposed BLM land exchange (Wexner) in November 2010 for \$1,950,000, who was motivated and paid a premium. A quantitative adjustment for time is not required since the purchase price from 2005 reflects current market conditions. Moreover, no qualitative adjustments are warranted since this is essentially the same property that is being appraised. After adjustments, the indicated market value of the West Crown Parcel would be roughly equivalent to \$8,571 per acre.

**Sale Four** is known as the Cohan Property, and is located eight air miles north of the subject, and five air miles north of the Town of Carbondale, within Garfield County. This 102.46-acre tract of vacant land was acquired in April 2005 for consideration of \$650,000, or \$6,344 per acre, and the buyer subsequently installed a driveway and yurt atop the ridgeline. The parcel adjoins BLM land and private open space, is traversed by Coulter Creek, but lacks any irrigated acreage. By direct comparison to the subject, no adjustments were made for time since the purchase price reflects current market conditions. Upward qualitative adjustments for favorable seller financing as well as inferior location are partially offset by a downward adjustment for superior access. This sale is comparable to the subject in other regards, and the indicated market value would be slightly more than \$6,344 per acre.

## SALES COMPARISON APPROACH

### Discussion of Other Sales Considered

Ten other sales were considered but not analyzed as primary comparables for various reasons. Seven transactions that are deemed superior report a price range of \$13,143 to \$45,767 per acre. The 2010 purchases of Sale Two (\$16,883/acre) and Sale Three (\$13,929/acre) were previously discussed in the foregoing analysis, which indicate a lower market value for the subject property. Portions of historic working cattle ranches owned by the Perry, Nieslanik, and Cerise Families were acquired during August or November 2006 at overall prices of \$23,093 to \$45,767 per acre. While these ranch properties have a similar location near Carbondale, each was acquired during better market conditions, and is superior to the subject parcel in regards to year-round access, adjudicated water rights, and natural features (mostly irrigated plus one sale has river frontage). I was unable to confirm the July 2006 sale of a 161.82-acre tract near Spring Park Reservoir, and a 114.13-acre property southwest of Basalt was not analyzed due to approvals for two homesites. The other three transactions are inferior to the subject at sale prices of \$1,879 to \$8,484 per acre. The September 2006 sale of 112.83 acres at \$1,879 per acre lacks legal access from any public road, and the Bar Lazy Y Ranch is a large holding that was acquired in 2006 for \$4,661 per acre. The November 2005 purchase of Crown Mountain Ranch at \$8,484 per acre is overall similar to the subject, but is not considered a good comparable due to various superior and inferior factors.

### Value Conclusion by Sales Approach

After adjustments, the comparable sales indicate a market value for the subject property that would be slightly more than \$6,344 per acre, roughly equivalent to \$8,517 per acre, and slightly less than \$9,107 and \$11,262 per acre, respectively. The average time-adjusted price for all four transactions is \$8,821 per acre, with the most weight placed on Sale Three at \$8,517 per acre. This value range is bracketed by the foregoing secondary sales, which report unadjusted sale prices of \$1,879 to \$45,767 per acre. The subject would command a value at the middle of the spectrum. As previously discussed, the subject comprises the eastern portion of the Haynes Property, which was most recently acquired by the proponent at a price of \$1,950,000. However, this price was confirmed to be above market since the buyer was motivated to own the parcel. It is an important component of the proposed land exchange with BLM, with strong local sentiment to secure permanent access to The Crown for public recreation. The 2010 sale price indicates appreciation of 63% over a five year time period (about 13% per annum), which is not supported by my analysis of local real estate market conditions. Thus, very little emphasis was placed on the most recent sale price due to the unique nature of the transaction, and the October 2005 price of \$8,571 per acre is believed to provide a better indication of current market value. Based on the foregoing, it is my opinion that the current market value of the West Crown Parcel is \$8,500 per acre, with total value for the 111.78 acres (as a single larger parcel) calculated as follows:

$$\text{Market Value} = 111.78 \text{ Acres} \times \$8,500/\text{Acre} = \$950,130$$

Rounded to \$950,000 (nearest \$5,000 per local custom)

**VALUE OF SUBJECT PROPERTY VIA SALES APPROACH**

**\$950,000**

## **RECONCILIATION AND FINAL VALUE OPINION**

The subject of this appraisal is the West Crown Parcel, which is identified as Non-Federal Parcel 2 for the proposed Sutey Ranch BLM Land Exchange. The case includes one other Non-Federal parcel plus six Federal parcels that are located in Eagle, Garfield, and Pitkin Counties, Colorado. The subject comprises 111.78 acres of vacant land that is privately owned by an entity controlled by the proponent (Prince Creek Crown, LLC). The property is situated three miles southeast of the Town of Carbondale in Pitkin County, and borders a popular recreational area (The Crown). It has vehicular access from County Road 111, which receives no public winter maintenance. The entire subject property was determined to comprise a single larger parcel of 111.78 acres.

Only the Sales Comparison Approach was utilized to value the subject as vacant land, as the Cost and Income Capitalization Approaches are not appropriate techniques for this assignment. The valuation analysis and conclusions are contingent upon certain definitions, assumptions, limiting conditions, certification, and Statement of Work, as are set forth in the foregoing report. Since the subject property is already in private ownership, this analysis is not made pursuant to any Hypothetical Conditions or Extraordinary Assumptions in regards to most probable zoning.

The Sales Comparison Approach indicates the price investors will pay for a similar property if sufficient transactions are available for analysis. Adequate data regarding comparable land sales exists in the local market, and the Sales Comparison Approach indicates a market value for the subject property as a single economic unit (111.78 acres) of \$950,000. The value opinion is effective as of November 15, 2012, and equates to approximately \$8,500 per acre (as rounded).

**NINE HUNDRED FIFTY THOUSAND DOLLARS**

**\$950,000**

# ADDENDA

# QUALIFICATIONS OF KEVIN A. CHANDLER, MAI

## Education

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

## Affiliations

Member, Appraisal Institute (MAI)  
Certified General Appraiser, State of Colorado  
Licensed Real Estate Broker, State of Colorado

## Experience

Kovacs Real Estate Valuation Services, Inc., Denver, Colorado  
Commercial Real Estate Appraisal and Consulting  
Concorde Investments, Inc., Tampa, Florida  
Commercial Real Estate Development and Investment  
Wellington Realty Advisors, Inc., Tampa, Florida  
Site Selection for Boston Market and Einstein Bagels throughout Florida  
Arthur Andersen, LLP, Atlanta, Georgia  
Commercial Real Estate Appraisal and Business Valuation  
Real Estate Marketing Consultants, Inc., Tampa, Florida  
Commercial Real Estate Appraisal and Consulting

## Seminars

Appraising Agricultural Land in Transition  
Appraisal Standards for Federal Land Exchanges  
Emerging Issues in Water Rights and Energy Development  
Condemnation and Litigation Appraising, Advanced Topics

## Assignment Types

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

## Representative Clients

Office of Valuation Services (DOI)  
U.S. Forest Service (USDA)  
Various Commercial Lenders  
Various Individuals and Entities  
Yampa Valley Land Trust  
National Resources Conservation Service  
Colorado Division of Wildlife  
Routt County, Colorado (expert witness)

STATE CERTIFIED GENERAL APPRAISER LICENSE

STATE OF COLORADO

Department of Regulatory Agencies  
Division of Real Estate

PRINTED ON SECURE PAPER

Active  
Cert Gen Appraiser

40022860

Number

Jan 1 2011

Issue Date

Dec 31 2013

Expires

KEVIN ANDREW CHANDLER  
STEAMBOAT SPRINGS, CO 80477

*Marcia Waters*

Division Administrator

*K. A. Chandler*

Licensed Signatory

**Statement of Work - SOW**  
**Office of Valuation Services - OVS**  
**Agency Case Number: COC-74812FD**  
**Project Number: L12213 / 00031885**

**This Statement of Work describes the Department of the Interior Office of Valuation Services (OVS) request for an appraisal of the real estate herein described. All questions, concerns or discussions regarding the proposed Sutey Ranch / BLM Land Exchange shall be addressed directly to the OVS Representative assigned to this project:**

Kent Stevens, MAI - Senior Appraiser  
Office of Valuation Services  
OVS / DOI, 12136 W Bayaud Avenue  
Lakewood, CO 80228.00  
Telephone: 303-969-5366  
Fax: 303-969-5503  
[kent\\_stevens@ios.doi.gov](mailto:kent_stevens@ios.doi.gov)

**SECTION 1 - SUBJECT IDENTIFICATION AND GENERAL INFORMATION**

<p><b><u>Identification:</u></b></p>	<p>The project name is Sutey Ranch Land Exchange and it involves six (6) Federal parcels with a total of 1,470.07 acres and two (2) Non-Federal parcels with a total of 668.41 acres. The various parcels associated with the proposed exchange are located in Garfield, Eagle and Pitkin Counties. The property types are Land and Minerals (Fee Simple with some restrictions). The proposed client agency action is a proposed Exchange of Federal Land and Non-Federal land.</p> <p>The appraiser is responsible to determine the number of reports but the Federal parcels are to be presented in at least one report and the Non-Federal parcels are also to be presented in at least one report.</p>
<p><b><u>Client:</u></b></p>	<p>U.S. Department of the Interior, Office of Valuation Services (OVS)</p>
<p><b><u>Intended Users:</u></b></p>	<p>Office of Valuation Services, BLM Colorado State Office and associated Field Office, Western Land Group and the owner of the Non-Federal land with Gideon Kaufman as representative.</p>
<p><b><u>Intended Use:</u></b></p>	<p>For use by BLM Colorado State Office, Denver, CO on behalf of the United States of America in connection with the proposed Exchange of identified Federal and Non-Federal Lands. The appraisal reports of the Federal parcels (one report) and the Non-Federal parcels (one report) are not intended for any other use.</p>
<p><b><u>Property Description</u></b></p>	<p>The Federal parcels total 1,470.09 acres and include the</p>

	<p><u>following listed parcels:</u></p> <p>Parcel A - 1,240 acres and located in Pitkin County, CO</p> <p>Parcel B – 28.37 acres and located in Pitkin County, CO</p> <p>Parcel B-1 – 1.0 acre and located in Pitkin County, CO</p> <p>Parcel C – 171.34 acres and located in Eagle County, CO</p> <p>Parcel D – 17.41 acres and located in Eagle County, CO</p> <p>Parcel E – 11.97 acres and located in Eagle County, CO</p> <p><u>The Non-Federal parcels total 668.41 acres and include the following listed parcels:</u></p> <p>Parcel 1 (Sutey Ranch) – 556.63 acres with water rights and located in Garfield County, CO</p> <p>Parcel 2 (West Crown) – 111.78 acres and located in Pitkin County, CO</p>
<p><b><u>Legal Description:</u></b></p>	<p>A legal description of Federal Parcels A-E and Non-Federal parcels 1 and 2 are attached with the Statement of Work. The Title Commitment for Non-Federal Parcels 1 and 2 will also be made available to the contract appraiser.</p>
<p><b><u>Property Interest:</u></b></p>	<p>The property interest of all the Federal and Non-Federal parcels to be appraised is: Fee Simple - subject to exceptions indicated in the Title Commitments and legal description provided.</p> <p>Any information or observations that are found to be contrary to the above described property rights must immediately be brought to the assigned OVS Review Appraiser's attention as a request for possible amended instructions.</p>
<p><b><u>Outstanding Rights:</u></b></p>	<p>A preliminary title commitment or equivalent for federal lands will be provided. Any identified/observed recorded or unrecorded documents, conditions, agreements, easements and/or encumbrances discovered must be identified and discussed in the appraisal report in relation to their impact on value. This list is not comprehensive and it is the appraiser's responsibility to investigate encumbrances on the property.</p>
<p><b><u>Personal Property:</u></b></p>	<p>The Sutey Ranch has some older structures. The IVIS Worksheet reports that an old ranch house will probably be removed prior to closing but a cabin will remain.</p>

<b><u>Property Access:</u></b>	The IVIS Worksheets report that the two Non-Federal parcels have both legal and physical access while the six Federal parcels have physical access but do NOT have legal access.
<b><u>Larger Parcel:</u></b>	Every appraisal that conforms to UASFLA must address the larger parcel issue. The larger parcel(s) must be identified and the reasons for that decision must be provided within each appraisal report with consideration to ownership, best use, and contiguity.
	The appraiser should keep in mind that in situations where there are multiple larger parcels present, the appraisal assignment is to estimate the market value of the property in its entirety. This may require estimating the value of each larger parcel, but simply adding those values together to estimate the value of the whole would violate the Unit Rule. (See UASFLA, Sections A-14 and B-13 for more information.)
<b><u>Ownership/Occupant:</u></b>	According to the IVIS Worksheets the legal owner of the Federal parcels is the U.S. Government administered by the Bureau of Land Management while the ownership of the Non-Federal parcels is Leslie and Abigail Wexner.
<b><u>Tenancies:</u></b>	There are no tenants.
<b><u>Owner Contact Information:</u></b>	Property Owner/Applicant: Leslie and Abigail Wexner Contact: Gideon Kaufman, Kaufman & Peterson, P.C. Address: 315 East Hyman Ave., # 305, Aspen, CO 81611 ' Phone: (970) 925 – 8166 E-Mail: <a href="mailto:gk@kplaw.com">gk@kplaw.com</a> X

**Provided Subject Property Information:**

The following documents and reports will be provided to the appraiser:

- General Location Maps**
- Legal Descriptions (Federal & Non-Federal)**
- Topo Maps**
- Preliminary Title Commitment**
- Other (IVIS Worksheet)**

**SECTION 2 - APPRAISAL REQUIREMENTS AND INSTRUCTIONS**

**Appraisal Standards:**

The appraisal reports must conform to standards established by the Appraisal Foundation in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land

Acquisitions (UASFLA). No other supplemental standards are applicable.

**Market Value**

*For BLM Land Exchanges use the following Market Value definition:*

“The most probable price in cash, or terms equivalent to cash, that lands or interests in lands should bring in a competitive and open market under all conditions requisite to a fair sale. Where the buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence.” [43 CFR 2200.0-5(n)]”

**Date of Value:**

The date of value is the date of the last property inspection, which should be no later than approximately 30 calendar days prior to the submission of the completed appraisal report, unless other arrangements are approved in writing in advance by the OVS Review Appraiser.

**Extraordinary Assumptions(EA's):**

No extraordinary assumptions have been identified. If the appraiser determines that extraordinary assumptions are necessary for the completion of the assignment, the appraiser must contact the OVS Review Appraiser for prior written approval.

**Hypothetical Conditions(HC's):**

Hypothetical conditions have been identified for some or all of the Federal parcels in regard to the most probable zoning if they were already in private ownership. No other hypothetical conditions have been identified. If the appraiser determines that additional hypothetical conditions are necessary, the OVS Review Appraiser must be contacted to obtain written approval to employ any such conditions.

**Jurisdictional Exceptions(JE's):**

If the Appraiser perceives that USPAP Jurisdictional Exception Rule should be invoked to meet certain standards in UASFLA, the Appraiser must contact the OVS Review Appraiser to obtain prior written approval.

**Location of EA's HC's and JE's in Report:**

All Extraordinary Assumptions, Hypothetical Conditions, and Jurisdictional Exceptions, when authorized by OVS, must be clearly identified, labeled, and communicated wherever the final value conclusion is stated. At a minimum, this will include the letter of transmittal and the summary of salient facts. In addition, these same items must be communicated in conjunction with any General Assumptions and Limiting Conditions within the body of the report.

**Property Inspection:**

**The appraiser must make a personal inspection of the subject property and all of the comparable market properties** used in the direct comparison to the subject property unless specific arrangements to the contrary have been approved in writing by the assigned OVS Review Appraiser prior to the commencement of the assignment.

For appraisals with an intended use of acquisition or exchange, the

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646) as amended and the Uniform Appraisal Standards for Federal Land Acquisitions (Section A-4, pages 9 and 10), require the appraiser to offer the property owner and/or the owner representative an opportunity to accompany the appraiser during the property inspection. The appraiser must certify in the report that such an offer was extended.

Permission to enter upon and appraise the property has not been granted. You are to make arrangements for the property inspection with the noted property owner or owner's representative and notify both the BLM Colorado State Office, Denver, CO Realty Specialist and the OVS Review Appraiser as to when the property inspection will take place.

**Pre-Work Meeting**

The appraiser may be required to attend a pre-appraisal meeting with the assigned OVS Review Appraiser, the client agency Realty Specialist and/or other agency representative, and other interested parties. The date, time and place of the meeting (if required) will be coordinated by the OVS Review Appraiser.

**Controversies/Issue:**

Should controversies (new) or issues (new) be identified by the appraiser during the course of the assignment, the OVS Review Appraiser identified in Section 3 of this document must be immediately notified.

**Legal Instructions:**

None.

**Special Appraisal Instructions:**

1. OVS is the appraiser's client. Even though communication is encouraged with the property owner and the client agency, no appraisal instructions or modifications thereof may be received from any party except OVS. Also, no assignment results or appraisal reports may be communicated to any party except OVS until authorized to do so in writing by OVS. In addition, any contact or correspondence with the Client Agency Realty Contact shall include the assigned OVS Review Appraiser.

**General Appraisal Requirements and Instructions:**

1. Any Contract or Private Appraiser must hold a valid State Certification as a Certified General Appraiser for the jurisdiction in which the subject property is located. (Valid credentials include those obtained directly from the jurisdiction, those issued under a reciprocity agreement, and/or those characterized as "temporary" under the jurisdiction licensing and certification statutes). OVS Staff Appraisers must hold a valid State Certification as a Certified General Appraiser in compliance with OVS Policy.

2. The OVS Statement of Work (SOW) and employment contract (purchase or task order) must be included within the Addenda to the appraisal reports.

3. The appraiser's scope of work must result in credible assignment results for the intended use.

4. If the appraisal standards above call for compliance with UASFLA, then the presentation format of the reports must conform to the sequence and content in UASFLA.

5. The appraisals are to be documented in a Self-Contained report format. See UASFLA Introduction, (p.9) which states that a report prepared in accordance with UASFLA will be considered as meeting the USPAP requirements for a Self-Contained report.

6. The appraiser must appraise the subject sites in their "As Is" condition by all valuation approaches that are appropriate.

7. **The appraiser's conclusion of highest and best use for each subject site must be an economic 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 estimate market value. Nor may a highest and best use be speculative or conjectural.

8. Essential in the appraiser's conclusion of highest and best use is the determination of "Larger Parcel". The appraiser must make a larger parcel determination in every appraisal conducted under UASFLA Standards. (See UASFLA Section A-14 and B-13 for additional information).

9. Documentation of the comparable sales used in direct comparison must comply with reporting requirements of UASFLA and the Uniform Relocation Assistance and Real Property Acquisition Policies Act 1970. For instance, the latter requires "A description of the comparable sales, including a description of all relevant physical, legal and economic factors such as parties to the transaction, source and method of financing, and **verification by a party involved in the transaction.**"

10. Color photographs and maps of comparable properties shall be included in the appraisal report. Aerial photographs for comparable properties will be accepted unless the aerial photographs are so dated that they do not accurately represent the property as it physically existed on the date of inspection. Any unusual property features must be photographed from ground level.

11. If sales to governmental entities, including sales to non-profit entities with the intention of transferring the sale property to a governmental entity, are included in the appraisal report, they are subject to extraordinary verification and treatment. They must be documented in accordance with the guidelines found in UASFLA Section D-9. **Each of the items of Section D-9 must be specifically addressed when communicating the confirmation of any government sales.**

12. The selection of the Unit of Comparison must be supported by analysis.

13. The preferred method of adjusting comparable sales is through supported Quantitative Adjustments (percentage, \$/acre, etc.); Qualitative Adjustments (similar, inferior, or superior) are

to be used only when the market variables cannot be quantified. Quantitative adjustments without support are unacceptable. When the Appraiser must resort to qualitative analyses, support that is more extensive and discussion of the Appraiser's reasoning why a comparable sale is similar, inferior or superior to the subject property is required. All adjustments must be supported by clear, appropriate, and credible analysis based on documented market research. Mere references to undisclosed "trends," or reliance on the Appraiser's "opinion" or "judgment" without market support is an unacceptable practice. Market support includes discussions with buyers/sellers, potential investors, brokers, etc. The Appraiser must also recognize that variances in sale prices may be caused by multiple factors and should not over adjust a comparable by double-counting overlapping items.

14. The appraisal reports will be reviewed for compliance with the terms of this Statement of Work, UASFLA (as applicable), and USPAP. Findings of inadequacy, if any, will require clarification and/or revisions of the report.

15. The appraisal reports and all information furnished to the appraiser are DOI internal documents and are to be considered confidential by the appraiser. All requests for information concerning the appraisal must be referred to the assigned OVS Review Appraiser. The general public is not an intended user of the appraisal report; however the appraiser must also be aware that the Freedom of Information Act (FOIA) and Agency policy may result in the release of all or part of the appraisal report to others.

16. OVS will not normally accept custody of confidential information. Should the appraiser find it necessary to rely on confidential information, he or she will contact the assigned OVS Review Appraiser for instructions. The Review Appraiser will view the information and provide further instruction to the appraiser regarding handling and storage of the confidential information.

17. When the appraiser has performed any services regarding the subject property within the three prior years, he or she must appropriately disclose this information following the direction of the USPAP Ethics Rule, Conduct Section. This disclosure must be made within the proposal and also in the completed report.

### **SECTION 3 - CONTRACTING, PERFORMANCE and PAYMENT**

#### **Contracting Officer's Technical Representative/OVS Review Appraiser**

Questions regarding appraisal instructions and/or technical requirements for this solicitation should be addressed to the OVS Review Appraiser named below who is acting as the Contracting Officer Technical Representative (COTR) for this project. Contact information for the Contracting Officer and Client Agency Realty Specialist is also provided below.

#### **OVS Review Appraiser**

Kent Stevens, MAI

Senior Appraiser

Office of Valuation Services

OVS / DOI, 12136 W Bayaud Avenue  
Lakewood, CO 80228  
Phone: 303-969-5366  
FAX: 303-969-5503  
[kent\\_stevens@ios.doi.gov](mailto:kent_stevens@ios.doi.gov)

**Contracting:**

Contracting for this assignment is between the contract appraiser and Western Land Group, Inc.

**Client Agency Realty Specialist (BLM)**

The Realty Contact for this appraisal assignment is:

Alexa Watson, Realty Specialist  
BLM Colorado State Office, Denver, CO  
2850 Youngfield St  
Lakewood, CO 80215-7093  
Phone: (303) 239 – 3796

**Contracting:** This contracting assignment is between the contract appraiser and Western Land Group, Inc.

**Payment** – the fee amount is to be negotiated between the contract appraiser and the Western Land Group, Inc.

The Contract Appraiser must have extensive working knowledge of all applicable appraisal standards. The Contract Appraiser must have previous experience in appraising similar properties as described in this Statement of Work. He/she must be a Certified General Appraiser or must obtain a temporary general certification in the State of assignment.

**Performance:** Unless otherwise agreed upon, 120 calendar days (or less) delivery, from the date of awarding of the contract and authorization to proceed is the required date for submission of one signed original copy (PDF format may be required by the reviewer) of the appraisal report for review by OVS.

The appraisal reports will be reviewed for compliance with the terms of this Statement of Work, UASFLA (as applicable), and USPAP. Findings of inadequacy, if any, will require clarification and/or correction to the report. **The Appraiser will be notified of any need for revisions or clarification within 14 calendar days (or less) of the report delivery. The appraiser must respond to this request within 14 (or less) calendar days.** OVS will notify the appraiser of the acceptance or non-acceptance of the report within **14** (or less) calendar days following delivery of the amended work product.

Once the report is accepted by OVS, the appraiser will submit **5 additional** signed copies of the report and two locked PDF copies of the appraisals on a CD. The copies shall be received by the review appraiser within **5** calendar days after approval of the appraisal reports.

Sutey Ranch Land Exchange  
Federal Lands

**Parcel A**

T. 8 S., R 88 W., Sixth Principal Meridian,  
sec. 23, N $\frac{1}{2}$ NE $\frac{1}{4}$  and SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
sec. 24, W $\frac{1}{2}$ ;  
sec. 25, NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , and SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
sec. 26, S $\frac{1}{2}$ S $\frac{1}{2}$ ;  
sec. 35, W $\frac{1}{2}$ ; and  
sec. 36, NW $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
containing 1,240 acres.

**Reservation to the United States**

A right-of-way thereon for ditches and canals constructed by the authority of the United States.  
Act of August 30, 1890 (43 U.S.C. 945).

**Subject to**

1. Grazing permit No. 507711, Thomas Allotment (8346) on the following lands:  
T. 8 S., R 88 W., Sixth Principal Meridian,  
sec. 23, N $\frac{1}{2}$ NE $\frac{1}{4}$  and SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
sec. 24, W $\frac{1}{2}$ ;  
sec. 25, NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , and SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
sec. 26, S $\frac{1}{2}$ S $\frac{1}{2}$ , and  
sec. 35, N $\frac{1}{2}$ NW $\frac{1}{4}$  and S $\frac{1}{2}$ NW $\frac{1}{4}$  (northerly part).
2. Grazing permit No. 507655, Potato Bill Allotment (8347) on the following lands:  
T. 8 S., R 88 W., Sixth Principal Meridian,  
sec. 35, S $\frac{1}{2}$ NW $\frac{1}{4}$  (southerly part) and SW $\frac{1}{4}$ ,  
sec. 36, NW $\frac{1}{4}$ NW $\frac{1}{4}$ .

**Parcel B**

T. 8 S., R 87 W., Sixth Principal Meridian,  
sec. 31, Tract 86, lots 10, 11, and 12;  
sec. 31, lots 9 and 13,  
containing 28.37 acres.

**Reservation to the United States**

A right-of-way thereon for ditches and canals constructed by the authority of the United States.  
Act of August 30, 1890 (43 U.S.C. 945).

### **Parcel B-1**

T. 8 S., R 87 W., Sixth Principal Meridian,  
sec. 31, lots 5 and 8,  
containing 1.00 acre.

#### Reservations to the United States

A right-of-way thereon for ditches and canals constructed by the authority of the United States.  
Act of August 30, 1890 (43 U.S.C. 945).

#### Subject to

Road right-of-way COC-66832 (Ranch I, LLC).

### **Parcel C**

T. 5 S., R 83 W., Sixth Principal Meridian,  
sec. 30, Montana Lode;  
sec. 30, lots 5 to 8, inclusive, lot 10, and SE $\frac{1}{4}$ NW $\frac{1}{4}$ .  
T. 5 S., R. 84 W.,  
sec. 25, lot 10,  
containing 171.34 acres.

#### Reservation to the United States

A right-of-way thereon for ditches and canals constructed by the authority of the United States.  
Act of August 30, 1890 (43 U.S.C. 945).

#### Subject to

1. Grazing permit No. 507726, Horse Creek Allotment (8719).
2. Application – Road right-of-way COC-73302.

### **Parcel D**

T. 5 S., R 83 W., Sixth Principal Meridian,  
sec. 30, lot 9.  
containing 17.41 acres.

#### Reservation to the United States

A right-of-way thereon for ditches and canals constructed by the authority of the United States.  
Act of August 30, 1890 (43 U.S.C. 945).

#### Subject to

1. Bruce Creek Road.
2. Grazing permit No. 507726, Horse Creek Allotment (8719).

**Parcel E**

T. 5 S., R 84 W., Sixth Principal Meridian,  
sec. 36, lots 2, 3, and 4,  
containing 11.97 acres.

Reservation to the United States

A right-of-way thereon for ditches and canals constructed by the authority of the United States.  
Act of August 30, 1890 (43 U.S.C. 945).

Third Party Rights

Grazing permit No. 507726 for Horse Creek Allotment (8719).

Sutey Ranch Land Exchange  
Non-Federal (Offered) Lands Legal Description

Parcel 1 (Sutey Ranch)

A parcel of land comprising all of Lots 1, 2, 6, 7, 8, 9, 10, 11, 12, 14, 15 & 16, Section 15; and Lot 8, Section 16; all in Township 7 South, Range 88 West of the 6th P.M.

TOGETHER WITH a parcel of land situate in the W1/2 of Lot 1, Section 14, Township 7 South, Range 88 West of the 6th Principal Meridian, County of Garfield, State of Colorado being more particularly described as follows:

Beginning at a point on the West line of Lot 1 also being on the Southerly Right-of-Way line of County Road 112 from which the Northwest corner of Lot 1 also being the Northwest corner of said Section 14 bears N00°02'06"E a distance of 388.93 feet;

thence along the Westerly & Southerly Right-of-Way line of said County Road No. 112 the following five (5) courses:

- 1) S48°18'46"E a distance of 114.75 feet;
- 2) thence 247.98 feet along the arc of a 530.00 feet radius curve to the left, having a central angle of 26°48'28" and subtending a chord bearing S61°43'00"E a distance of 245.72 feet;
- 3) thence S75°07'14"E a distance of 181.17 feet;
- 4) thence 127.24 feet along the arc of a 212.00 feet radius curve to the right, having a central angle of 34°23'20" and subtending a chord bearing S57°55'34"E a distance of 125.34 feet;
- 5) thence S40°43'54"E a distance of 17.31 feet to a point approximately 30 feet south of the centerline of an existing ranch road, to the west from said county road;

thence leaving the Right-of-Way, of County Road No. 112, and being 30 feet southerly of the centerline of said ranch road to the west along the following six (6) courses:

- 1) 74.19 feet along a non-tangent arc of a 291.29 feet radius curve to the right, having a central angle of 14°35'35" and subtending a chord bearing S77°20'22"W a distance of 73.99 feet;
- 2) thence S84°38'09"W a distance of 77.64 feet;
- 3) thence 105.40 feet along the arc of a 554.28 feet radius curve to the right, having a central angle of 10°53'44" and subtending a chord bearing N89°54'59"W a distance of 105.24 feet;
- 4) thence N84°28'07"W a distance of 32.05 feet;
- 5) thence 217.37 feet along the arc of a 288.70 feet radius curve to the left, having a central angle of 43°08'26" and subtending a chord bearing S73°57'39"W a distance of 212.27 feet;
- 6) thence S52°23'26"W a distance of 131.70 feet to a point on the West line of said Lot 1 from which the West ¼ Corner of said Section 14 bears S00°02'06"W a distance of 1,764.54 feet;

thence N00°02'06"E along the West line of said Lot 1 a distance of 478.21 feet to the point of beginning.

TOGETHER WITH a parcel of land situate in the W1/2 of Lot 1 and Lot 2 in Section 14, Township 7 South, Range 88 West of the 6th Principal Meridian, County of Garfield, State of Colorado being more particularly described as follows:

Beginning at the West 1/4 Corner of said Section 14; thence N00°02'06"E a distance of 1764.54 feet along the West line of said Section 14 to a point 30.89 feet South of the centerline of a ranch road as built and in place;

thence along a line 30 feet South of the centerline, of said ranch road the following six (6) courses:

- 1) N52°23'26"E a distance of 131.70 feet;
- 2) thence 217.37 feet along the arc of a 288.70 feet radius curve to the right, having a central angle of 43°08'26" and subtending a chord bearing N73°57'39"E a distance of 212.27 feet;
- 3) thence S84°28'07"E a distance of 32.05 feet;
- 4) thence 105.40 feet along the arc of a 554.28 feet radius curve to the left, having a central angle of 10°53'44" and subtending a chord bearing N89°54'59"W a distance of 105.24 feet;
- 5) thence N84°38'09"E a distance of 77.64 feet;
- 6) thence 74.19 feet along the arc of a 291.29 feet radius curve to the left, having a central angle of 14°35'35" and subtending a chord bearing N77°20'22"E a distance of 73.99 feet to a point on the West right-of-way line of County Road No. 112;

thence along the West right-of-way line of County Road No. 112 the following three (3) courses:

- 1) S40°43'54"E a distance of 118.89 feet;
- 2) thence 145.47 feet along the arc of a 530.00 feet radius curve to the left, having a central angle of 15°43'32" and subtending a chord bearing S48°35'40"E a distance of 145.01 feet;
- 3) thence S56°27'26"E a distance of 94.76 feet;

thence S00°01'00"W a distance of 1690.53 feet along the West lines of tracts of land described in Book 818 at Page 260, in Book 742 at Page 389 and in Book 1692 at Page 344, all of the records of the Clerk and Recorder of Garfield County, Colorado;

thence N89°39'40"W a distance of 860.89 feet along the North lines of tracts of land described in Book 1200 at Page 357 and in Book 1200 at Page 349 to the point of beginning.

All in the County of Garfield, State of Colorado.

Together with the appurtenant water rights described as twelve (12) shares of the capital stock of The Park Ditch and Reservoir Company, Certificate No. 051, and one and one-third (1-1/3) shares of the capital stock of The Park Ditch and Reservoir Company, Certificate No. 055.

Subject to:

1. Easement for power line granted to Public Service Company of Colorado recorded September 28, 1961 in Book 337 Page 7.
2. Easement for power line granted to Public Service Company of Colorado recorded May 14, 1982 in Book 559 Page 448.
3. Easement for power line granted to Public Service Company of Colorado recorded December 18, 1984 in Book 661 at Page 459.
4. Easement and right of way for power line granted to Holy Cross Electric Association, Inc. as recorded November 14, 1979 in Book 539 at Page 520.
5. County Road No. 112 in the N½ of Lot 1, Sec. 15, T. 7 S., R. 88 W.

## Parcel 2 (West Crown)

A parcel of land situated in the East one-half of the Northeast one-quarter, the East one-half of the West one-half of the Northeast one-quarter and the Northeast one-quarter of the Southeast one-quarter of Section 24, Township 8 South, Range 88 West of the Sixth Principal Meridian, County of Pitkin, State of Colorado being described as follows:

Beginning at the Northeast corner of Section 24; thence  $S00^{\circ}25'48''$  E along the East line of the Northeast one-quarter, a distance of 2612.11 feet to the East one-quarter corner;

Thence  $S00^{\circ}24'35''$ E along the East line of the Northeast one-quarter of the Southeast one-quarter, a distance of 852.93 feet to the West one-quarter of Section 19;

Thence  $S00^{\circ}26'10''$ E continuing along the East line of the Northeast one-quarter of the Southeast one-quarter, a distance of 453.16 feet to the Southeast corner of the Northeast one-quarter of the Southeast one-quarter;

Thence  $N89^{\circ}58'32''$ W along the South line of the Northeast one-quarter of the Southeast one-quarter, a distance of 83.84 feet to the centerline of Prince Creek Road as constructed;

Thence Northwesterly along said centerline the following thirty (30) courses:

- 1)  $N45^{\circ}19'04''$ W, a distance of 5.95 feet to a point of curve;
- 2) Along the arc of a curve to the right having a delta of  $46^{\circ}34'40''$ , a radius of 125.00 feet and a length of 101.62 feet to a point of tangent;
- 3)  $N01^{\circ}15'36''$ E, a distance of 100.54 feet to a point of curve;
- 4) Along the arc of a curve to the left having a delta of  $28^{\circ}01'47''$ , a radius of 225.00 feet and a length of 110.07 feet to a point of tangent;
- 5)  $N26^{\circ}46'11''$ W, a distance of 228.31 feet to a point of curve;
- 6) Along the arc of a curve to the left having a delta of  $15^{\circ}41'26''$ , a radius of 325.00 feet and a length of 89.00 feet to a point of tangent;
- 7)  $N42^{\circ}27'38''$ W, a distance of 241.41 feet;
- 8)  $N46^{\circ}42'43''$ W, a distance of 167.75 feet;
- 9)  $N49^{\circ}10'43''$ W, a distance of 147.98 feet to a point of curve;
- 10) Along the arc of a curve to the right having a delta of  $20^{\circ}22'48''$ , a radius of 150.00 feet and a length of 53.36 feet to a point of tangent;
- 11)  $N28^{\circ}47'55''$ W, a distance of 436.81 feet to a point of curve;
- 12) Along the arc of a curve to the left having a delta of  $11^{\circ}01'51''$ , a radius of 525.00 feet and a length of 101.07 feet to a point of tangent;
- 13)  $N39^{\circ}49'45''$ W, a distance of 491.63 feet to a point of curve;
- 14) Along the arc of a curve to the right having an delta of  $06^{\circ}54'57''$ , a radius of 2750.00 feet and a length of 331.94 feet to a point of tangent;
- 15)  $N32^{\circ}54'48''$ W, a distance of 10.34 feet to a point of curve;
- 16) Along the arc of a curve to the right having a delta of  $11^{\circ}06'21''$ , a radius of 550.00 feet and a length of 106.61 feet to a point of tangent;
- 17)  $N21^{\circ}48'27''$ W, a distance of 85.50 feet to a point of curve;
- 18) Along the arc of a curve to the left having a delta of  $22^{\circ}13'20''$ , a radius of 200.00 feet and a length of 77.57 feet to a point of tangent;
- 19)  $N44^{\circ}01'47''$ W, a distance of 41.86 feet to a point of curve;
- 20) Along the arc of a curve to the right having a delta of  $23^{\circ}16'41''$ , a radius of 400.00 feet and a length of 162.51 feet to a point of curve;
- 21)  $N20^{\circ}45'06''$ W, a distance of 54.91 feet to a point of curve;
- 22) Along the arc of a curve to the right having a delta of  $06^{\circ}58'38''$ , a radius of 800.00 feet

and a length of 97.42 feet to a point of tangent;

23) N13°46'28"W, a distance of 25.00 feet to a point of curve;

24) Along the arc of a curve to the left having a delta of 29°04'52", a radius of 200.00 feet and a length of 101.51 feet to a point of tangent;

25) N42°51'20"W, a distance of 59.64 feet to a point of curve;

26) Along the arc of a curve to the right having a delta of 09°53'30", a radius of 500.00 feet and a length of 86.32 feet to a point of tangent;

27) N32°57'50"W, a distance of 3.75 feet to a point of curve;

28) Along the arc of a curve to the right having a delta of 20°33'10", a radius of 300.00 feet and a length of 107.61 feet to a point of tangent;

29) N12°24'41"W, a distance of 77.00 feet to a point of curve;

30) Along the arc of a curve to the left having a delta of 04°30'29", a radius of 400.00 feet and a length of 31.47 feet to a point on the West line of the East one-half of the West one-half of the Northeast one-quarter;

Thence N00°11'22"W along the West line of the East one-half of the West one-half of the Northeast one-quarter, a distance of 812.37 feet to the Northwest corner of the East one-half of the West one-half of the Northeast one-quarter;

Thence S89°50'02"E along the north line of the Northeast one-quarter, a distance of 663.39 feet to the Northeast corner of the East one-half of the West one-half of the Northeast one-quarter;

Thence S89°50'02"E continuing along the North line of the Northeast one-quarter, a distance of 1326.84 feet to the Point of Beginning,

containing 111.78 acres.

Subject to:

1. Terms, conditions and provisions of an agreement recorded April 14, 1961, in Book 193 at Page 468.
2. Terms, conditions and provisions of Resolution No. 84-21 recorded October 16, 1984, in Book 475 at Page 175.
3. Terms, conditions, provisions, obligations, easements and rights of way as contained in easement and road maintenance agreement recorded October 29, 1987, in Book 549 at Page 470.