

Appraisal Report

Volume I

**Grand Teton National Park
State Land
Section 36
NPS Tract 06-102
Teton County, WY**

As of November 26, 2014

Prepared for:

Gary L. Lay, ARA
Department of Interior
Office of Valuation Services
P.O. Box 2395
Billings, MT 59103

Prepared by:

John Frome, MAI, ARA
Kim Frome, ARA
John Frome & Associates
P.O. Box 128
Grover, WY 83122

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JOHN FROME & ASSOCIATES

REAL ESTATE APPRAISERS • CONSULTANTS

P.O. BOX 128, GROVER, WY 83122

TEL. (307) 885-9254 • FAX (307) 885-1385

January 15, 2015

Department of Interior
Office of Valuation Services
Attn: Gary L. Lay, ARA
P.O. Box 2395
Billings, MT 59103

Re: IVIS #65218, Appraisal of NPS Tract 06-102 located about 15 airmiles northeast of the town of Jackson, Wyoming

Dear Mr. Lay:

As requested, we have appraised the above referenced property located northeast of Jackson in Teton County, Wyoming. The property is legally described and discussed in the attached report. The purpose of this appraisal is to provide an opinion of the cash market value of the subject property as of the date of our last inspection thereof. The U. S. Department of Interior, Office of Valuation Services (OVS) is the client for the appraisal. The intended users of the appraisal are the National Park Service and the Bureau of Land Management on behalf of the United States of America, and State of Wyoming Board of Land Commissioners by and through the Office of State Lands and Investments. The intended use is for a proposed land exchange of the identified property. It is not intended for any other use.

The subject property was inspected on October 7, 2014 and again on November 26, 2014, which is the date of value. We made a careful study of the subject property and all accompanying information and data. All data and information used in the compilation of this report was gathered by us and our associates and is assumed to be correct and true. The appraisal report consists of two volumes. Volume I is this portion of the report that includes the information on the subject property and the analyses and opinion of value. Volume II is the sales data book that includes details of the sales and maps and photographs. Volumes I and II are integral to one another and together they provide the entire appraisal report.

Our opinion of the market value of the subject property as of November 26, 2014 is:

NPS Tract 06-102 – Thirty-nine Million Dollars (\$39,000,000) cash

The Uniform Standards of Professional Appraisal Practice states that the appraiser must estimate exposure time linked to the value opinion¹. However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time, thus no development of exposure time was completed. **This is a jurisdictional exception to USPAP Standards Rule 1-2(c)(iv).**

¹ USPAP, S.R.1-2(c)(iv)

Mr. Gary L. Lay, ARA
January 15, 2015
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The subject property is traversed by Gros Ventre Road, which is a public road. Normally this road would provide access to the subject property directly from the road as it traverses the property. However, there is a scenic easement granted to the United States Department of Interior that runs along both sides Gros Ventre Road, extending 500 feet beyond each side of the 200-foot road right-of-way. The allowed uses in the scenic easement area do not include access roads. Thus, we asked the Department of Interior to make a determination regarding access to the subject property. In an e-mail following the pre-work meeting (received by us October 16, 2014), Glenna Vigil, Chief Realty Officer, Land Resources Program Center, stated the following:

“After consultation with the park, the following was determined regarding access to the State of Wyoming Land located in Section 36. The Potential Access Roads (two roads) to Tract 06-102, aka Section 36 T 43 N R 115 W can be made from the Gros Ventre Road (GVR) through Section 35 owned by NPS/USA. These potential access roads would begin in the easterly portion of Section 35, T 43 N R 115 W and extend easterly from said GVR crossing Section 35 to Section 36, and intersecting the West line of Section 36 at two points located at 600 ' + north of and 600 ' + south of the center line of the GVR (ie. one potential road would extend from some point on the GRV northerly and easterly to Section 36, and the other potential road would extend from some point on the GRV southerly and easterly to Section 36). These entrances/access roads are to be located outside of a designated scenic easement that lies either side of the GVR right-of-way that is located solely in Section 36 as granted in a Grant of Easement recorded Book 12, Page 231 of the deed records of Teton County. In the event of future development of Section 36, the actual sighting/location of these potential access roads to be located in Section 35 for access into Section 36 would be determined by Grand Teton National Park at that time.

“Access is [sic] to Section 36 is provided for in the enabling legislation PL 81-787 which directs the Secretary of the Interior to grant rights-of way to state owned and privately owned land within the park's boundaries.”

Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: “I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 06-102. It is assumed that the proposed access as stated would not limit or hinder the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing the National Park Service lands by the most convenient and least invasive means possible.”

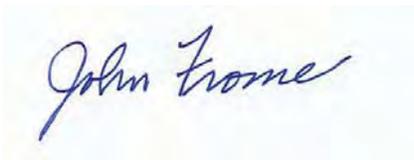
The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

Mr. Gary L. Lay, ARA
January 15, 2015
Page 3

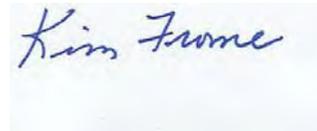
The subject property is reportedly under lease for grazing. In an e-mail dated November 7, 2014, Mr. Lay stated, "You are hereby instructed to employ a Hypothetical Condition that the property in question is not leased for grazing and that there are no tenancies associated with the property." The use of this hypothetical condition might have affected the assignment results.

The supporting analysis and conclusions upon which the opinion of value is based are contained in the accompanying report and Volume II, the sales data book. We trust you will find it complete and to your satisfaction.

Respectfully submitted,

A handwritten signature in blue ink that reads "John Frome". The signature is written in a cursive style with a large initial "J".

John Frome, MAI, ARA
WY Certified General Appraiser #31

A handwritten signature in blue ink that reads "Kim Frome". The signature is written in a cursive style with a large initial "K".

Kim Frome, ARA
WY Certified General Appraiser #423

Summary of Salient Facts

Apparent Owner of Record:	State of Wyoming
Location:	About 15 airmiles northeast of the town of Jackson, Teton County, Wyoming
Legal Description:	T43N, R115W, 6 th PM, Section 36: All
Property Interest Appraised:	Fee simple estate, subject to all reservations of record
Purpose of Appraisal:	The purpose of this appraisal is to provide an opinion of the market value of the subject property as of the date of the last inspection, November 26, 2014.
Land Area:	640 acres
Property Description:	The subject is a full section of land—one square mile, located within Grand Teton National Park. It is located northeast of the small burg of Kelly, along Gros Ventre Road; terrain is rolling with a mix of vegetative cover including sagebrush/grasses and trees.
Improvements:	Fencing and corrals; no buildings
Personal Property:	None
Current Use:	Livestock grazing
Highest and Best Use and Use Reflected in Appraisal:	Residential subdivision
Date of Value:	November 26, 2014
Opinion of Market Value:	\$39,000,000—cash
Jurisdictional Exception:	The Uniform Standards of Professional Appraisal Practice states that the appraiser must estimate exposure time linked to the value opinion ² . However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time, thus no development of exposure time was completed. This is a jurisdictional exception to USPAP Standards Rule 1-2(c)(iv).

² USPAP, S.R.1-2(c)(iv)

Extraordinary Assumption: In an e-mail following the pre-work meeting (received by us October 16, 2014), Glenna Vigil, Chief Realty Officer, Land Resources Program Center, stated the following:

“After consultation with the park, the following was determined regarding access to the State of Wyoming Land located in Section 36. The Potential Access Roads (two roads) to Tract 06-102, aka Section 36 T 43 N R 115 W can be made from the Gros Ventre Road (GVR) through Section 35 owned by NPS/USA. These potential access roads would begin in the easterly portion of Section 35, T 43 N R 115 W and extend easterly from said GVR crossing Section 35 to Section 36, and intersecting the West line of Section 36 at two points located at 600' + north of and 600' + south of the center line of the GVR (ie. one potential road would extend from some point on the GRV northerly and easterly to Section 36, and the other potential road would extend from some point on the GRV southerly and easterly to Section 36). These entrances/access roads are to be located outside of a designated scenic easement that lies either side of the GVR right-of-way that is located solely in Section 36 as granted in a Grant of Easement recorded Book 12, Page 231 of the deed records of Teton County. In the event of future development of Section 36, the actual sighting/location of these potential access roads to be located in Section 35 for access into Section 36 would be determined by Grand Teton National Park at that time.

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Hypothetical Condition: In an e-mail dated November 7, 2014, Gary Lay, ARA, OVS Review Appraiser stated, "You are hereby instructed to employ a Hypothetical Condition that the property in question is not leased for grazing and that there are no tenancies associated with the property." The use of this hypothetical condition might have affected the assignment results.

Appraisers:

John Frome, MAI, ARA
Kim Frome, ARA
John Frome & Associates
P. O. Box 128
Grover, WY 83122



#1- Easterly view of Gros Ventre Road as it bisects subject, with subject on both sides of road. An area of 600 feet on both sides of centerline of road all of the way through the subject is encumbered with either the road easement or scenic easement. Photo taken from near west boundary of Section 36 by John Frome on October 7, 2014.



#2- Viewing northeast from Gros Ventre Road showing area to north of road on west line of Section 36. The area shown in photo is encumbered with the scenic easement. Taken by John Frome on October 7, 2014.



#3- General easterly view along Gros Ventre Road showing moderating terrain about one-quarter mile east of west property boundary. Most of the area shown in the photo is encumbered with the road/scenic easements. Taken by John Frome on October 7, 2014.



#4- Southeasterly view from Gros Ventre Road showing that part of Subject south of road. Nearly all of the area shown in photo is encumbered with the road/scenic easement. Photo taken from about one-quarter mile east of west property boundary by John Frome on October 6, 2014.



#5- Viewing northwest from about one-quarter mile east of west property boundary showing views of Tetons in distance. Area in foreground is encumbered with the road/scenic easement. Taken by John Frome on October 7, 2014.



#6- Small set of wood/metal corrals situated on north side of Gros Ventre Road about 3/8ths mile west of east property boundary. Subject extends south beyond road for roughly 1,000 feet about mid-way on sidehill in background. Nearly all of the area shown in photo is subject to the either the road or scenic easement. Taken by John Frome on October 7, 2014.



#7- Northwesterly view from corrals showing north right-of-way fence for Gros Ventre Road. Note that the scenic easement extends another 500 feet north of the fence. Taken by John Frome on October 7, 2014.



#8- Northwesterly view from roughly one-eighth mile north of corrals showing filtered Teton views from this portion of property. Taken by John Frome on October 7, 2014.



#9- Northerly view of subject taken from about one-eighth mile north of corrals. High knob to right of photo is partially on subject. Taken by John Frome on October 7, 2014.



#10- Viewing southeast over subject from about one-quarter mile north of corrals showing Gros Ventre Valley. East boundary of subject is just beyond trees on sidehill area. Taken by John Frome on October 7, 2014.



#11- Easterly view from same spot with subject extending across deep draw to near top of far bare ridge. Taken by John Frome on October 7, 2014.



#12- Northwesterly view from same spot showing Tetons in background. Subject extends roughly three-quarters mile west from where photo was taken. Taken by John Frome on October 7, 2014.



#13- Viewing southeasterly over subject from near north property boundary. Timbered ridge near center of photo is near center of subject. Taken by John Frome on October 7, 2014.



#14- Easterly view along north end of subject with subject extending part-way up steep sidehill in background. Taken by John Frome on October 7, 2014.



#15- Northwesterly view from north end of subject showing views of Tetons. Green area in background appears to be old dry farm off of subject that is currently being reseeded by GTNP. Taken by John Frome on October 7, 2014.



#16- Northerly view up deep draw north of Gros Ventre Road near east end of subject. There was no water running in what appears to be small ephemeral stream. Scenic easement extends for 500 feet north of right-of-way fence. Taken by John Frome on October 7, 2014.



#17- Viewing north along east property boundary north of Gros Ventre Road. Area in photo is under road/scenic easement. Fence on subject in this area is not on-line and is west of actual property boundary. Taken by John Frome on October 7, 2014.



#18- Southwesterly view over area in the southeast corner of subject. Note Gros Ventre River in center of photo, subject does not extend to river, but is near. All of subject shown in photo is subject to the road/scenic easement encumbering the property. Taken by John Frome on October 7, 2014.



#19- Viewing northeast from Gros Ventre Road with corrals on subject to right of photo. Area in photo is under road/scenic easement. Taken by John Frome on November 26, 2014.



#20- Northerly view from Gros Ventre Road over GTNP showing approximate location of proposed access road/utility corridor which will service the northern portion of the subject, north of the lands encumbered by road and scenic easements. Taken by John Frome on November 26, 2014.

Assumptions and Limiting Conditions

1. LIMIT OF LIABILITY: The liability of the appraiser and employees is limited to the client and to the fee collected. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and legally.

2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT: Possession of this report or any copy thereof does not carry with the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers require each Member or Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of appraiser. (See last item in following list for client agreement/consent).

3. CONFIDENTIALITY: This appraisal is to be used only in its entirety and no part is to be used without the entire report. All conclusions and opinions concerning the analysis set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser. The Appraiser shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute or the American Society of Farm Managers and Rural Appraisers as they may request in confidence of ethics enforcement, or by court of law or body with the power of subpoena.

4. TRADE SECRETS: This appraisal was obtained from John Frome, MAI, ARA, Appraiser and Consultant, or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Notify the appraiser(s) signing the report of any request to reproduce this appraisal in whole or part.

5. INFORMATION USED: No responsibility is assumed for accuracy of the information furnished by work of others, the client, his designee, or public records. I am not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with the Appraiser and possibly signing the report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for the subject property.

6. TESTIMONY AND COMPLETION OF CONTRACT FOR APPRAISAL SERVICES: The contract for appraisal, consultation or analytical service are fulfilled and the total fee payable upon completion of the report. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

7. EXHIBITS: The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if included, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from a separate surveyor.

8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL, HIDDEN COMPONENTS, SOIL: No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to correct as used in this report as furnished by the client, his designee, or as derived by the appraiser.

Please note that no advice is given regarding soils and potential for settlement, drainage (seek assistance from qualified architect and/or engineer); nor matters concerning liens, title status, and legal marketability (seek legal assistance). The client should inspect the property before any disbursement of funds.

The appraiser has inspected as far as possible by observation the land and improvements; however it was not possible to personally observe conditions beneath the soil or hidden structural components.

The land or the soil of the area being appraised appears firm; however subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.

The Appraiser assumes no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

9. LEGALITY OF USE: The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been compiled with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other legislative or administrative authority by local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

10. VALUE CHANGE, MARKET INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER(S): The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

The "Estimate of Fair Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

11. CHANGE: Appraisal report and value estimate are subject to change if physical, legal entity, or financing different than that envisioned at the time of writing this report becomes apparent at a later date.

12. MANAGEMENT OF THE PROPERTY: It is assumed that the property that is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor superefficient.

13. CONTINUING EDUCATION: The Appraisal Institute and the American Society of Farm Managers and Rural Appraisers conduct a voluntary program of continuing education for its designated members; MAI's and ARA's who meet the minimum standards of this program are awarded periodic educational certification; and, MAI's and ARA's signing the report are currently certified under this program.

14. FEE: The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. The compensation (fee) for the preparation of this appraisal report has no relation to the final values reported.

15. CHANGES, MODIFICATIONS: The appraiser(s) reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us at the time of the report preparation.

16. MINERAL RIGHTS, NOISE, AND ENVIRONMENTAL CONCERNS: Mineral rights, noise, and environmental factors have not been given segregated consideration except as noted; they have been treated with the whole.

17. HAZARDOUS MATERIALS: Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraisers inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to detect such substances or conditions. If the presence of such substances such as asbestos, urea-formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimate is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

18. AMERICAN WITH DISABILITIES ACT: The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

19. JURISDICTIONAL EXCEPTION: The Uniform Standards of Professional Appraisal Practice states that the appraiser must estimate exposure time linked to the value opinion³. However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time, thus no development of exposure time was completed. This is a jurisdictional exception to USPAP Standards Rule 1-2(c)(iv).

20. EXTRAORDINARY ASSUMPTION: In an e-mail following the pre-work meeting (received by us October 16, 2014), Glenna Vigil, Chief Realty Officer, Land Resources Program Center, stated the following:

“After consultation with the park, the following was determined regarding access to the State of Wyoming Land located in Section 36. The Potential Access Roads (two roads) to Tract 06-102, aka Section 36 T 43 N R 115 W can be made from the Gros Ventre Road (GVR) through Section 35 owned by NPS/USA. These potential access roads would begin in the easterly portion of Section 35, T 43 N R 115 W and extend easterly from said GVR crossing Section 35 to Section 36, and intersecting the West line of Section 36 at two points located at 600' + north of and 600' + south of the center line of the GVR (ie. one potential road would extend from some point on the GRV northerly and easterly to Section 36, and the other potential road would extend from some point on the GRV southerly and easterly to Section 36). These entrances/access roads are to be located outside of a designated scenic easement that lies either side of the GVR right-of-way that is located solely in Section 36 as granted in a Grant of Easement recorded Book 12, Page 231 of the deed records of Teton County. In the event of future development of Section 36, the actual sighting/location of these potential access roads to be located in Section 35 for access into Section 36 would be determined by Grand Teton National Park at that time.

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21. HYPOTHETICAL CONDITION: In an e-mail dated November 7, 2014, Gary Lay, ARA, OVS Review Appraiser stated, "You are hereby instructed to employ a Hypothetical Condition that the property in question is not leased for grazing and that there are no tenancies associated with the property." The use of this hypothetical condition might have affected the assignment results.

22. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

³ USPAP, S.R.1-2(c)(iv)

Qualifications of Appraisers

John Frome, MAI, ARA

BUSINESS EXPERIENCE:

December 1985, Owner of John Frome and Associates, a Real Estate Appraisal and Consulting firm. Appraisals, appraisal reviews and consulting assignments have been completed in Wyoming, Idaho, Montana, Nevada, Colorado, Utah, Arizona, New Mexico, Alaska, California and South Dakota. Office is in Grover, Wyoming.

June 1979 - December 1985, Associated with Hoffman and Associates, Appraisers, in Jackson, Wyoming, appraising all types of property. Specialization in ranch and recreational properties.

September 1974 - May 1979, Attended Utah State University, Logan, Utah, graduating with a BS degree in Business Administration, with major course of study in Real Estate Appraisal.

TYPES OF ASSIGNMENTS:

Appraisal work involves market value estimates for Mountain and Great Plains livestock ranches, irrigated and dry-land farms, recreational land, commercial, residential and special purpose properties. Recreational assignments have included proposed/existing PUD's and commercial type properties in/near National Parks/Forests. Other assignments include market value estimates for scenic and conservation easements and easements for rights-of-way. Management work is ongoing with family ranches involving commercial cow herd and yearling operations in Idaho and Wyoming. Consulting is done for a variety of purposes including property purchases and sales, negotiating leases and depreciation schedules for income properties. Appraisal reviews have been completed for Federal and State Agencies, and private individuals on a variety of properties including agricultural enterprises, recreational properties, industrial, commercial and single-family residences.

REPRESENTATIVE CLIENTS:

Farm Credit System, CO, ID & WY

U. S. Department of Justice, Washington, DC, Boise, ID

Bureau of Land Management, WY, NV, ID & AZ

General Services Administration, Dallas, TX

U.S. Postal Service, Denver, CO

U.S.D.A. (Forest Service), AZ, NV, AK, UT, ID, MT & WY

The Nature Conservancy, WY & ID

Appraisal Services Directorate (ASD)

John McKinley, Attorney at Law, Cheyenne, WY

Hal Swenson, Attorney at Law, Salt Lake City, UT

Wyoming Game and Fish Dept., Cheyenne, WY

Galen West, Attorney at Law, Rock Springs, WY

Teton Regional Land Trust, Driggs, ID

Elizabeth Greenwood, Attorney at Law, Pinedale, WY

Trust For Public Lands, Bozeman, MT

Joe Blumel, Attorney at Law, Kemmerer, WY

Internal Revenue Service, Wyoming & Idaho

Wells Fargo Bank, Denver, CO

Rabo AgriFinance, St. Louis, MO

Simplot Mining, Boise, ID

Jackson Hole Land Trust, Jackson, WY

U. S. Fish and Wildlife Service, Denver, CO

Wyoming Dept. of Transportation, Cheyenne, WY

F.A.A. (Federal Aviation Administration)

USDA/Natural Resources, Boise, ID

Union Pacific Resources, Dallas, TX

High Plains Power, Riverton, WY

Zions Bank, Salt Lake City, UT

Dennis Lancaster, Attorney at Law, Afton, WY

Internal Revenue Service, Dallas, TX

First Interstate Bank, Jackson, WY

Lea Kuvinka, Attorney at Law, Jackson, WY

Tom Keyse, Attorney at Law, Denver, CO

Office of Special Trustee (OST) WY, ID, MT, AK

First American Title, Colorado

Office of Valuation Services (OVS)

Appraisal and review appraisals also done for several town, county & state governments as well as other federal agencies, numerous individuals & private corporations. Qualified as an expert witness in various District Courts, States of Wyoming and Colorado, Federal Bankruptcy Court, & Federal Court of Claims

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute, MAI Designation #7046

Member, American Society of Farm Managers and Rural Appraisers, ARA Accreditation #731

Wyoming General Certified Appraiser, Permit #31, expires June 16, 2015

Utah General Certified Appraiser, #5478255-CG00, expires May 31, 2016

Idaho General Certified Appraiser, #ICA-100, expires November 8, 2015

Member, Lincoln County, Wyoming, Planning and Zoning Commission 1986 -94

Chairman of Lincoln County, Wyoming, Planning and Zoning Commission 1991-94

Chairman, National Education Committee, American Society of Farm Managers and Rural Appraisers, 1992

National Accrediting Committee, American Society of Farm Managers and Rural Appraisers 1993-97

Chairman, National Accrediting Committee, American Society of Farm Managers and Rural Appraisers 1994-6

District VI Vice-President, ASFMRA, 1999-02

EDUCATION:

Professional training & education in cooperation with the American Society of Farm Managers & Rural Appraisers, American Institute of Real Estate Appraisers, International Right of Way, Urban Land Institute, Society of Real Estate Appraisers & Utah State University.

Appraising Single Family Residences, 1978
 Rangeland Appraisal, 1978
 Farm and Ranch Appraisal, 1979
 Single Family Appraisal, 1979
 Appraisal Princ. and Valuation Procedures, 1979
 Subdivision Analysis, 1980
 Capitalization Theory & Techniques, 1980
 Litigation Valuation, 1982
 Valuation and Report Writing, 1983
 Leasehold Analysis, 1983
 Case Studies in Real Est. Valuation, 1983
 Market Extraction, 1988
 Subdivision Analysis, 1984
 Introduction to Investment Analysis, 1985
 Federal Income Tax and Real Estate, 1985
 Principles of Rural Appraising, 1985
 Ranch Appraisal Seminar, 1995
 Fair Lending and the Appraiser, 1995
 Highest and Best Use, 1986
 Evaluating Commercial Construction, 1986
 USPAP- 82, 88, 92, 96, 98, 03, 05, 06, 08, 09, 11, 12, 14
 Separating Real and Personal Property from Intangibles, 2002
 Business Practices and Ethics, 2012, 2014
 Analyzing Distressed Real Estate, 2011
 Cost and Income Seminars, 2009
 Cost Approach Seminar, 2010
 Analyzing Distressed Real Estate, 2011
 Appraisal Curriculum Overview- General, 2012
 Appraisal Curriculum Overview- Residential, 2012
 Valuation of Conservation Easements & Other Partial Interests in Real Property, 2013
 Advanced Rural Appraisal, 1987
 Easement Valuation, 1987
 Soils and Weeds, 1987
 Valuation of CRP Contracts, 1988
 Cost Approach, 1988
 Income Approach, 1988
 Sales Analysis, 1988
 Report Writing, 1989
 Case Studies in Rural Appraisal, 1990
 Advanced Appraisal Review, 1991
 Reviewing Appraisals, 1992
 Americans with Disabilities Act, 1992
 Understanding Limited Appraisals, 1994
 SPP- Ethics, ASFMRA, 1995, 03, 09
 Ranch Appraisal Seminar, 1995
 Fair Lending and the Appraiser, 1995
 Nevada Real Estate Appraisal Statutes, 1996
 Developing MP Resort Communities, 1997
 Eminent Domain and Condemnation, 1997
 Litigation Skills for Appraisers, 1998
 Conservation Easements Seminar, 1998, 2000
 Highest and Best Use, 2006
 Yellow Book (UASFLA), 2001
 Tax Deferred Exchanges, 2008
 Sales Comparison Seminar, 2010
 Appraisal Institute Ethics, 2007, 11, 14
 Economic Update Seminar, 2012
 Realtors Ethics, 2012
 Valuation of Intangible & Non Financial Assets, 2013

INSTRUCTOR:

Certified instructor for the American Society of Farm Managers and Rural Appraisers and the Appraisal Institute with teaching assignments nation-wide. Courses taught include Principles of Rural Appraisal (A-20), Advanced Rural Appraisal (A-30), Advanced Appraisal Review (A-35) and Rural Case Studies (A-40). Seminars taught include UAAR Form Seminar, Leases, Discounting, Cost, Highest and Best Use, Ranch and Sales Comparison Approach.

Advanced Rural Appraisal (A-30): St. Louis, MO, Oct. 2005; Sioux Falls, SD, June 2004; Oklahoma City, OK, Mar. 2002; Sacramento, CA, Oct. 2001; Denver, CO, Mar. 1999; Spokane, WA, June 1998; Denver, CO, June 1997; Memphis, TN, Feb. 1996; Kansas City, KN, Oct. 1994; Billings, MT, Apr. 1993; Memphis, TN, Dec. 1991; Wichita, KN, Feb. 1991; Denver, CO, Jun. 1990; Columbia, SC, Dec. 1989; Fresno, CA, Jul. 1989; Champagne, IL, Feb. 1989; Sacramento, CA, Dec. 1988;

Advanced Appraisal Review: (A-35): Denver, CO, Apr. 1991;

Appraisal Review Under USPAP (A-370): Salt Lake City, UT, April 2006; Albuquerque, NM, January 2007

Appraisal Review Under UASFLA (A-380): Albuquerque, NM, March 2007

Advanced Appraisal Review Case Studies: Albuquerque, NM, March 2007

Basic Appraisal Concepts: Boise, ID, Jun. 1995;

Cost Approach Seminar: Salem, OR, Jan. 1999; Casper, WY, Nov. 1998; Kansas City, MO, May 1996;

Federal Land Exchange and Acquisitions: Salt Lake City, UT, April 2003; Jackpot, NV, May 2001; Nashville, TN, Nov. 2000; Portland, OR, Oct. 2000; Denver, CO, Sept. 2000; Sacramento, CA, June 2000; Portland, OR, May 2000; Phoenix, AZ Apr. 2000

Foundations of Appraisal Review (A-360): Salt Lake City, UT, April 2006; Portland, OR, Oct. 2006; Albuquerque, NM, January 2007; Jackpot, NV, May 2009

Highest and Best Use: Lansing, MI, Apr. 2002; Billings, MT, Jan. 2002; Salt Lake City, UT, Apr. 1995; Kansas City, KN, Oct. 1994; Phoenix, AZ, Mar. 1994; Denver, CO, Feb. 1994; Milwaukee, WI, Dec. 1993; Casper, WY, Aug. 1993; Boise, ID, Jan. 1993;

Principles of Rural Appraising (A-20): Salt Lake City, UT, Feb. 1996; Boise, ID, Jan. 1994; Austin, TX, Feb. 1993; Bozeman, MT, May 1992; Jackson, MS, Jun. 1991; Dallas, TX, Apr. 1989; Denver, CO, Mar. 1989; Columbia, SC, Oct. 1988;

Ranch Appraisal Seminar: Riverton, WY, Feb. 2000; Albuquerque, NM, May 1998; Phoenix, AZ, May 1996; Boise, ID, Jan. 1996;

Rural Case Studies (A-40): Kansas City, KN, Oct. 1990;

Sales Comparison/Discounting Seminar: Wichita, KN, Sep. 1991; Wichita, KN, Jun. 1991;

UAAR Form Seminar: Dayton, OH, Apr. 1990;

Uniform Standards of Professional Appraisal Practice: Billings, MT, Jan. 2000

TESTIMONY/DEPOSITIONS:

Since 2003, I have given the following depositions and testified in the following courts:

Depositions

The Sweetwater, A Wilderness Lodge LLC v. The United States

Case No. 02-1795C

United States Court of Federal Claims

June 20, 2005

Jackson Hole Land Trust v. John R. Tozzi

Civil Action 11303

Ninth Judicial District

Jackson, Wyoming

March 17, 2003

Trials

Heely, et al. v. Lend Lease Agribusiness, Inc., et al.

Civil Action 01-CV-2263

Arapahoe County, Colorado

October 27, 2004

McNeel v. McNeel

Civil Action 6422

Ninth Judicial District

Sublette County, Wyoming

October 29, 2004

The Sweetwater, A Wilderness Lodge LLC v. The United States

Case No. 02-1795C

United States Court of Federal Claims

September 29, 2005

PUBLICATIONS:

Publications have included the following:

1. Developer and course "guru" of Appraisal Review Under USPAP (A-370), ASFMRA, 2006 to date.
2. Contributor to The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute, 2002.
3. Developer of Data Analysis Seminar, ASFMRA, 2001.
4. Co-development team leader and contributor to The Appraisal of Rural Properties, 2nd Edition, Appraisal Institute, 2000.
5. Course "guru" and co-author of Advanced Rural Appraisal (A-30), ASFMRA, last revision in 1999.

Kim Frome, ARA**BUSINESS EXPERIENCE:**

2007-current: Real estate appraiser with John Frome & Associates, a real estate appraisal and consulting firm. Appraisals, appraisal reviews and consulting assignments have been completed in Wyoming, Idaho, Montana, Nevada, Colorado, Utah, Arizona, New Mexico, Alaska, California and South Dakota. Offices are in Grover, Wyoming.

1995 -2007: Real estate appraiser associated with Headquarters West, Ltd., Phoenix, Arizona, a real estate and appraisal company. Appraisals, appraisal reviews, rent studies and consulting assignments have been completed in Arizona, California, Utah, Colorado, Montana, Nevada, Wyoming and New Mexico.

1991 - 1995: Real estate appraiser, USDA Forest Service, Arizona Zone Office, Phoenix, Arizona. Appraisals, appraisal reviews, trainee supervision for assignments in AZ for land exchanges, federal purchases, special use permit fees (land rent).

1991: Real estate appraiser, Arizona Agricultural Credit Association, Tempe, Arizona. Appraisals of property used as collateral for agricultural loans.

1986 - 1990: Real estate appraiser, Farm Credit Services, Seventh District Farm Credit Bank and Minnesota Valley Association, Madison, Minnesota. Appraisals of improved farms and vacant farmland for new loans, collateral monitoring, special assets and acquired properties.

TYPES OF ASSIGNMENTS:

Appraisal work has involved market value opinions for farms, ranches, transitional—from metropolitan areas to small communities, rural recreational/residential, high value recreation properties, conservation easements, partial acquisitions, isolated tracts, urban fringe and special use properties. Appraisal work has also included opinions of market rent specific properties.

Review work has been completed for county, state, federal agencies and non-profit organizations for a variety of property types including urban development properties, ranches, recreational properties, partial acquisitions and isolated tracts.

Consulting work has included rent and sales studies for rural properties.

REPRESENTATIVE CLIENTS:**Appraisals:**

Farm Credit Services Southwest, Tempe, Arizona
 Arizona Attorney General, Phoenix, Arizona
 USDA Forest Service, Arizona, California, Montana, Colorado, Utah, Idaho, Nevada
 US Department of Interior (US Fish and Wildlife Service, BLM, National Park Service)/Appraisal Services Directorate/Office of Valuation Services, Arizona, New Mexico, Utah, Nevada, Montana, California, Idaho, Colorado
 The Trust for Public Land, Santa Fe, New Mexico
 Yavapai County, Prescott, Arizona
 Arizona State Land Department, Phoenix, Arizona
 Arizona Game and Fish Department, Phoenix, Arizona
 Arizona State Parks, Phoenix, Arizona
 Union Pacific Resources, Dallas, Texas
 Citigroup Investments, Fresno, California
 National Park Foundation, Banning, California
 Genesis Real Estate, Tucson, Arizona
 Federal Land Exchange, Inc., Scottsdale, Arizona
 H. C. Rudy Stadelman, Attorney at Law, Cottonwood, Arizona
 Michael Mongini, Attorney at Law, Flagstaff, Arizona
 Moenkopi Developers Corporation (Hope Tribe), Moenkopi, Arizona
 Boise Parks and Recreation, Boise Idaho
 Salt River Pima-Maricopa Indian Community, Scottsdale, Arizona
 Wilderness Land Trust, Carbondale, Colorado
 The Nature Conservancy, Tucson, Arizona and Idaho Falls, Idaho
 United States Department of Justice, Assistant US Attorney, Phoenix, Arizona
 Maricopa County Attorney, Phoenix, Arizona
 Zions First National Bank, Salt Lake City, Utah
 1st Bank, Afton, Wyoming
 Greg VonKrosigk, Attorney at Law, Sheridan, Wyoming
 1st Bank North Side Branch, Rock Springs, Wyoming
 Farm Credit Services of America, Hiawatha, Iowa
 Wells Fargo Bank, Denver, Colorado
 Bridge Bank, San Jose, California
 Teton Regional Land Trust, Driggs, Idaho
 Bank of Star Valley, Afton, Wyoming
 Wells Fargo, Denver, Colorado

Bank of the West, Denver, Colorado
 Iberia Bank, Lafayette, Louisiana
 Western Land Group, Denver, Colorado
 Bank of Idaho, Idaho Falls, Idaho
 BB&T Wealth Management, Charlotte, North Carolina
 US Department of Treasury, Internal Revenue Service, Denver, Colorado
 US Department of Treasury, Internal Revenue Service, Salt Lake City, Utah
 US Department of Treasury, Internal Revenue Service, Phoenix, Arizona
 Rock Springs National Bank, Trust Department, Rock Spring, Wyoming
 JP Morgan Chase, New York, New York
 Rabo AgriFinance, Kearney, Nebraska

Reviews:

Arizona Attorney General, Phoenix, Arizona
 Travis County Transportation and Natural Resources, Austin, Texas
 Arizona Department of Transportation, Phoenix, Arizona
 USDA Forest Service, Arizona, California
 Bureau of Land Management, Arizona, Nevada, Montana
 Arizona Game and Fish, Phoenix, Arizona
 Mountain States Legal Foundation, Lakewood, Colorado
 The Nature Conservancy, Tucson, Arizona
 Bureau of Indian Affairs, Phoenix, Arizona
 State of Wyoming, Wyoming Certified Real Estate Appraiser Board, Cheyenne, Wyoming
 State of California, Wildlife Conservation Board, Sacramento, California
 City of Surprise, Arizona
 Agri-Affiliates, North Platte, Nebraska
 UBS Agri-Vest, Hartford, Connecticut
 Dan Lindstrom, Attorney-at-law, Kearney, Nebraska

Appraisal work also done for individual property owners.

Testified as expert witness in Federal Bankruptcy Court, Superior Court and Federal Tax Court.

PROFESSIONAL AFFILIATIONS:

Wyoming Certified General Appraiser #423
 Arizona Certified General Real Estate Appraiser #30170
 Colorado Certified General Appraiser #CG40005354
 Idaho Certified General Appraiser #CGA-2228
 Formerly general certified in Montana, Utah, California and Nevada—not renewed
 Temporary certifications for specific projects in New Mexico, Texas, Missouri, Nebraska and Utah
 American Society of Farm Managers and Rural Appraisers (ASFMRA), Member 1986, Accredited 1990
 Former member and chair National Education Committee, ASFMRA
 Former member and chair National Accreditation Committee, ASFMRA
 Former District VII Vice-President, ASFMRA

EDUCATION:

Valuation of Conservation Easements and Other Partial Interests in Real Estate, ASFMRA, Ketchum, ID, May 2013
 National USPAP Course (7 Hour), ASFMRA, Casper, WY, January 2014, most recent
 Appraisal Procedures & Economic Update, ASFRMA, Logan, UT, January 2012
 Construction Details and Trends, McKissock, On-line, May 2011
 Cost Approach Applications, ASFMRA, Jackpot, NV, May 2010
 Sales Comparison Approach, ASFMRA, Jackpot, NV, May 2010
 2010 USPAP Instructor Recertification Course, The Appraisal Foundation, March 2010
 2010 Spring Ag Forum, ASFMRA, Tempe, AZ, February 2010
 Introduction to Appraisal Review (A-360) ASFMRA, Jackpot, NV May 2009, instructor
 Cost and Income seminar, ID/UT Chapter ASFMRA, Idaho Falls, ID, January 2009
 Tax Deferred 1031 Exchanges; Appraisal Process Independence and FIRREA, ID/UT Chapter ASFMRA, Salt Lake City, UT, January 2008
 Advanced Approaches to Value of Rural Appraisal (A-300), ASFMRA, Overland Park, KS (Instructor)
 Code of Ethics, ASFMRA, Phoenix, AZ, April 2007, most recent (instructor)
 7-hour USPAP Update for Instructors, The Appraisal Foundation, Denver, CO, March 2007
 ASFMRA Review series courses (A-360, 370, 380, 390) Albuquerque, NM, January and March 2007, (Instructor)
 Yellow Book-Uniform Appraisal Standards for Federal Land Acquisition, ASFMRA, Lansing, MI, June 2006, most recent, (Instructor)
 7-hour USPAP Update for Instructors, The Appraisal Foundation, Tucson, AZ, December 2004
 Conservation Easements Seminar, ASFMRA, Tempe, AZ, July 2004
 Arizona Spring Ag Forum, AZ Chapter, ASFMRA, Phoenix/Scottsdale, AZ 1997 through 2005
 Advanced Rural Appraisal (A-30), ASFMRA, Sioux Falls, SD, June 2004
 Agricultural Technologies and Economics, ID/UT Chapter ASFMRA, Logan, UT, January 2004
 Appraisal Law in Nevada, The Chicopee Group, Las Vegas, NV, June 2003
 Advanced Sales Confirmation and Analysis, ASFMRA, Phoenix, AZ, August 2002

Mark to Market, the Next FIRREA, Appraisal Institute (AI), Scottsdale, AZ, May 2002
Real Estate Statistics, ASFMRA, Phoenix, AZ, August 2001
Market Analysis in Contemporary Spreadsheets, ASFMRA, Phoenix, AZ, August 2001
Real Estate Appraisal Review Workshop, ADOT, Phoenix, AZ, September 2000
Conservation Easements Seminar, ASFMRA, Athens, Georgia, January 2000
Permanent Plantings Seminar, ASFMRA Tempe, AZ, November 1996
Ranch Appraisal Seminar, ASFMRA, May 1996
Uniform Standards of Professional Appraisal Practice, ASFMRA, Tempe, AZ, September 1995
Valuation and Landownership Adjustments, Colorado State University, Fort Collins, CO, July 1994
Highest and Best Use, ASFMRA, Tempe, AZ, March 1994
Advanced Rural Appraisal, ASFMRA, Tempe, AZ, October 1993
Mineral Material Management and Appraisal, National Minerals Training Office, Phoenix, AZ, January 1993
Advanced Appraisal Review, ASFMRA, Fresno, CA, April 1992
Eminent Domain, ASFMRA, Memphis, TN, December 1991
Capitalization Theory and Techniques, Part A, AI, Austin, TX, September 1991
Appraisal Certification School, ASFMRA, Tempe, AZ, February 1991
Code of Ethics/Uniform Standards of Professional Appraisal Practice, ASFMRA, Tempe, AZ, February 1991
Narrative Report Writing, ASFMRA, St. Paul, MN, April 1988
Sales Analysis, ASFMRA, Pierre, SD, April 1988
Advanced Rural Appraisal, ASFMRA, St. Paul, MN, February 1988
Real Estate Appraisal, Farm Credit Services, Willmar, MN, April 1988
Principles of Rural Appraisal, ASFMRA, Athens, GA, June 1986
Real Estate I, South Dakota Real Estate School, Sioux Falls, SD, June 1986
Basic Real Estate, Dunham Company Real Estate, Sioux Falls, SD, October 1979

PUBLICATIONS:

Co-development team leader and contributor The Appraisal of Rural Properties, 2nd Edition, AI and ASFMRA
Co-developer for seminar "Federal Land Exchanges and Acquisitions", AI and ASFMRA
Co-developer for seminar "Yellow Book – Uniform Appraisal Standards for Federal Land Acquisitions", ASFMRA

INSTRUCTOR:

Former instructor for ASFMRA and AI.

ASFMRA Courses and seminars taught include: Fundamentals of Rural Appraisal, Principles of Rural Appraisal, Advanced Rural Appraisal, Code of Ethics, Eminent Domain, Highest and Best Use, Appraisal Review series of courses, Cost Approach, Federal Land Exchanges and Acquisitions, Yellow Book and USPAP.

AI taught seminars include: Federal Land Exchanges and Acquisitions, and Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications for Fee Appraisers.

Scope of the Appraisal

The Statement of Work (SOW) supplied to us included the legal description, general maps of the property, and the title report and its associated documents. The original SOW was revised and the SOW relied upon in this report is dated September 8, 2014. A mineral report was also supplied. A pre-work meeting was conducted on October 7, 2014. In attendance were: Gary Lay, ARA, OVS Review Appraiser; Gary Pollock, Management Assistant, Grand Teton National Park; Robert Moulton, Wyoming State Lands Appraiser; and contract appraisers John Frome, MAI, ARA and Kim Frome, ARA. During the meeting some of the provisions of the Statement of Work and characteristics of the property were addressed. Considerable time was spent discussing the aspect of the legal and physical access to the subject in relation to the scenic easement the runs along both sides of the Gros Ventre Road, and the grazing lease on subject. We also requested information on sales from Mr. Moulton and Mr. Pollock. (We had previously discussed sales with Mr. Lay.)

Following the meeting, the subject property was inspected, with those attending the meeting also participating in the inspection. The subject was inspected on foot and by vehicle.

On November 26, 2014, John Frome and Kim Frome conducted the final inspection of the subject property. This inspection was done by vehicle, viewing the property from Gros Ventre Road. Mr. Lay and Mr. Moulton were invited to participate in the inspection, but declined the invitation.

Subject property data was gathered from several sources, including Teton County, via their website which includes aerial maps, information on zoning, floodzones, and elevation. We also contacted the county's zoning office to obtain additional information on zoning requirements. Wetlands were researched via the US Fish and Wildlife Service (FWS) national wetlands mapper. Information on potential impacts of sage grouse habitat on use of the subject was obtained from Wyoming Game and Fish personnel. Data on domestic wells in this area was obtained from the State of Wyoming. We subcontracted engineering work with Jorgensen Associates, PC to provide cost information on construction of a road from Gros Ventre Road to the property and extension of utilities to the property.

The search for sales for this project had significant challenges because of the subject's large size and location in close proximity to Jackson and within Grand Teton National Park, plus being encumbered with the scenic easement. When we began the sales research we felt that we needed to investigate the local market for large acreage land sales. Anticipating data would not be plentiful, we also decided to conduct a broader geographic search for sales within or in close proximity to other prominent National Parks. The search areas included: Glacier National Park—Montana, Yellowstone National Park—Wyoming and Montana, Zion and Bryce National Parks—Utah, Yosemite National Park—California, Rocky Mountain National Park—Colorado, and Grand Canyon National Park--Arizona.

We found a few sales adjacent to Glacier National Park or in close proximity to Glacier. The sales ranged in size from about 80 to 138 acres and in price from \$6,505 to \$15,973 per acre. We found two sales in close proximity to the north side of Yellowstone National Park that were roughly 35 to 690 acres with prices from \$7,953 to \$8,713 per acre. There is a recent sale adjacent to Zion National Park. The sale price is not disclosed, but the listing price was about \$12,000 per acre for 2,066 acres. We found a few sales in the Yosemite area, but did not find any sales in or adjacent to the park. We did not find any sales in Rocky Mountain National Park. We found two sales near Grand Canyon

National Park. One is a 135-acre inholding in the National Forest about 1½ mile from the park that sold for \$3,304 per acre. The other is a parcel of about 20-acres that sold for \$99,850 per acre to the town of Tusayan. Upon further investigation, this land is part of a large development agreement between the town of Tusayan and a development group that owns two tracts of land that are included in the development agreement. Because of the conditions of the sale, it was not included in the analysis.

As part of our networking for sales, one appraiser provided us information on several sales by Lake Tahoe. This area is not within a National Park, but is another upscale area. The sales are dated and all but one of the sales were purchased either by the federal government or by conservation groups for subsequent transfer to the government.

As previously discussed, the sales located near or at the other National Parks are at lower, to much lower, price levels than the area around Jackson and Grand Teton National Park. Obviously, there is much more at play than simply proximity to a prominent National Park. For example, Grand Canyon National Park had visitation of over 4.5 million in 2013. On a percentage basis, the 2013 visitor count to Grand Canyon National Park was 70% greater than Grand Teton National Park. In addition, the availability of private land within close proximity to Grand Canyon is much less than in the Grand Teton National Park area. Yet a 135-acre National Forest inholding within about 1½ airmiles of Grand Canyon National Park and a little over four road miles to East Rim Drive, the loop road for those driving from the east to south (or vice versa) entrances to the park sold for \$3,303 per acre. Such a price is unimaginable in the environs of Grand Teton National Park. Admittedly, the 20-acre parcel that was purchased by the town of Tusayan had a reported price of nearly \$100,000 per acre. However, this is certainly not a typical, arms length transaction. Prices of the sales researched at Glacier National Park ranged from \$6,505 to \$15,973 per acre on properties ranging in size from about 112 to 138 acres. The amount of private land in the Glacier area is more similar to that of the subject area. Again, the price levels of the Glacier area sales are far below that of the subject's area. For these reasons, we did not use sales at or near other National Parks in the appraisal.

We conducted research for sales in the Jackson Hole area in two categories—sales comprised of 100 acres or more, including both vacant and improved sales, and sales less than 100 acres down to 35 acres, which were mostly vacant land sales. We have gathered 42 sales of 100 acres or more, dating back to 2000. It is important to note that 18 of these sales are encumbered (either partially or completely) with conservation easements. We also gathered current listings, of which we tabulated 15, ranging in size from 105 to 1,848 acres. Six of the listings are either partially or completely under conservation easement. Tabulations of these sales and listings will be presented later in this report.

We also gathered about 80 sales that are less than 100 acres and more than 35 acres also going back to 2000, and more than 15 listings with acreages less than 100 and more than 35. Only a handful of these properties are encumbered with conservation easements.

All the sales used in direct comparison to the subject have been personally inspected by John and Kim Frome. In addition to the sales used in direct comparison to the subject, we have also done considerable supplemental sales analyses pertaining to various elements of comparison. Some of the sales used in the supplemental analyses were personally confirmed and inspected, but for some we have relied on MLS information and Teton County webmapping. In all cases, we are familiar with the areas where the sales are located.

Our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice; Statement of Work prepared by OVS; the Uniform Appraisal Standards for Federal Land Acquisitions, and the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Purpose/Intended Use/Intended Users of the Appraisal

The purpose of the appraisal is to provide an opinion of the market value of the subject as of November 26, 2014. The intended use of the appraisal is for a proposed land exchange. The intended users of the appraisal are the National Park Service and the Bureau of Land Management on behalf of the United States of America, and State of Wyoming Board of Land Commissioners by and through the Office of State Lands and Investments.

Client

The client for this appraisal is U.S. Department of Interior, Office of Valuation Services (OVS).

Date of Value/Inspection/Report

The subject property was initially inspected on October 7, 2014. Because the SOW requires a date of value within 30 days of the date of the report, an inspection was also made on November 26, 2014, which is the date of value of the appraisal. The date of the report is January 15, 2015.

Extraordinary Assumption

In an e-mail following the pre-work meeting (received by us October 16, 2014), Glenna Vigil, Chief Realty Officer, Land Resources Program Center, stated the following:

“After consultation with the park, the following was determined regarding access to the State of Wyoming Land located in Section 36. The Potential Access Roads (two roads) to Tract 06-102, aka Section 36 T 43 N R 115 W can be made from the Gros Ventre Road (GVR) through Section 35 owned by NPS/USA. These potential access roads would begin in the easterly portion of Section 35, T 43 N R 115 W and extend easterly from said GVR crossing Section 35 to Section 36, and intersecting the West line of Section 36 at two points located at 600' + north of and 600' + south of the center line of the GVR (ie. one potential road would extend from some point on the GRV northerly and easterly to Section 36, and the other potential road would extend from some point on the GRV southerly and easterly to Section 36). These entrances/access roads are to be located outside of a designated scenic easement that lies either side of the GVR right-of-way that is located solely in Section 36 as granted in a Grant of Easement recorded Book 12, Page 231 of the deed records of Teton County. In the event of future development of Section 36, the actual sighting/location of these potential access roads to be located in Section 35 for access into Section 36 would be determined by Grand Teton National Park at that time.”

“Access is [sic] to Section 36 is provided for in the enabling legislation PL 81-787 which directs the Secretary of the Interior to grant rights-of way to state owned and privately owned land within the park's boundaries.”

Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: "I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 06-102. It is assumed that the proposed access as stated would not limit or hinder the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing the National Park Service lands by the most convenient and least invasive means possible." The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

Hypothetical Conditions

In an e-mail dated November 7, 2014, Gary Lay, ARA, OVS Review Appraiser stated, "You are hereby instructed to employ a Hypothetical Condition that the property in question is not leased for grazing and that there are no tenancies associated with the property." The use of this hypothetical condition might have affected the assignment results.

Jurisdictional Exception

The Uniform Standards of Professional Appraisal Practice states that the appraiser must develop and report "exposure time linked to the value opinion."⁴ However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time.⁵ Thus no development or reporting of exposure time was completed. This is a jurisdictional exception to USPAP Standard Rule 1-2(c)(iv).

Definition of Value

Market value is defined as:

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.⁶

Our opinion of value is reported as cash.

⁴ "The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. (Line 2892); and "When an opinion of reasonable exposure time has been developed in compliance with Standard Rule 1-2(c), the opinion must be stated in the report." (Line 2843). *USPAP 2012-2013 Edition*, Statement 6, Pages U90-91

⁵ Contrary to USPAP Standards Rule 1-2(c), this definition of market value does not call for the estimate of value to be linked to a specific exposure time estimate, but merely that the property be exposed on the open market for a reasonable length of time, given the character of the property and its market. Therefore, the appraiser's estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisition purposes under these Standards. *Uniform Appraisal Standards for Federal Land Acquisitions*, 2000 Edition, Page 13.

⁶ 43 CFR 2200.0-5 - Definitions

Summary of Appraisal Problems

The main problem associated with this assignment is the shortage of current, larger acreage sales located within the subject's market area, especially those that are partially encumbered with a scenic easement. This required use of older sales and an extensive, three-step market conditions adjustment. The lack of legal and physical access required additional research as all sales used had both legal and physical access to the developable portion of the sale.

Factual Data

Legal Description

According to the Statement of Work, the legal description of the property is:

Township 43 North, Range 115 West, 6th Principal Meridian
Section 36: All

Property Rights Appraised

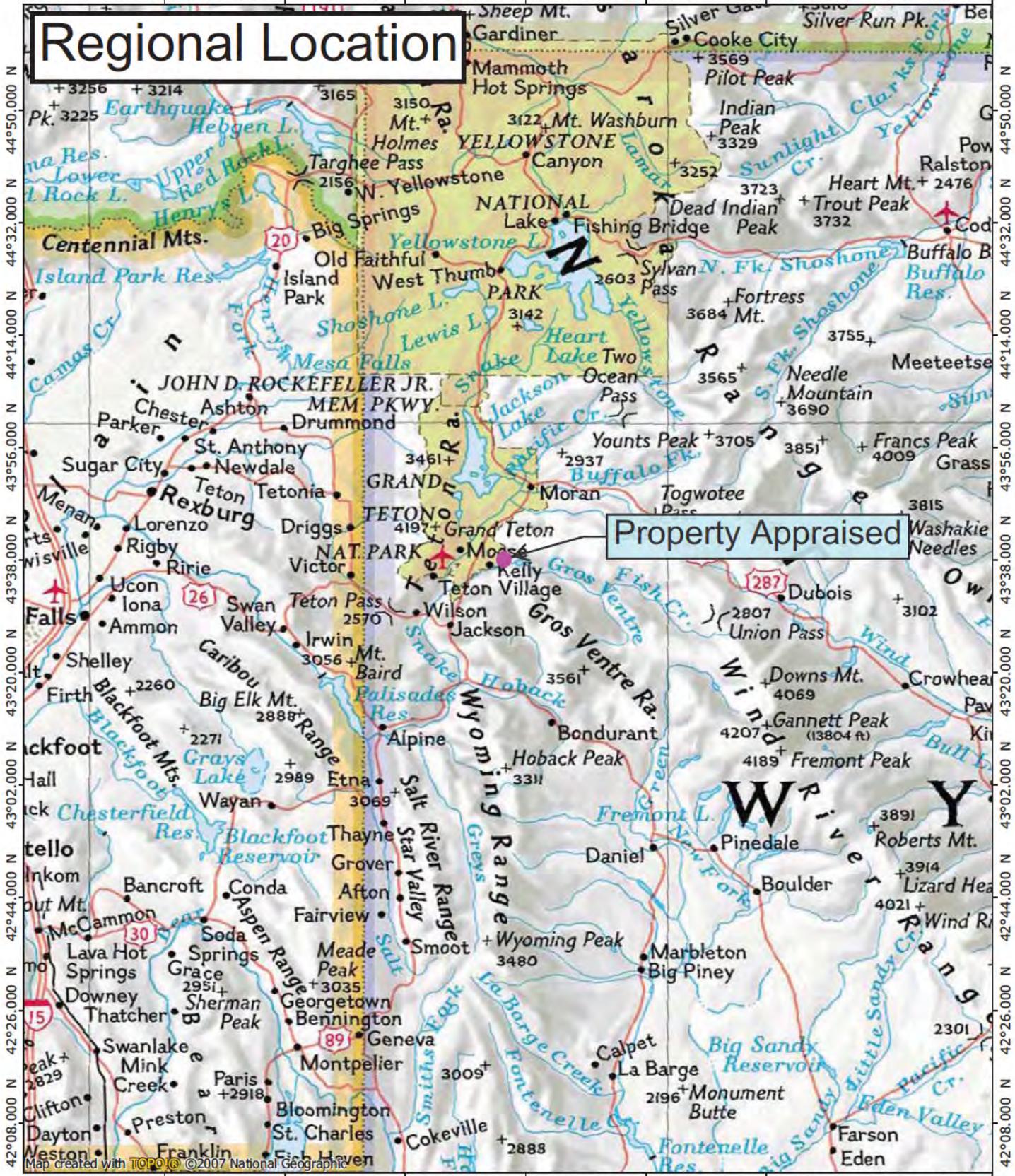
The Statement of Work lists the property interest as: “Fee Simple Estate subject to all reservations of record.” The SOW also states that the outstanding rights of record are included in the title commitment. The Schedule B exceptions in the title commitment for Section 36 are paraphrased following, along with a statement regarding the impact on value.

1. Any facts, rights, interests, claims not shown in public records but that could be ascertained by an inspection or making inquiry. *This is a standard exception and should not have an adverse impact on value.*
2. Easements, claims of easement or encumbrances not shown by the public records. *This is a standard exception and should not have an adverse impact on value.*
3. Encroachments, etc. including discrepancies, conflicts of boundary lines, shortage of area, or other facts that a survey would disclose. *This is a standard exception and should not have an adverse impact on value.*
4. Any lien or right to a lien for services, labor or materials imposed by law on not shown in the public record. *This is a standard exception and should not have an adverse impact on value.*
5. Unpatented mining claims, patent reservations or exceptions, water rights, whether or not shown by public records. *This is a standard exception and should not have an adverse impact on value.*
6. Ownership or title to any mineral interest, and the effect on the surface. *According to the SOW, the subjects’ property rights include the mineral estate. Mineral rights will be analyzed as part of the property rights element of comparison.*
7. Real estate taxes or assessments not shown as existing liens and real estate taxes for 2010. *Exceptions for real estate taxes are typical for all properties and do not have an adverse impact on value.*
8. Easement granted to Lower Valley Power and Light, Inc. for construction, operation and maintenance of electric distribution circuits. *This easement is located in the southeast corner of the subject and encompasses 3.52 acres. Given the property size and location of the easement, this easement would not have a measureable impact on the total property.*
9. Easement granted to the U.S. Department of Interior, Grand Teton National Park for a road and scenic right of way. *The road easement is 200 feet in width—100 feet on each side of Gros Ventre Road. The scenic easement is 1,000 feet in width—500 feet on each side of Gros Ventre Road. The easement is quite clear in delineating that the scenic easement is beyond the limit of the road right of way. Thus, each side of the road has a strip of 100 feet for the road right of way and then an additional strip of 500 feet for the scenic easement. According to the recorded easement document, the road right of way encumbers 26.12 acres and the scenic*

easement encumbers an additional 130.62 acres, for a total of 156.74 acres, which is slightly over 24% of the total property. The easement allows development of the land for extraction of all "minerals and coal...including oil and gas" and grazing and cultivation of crops. The impact of the easement will be addressed in the property rights element of comparison. Because the scenic easement does not state that access road(s) and utility lines through the easement are permitted, Glenna Vigil, Chief Realty Officer, Land Resources Program Center, has stated that access to the subject land would be permitted by construction of roads in Section 35 (adjoining the subject's west boundary) from Gros Ventre Road to the areas of the subject both north and south of the scenic easement. Gary Lay, OVS Review Appraiser, provided an extraordinary assumption regarding access and utility extensions. The extraordinary assumption has been previously reported and is not duplicated here. The access and utility situation is analyzed in accord with the extraordinary assumption.

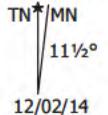
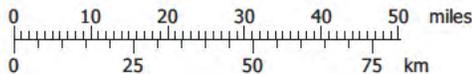
10. Lack of a right of access to and from the land. *The SOW states: "Parcel #06-102 is reported to have legal insurable access via the Gros Ventre Road." However, this statement overlooks the fact that the property is encumbered with the scenic easement, as previously discussed. The subject is appraised employing the extraordinary assumption as previously discussed.*

Regional Location



Property Appraised

Map created with TOPO! © 2007 National Geographic

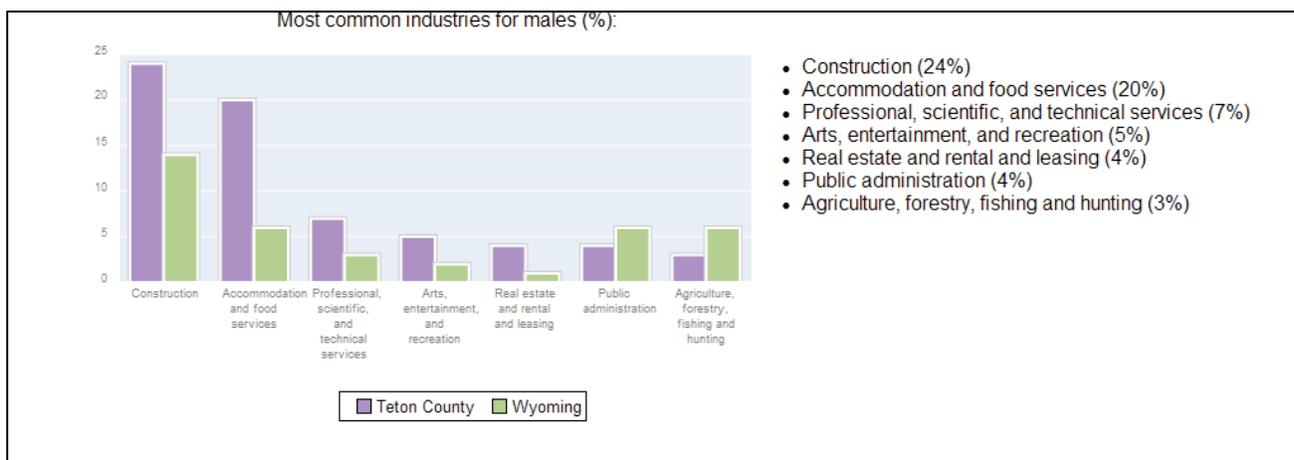


Area Data

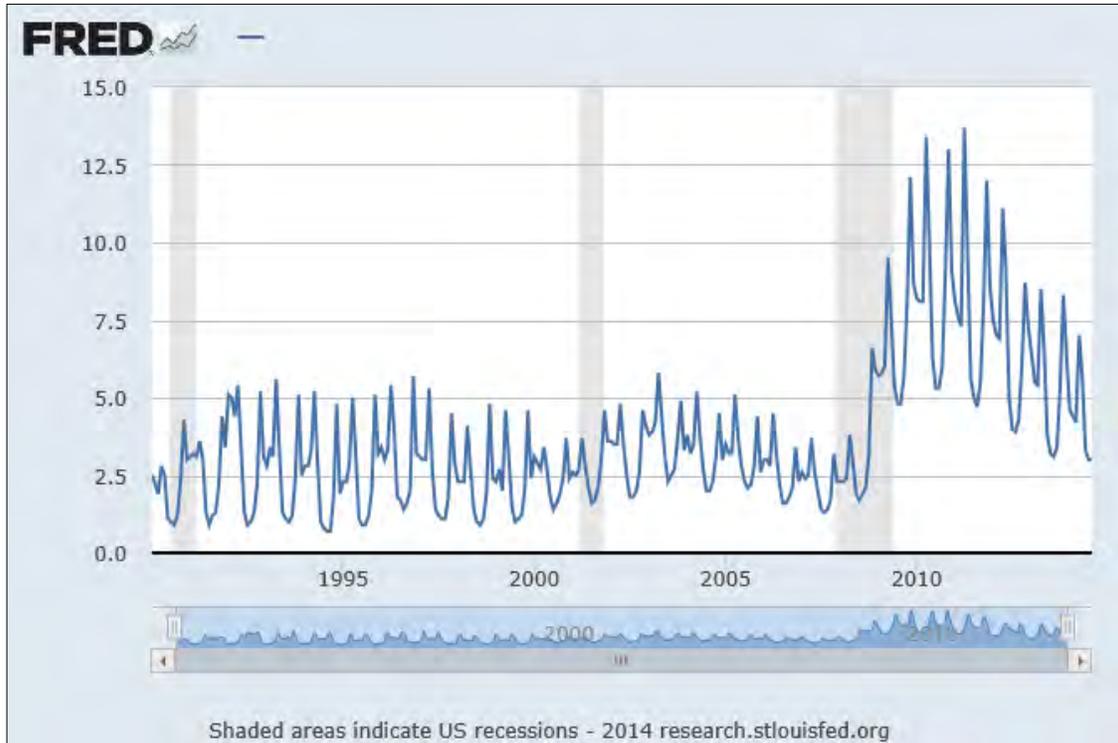
Teton County is in northwestern Wyoming, immediately adjacent to Yellowstone National Park and containing Grand Teton National Park. The only part of the county that is not mountainous is a narrow valley approximately 30 miles wide and 90 miles long in which the town of Jackson is located, and a small part of the county on the west slope of the Teton Mountains. An estimated 78,528 acres or slightly over 2% of the land area of the county's total 3,826,407 acres is privately-owned, with the balance owned by the federal government and the State of Wyoming. Nearly 6,800 acres of the private land is located on the west slope of the Teton Mountains and out of the Jackson/Jackson Hole area, which further limits the amount of private land in Jackson Hole.

Access to the area is provided by state and federal highways. US Highway 191 enters the county in the south-central area, from the southeast, providing access from Interstate 80 at Rock Springs. The combination of US Highways 26 and 89 enter Teton County in the southwest part of the county. These highways converge at Alpine, Wyoming, which is along the Snake River, just east of the Wyoming-Idaho State line. US Highway 89 provides access through a short stretch of western Wyoming, southeast Idaho, and to Salt Lake City, Utah. From Alpine, US Highway 26 runs northwest and then west to Idaho Falls, Idaho, combining with Interstate 15. About 12 miles south of Jackson, US 191 and US 26/89 converge and run north through the town of Jackson, continuing northerly into Grand Teton National Park. Near the easternmost portion of the park, the highway intersects with US 287 at Moran Junction. From this point, US 287/26 runs east-southeast to Dubois, continuing easterly with US 287 continuing to Lander and Rawlins where it intersects with Interstate 80. US 26 runs easterly to Riverton and then Casper, where it joins Interstate 25. The combination of US 287/89/191 runs northerly from Moran Junction into Yellowstone National Park. The primary state highway in the area is Wyoming 22, which runs west from Jackson to the Idaho state line, where Idaho Highway 33 then continues, providing access to Victor and Driggs, Idaho. There are numerous county roads, town streets and private roads that provide access to the populated areas of Teton County. In addition, National Forest and National Park roads provide access within the public land.

Tourism is the major industry in Teton County. The economy is heavily dependent on retailing, construction and services. These three sectors account for over 90% of taxable sales in the county, and since all of these sectors rely heavily on tourist dollars, it is clear that the economy of the county is very dependent on tourism. Other important contributors to the economy include transportation/utilities/communication, and the public sector. The breakdown of industries in the county is shown below:



Teton County has historically had one of the lowest unemployment rates of any county in Wyoming. From 2000 through 2008 it ranged from 1.4% to 6.6%. However, in 2009 it jumped to a high of 9.5% in April. Unemployment continued at higher rates, peaking at 13.7% in April 2011. The rates have trended down since that time with a low of 3% in July 2014. The graph following shows the county's unemployment rates from 1990 through July 2014.



Both Teton County and the Town of Jackson experienced marked growth from 1990 to the 2010 census, as noted by the following population statistics.

Year	Teton County	Change	Jackson	Change
1980	9,355		4,511	
1990	11,172	+1817 or 19%	4,472	-39 or 1%
2000	18,251	+7079 or 63%	8,647	+4175 or 93%
2010	21,294	+3043 or 17%	9,577	+930 or 11%

The rate of growth from 2000 to 2010 slowed considerably in comparison to the change from 1990 to 2000. According to Census Bureau's 2013 estimates the population of Teton County was 22,268.

The primary attractions in the area for the major industry of tourism are Grand Teton National Park, Yellowstone National Park, and the ski areas at Teton Village, Snow King, and Targhee. Winter visitation was not significant until the advent of the Jackson Hole Ski Area. Visitation to Grand Teton and Yellowstone National Parks since 2005 is summarized following.

Year	Number Visitors Yellowstone	Number Visitors Grand Teton
2005	2,835,651	2,463,442
2006	2,870,295	2,406,476
2007	3,151,343	2,588,574
2008	3,066,580	2,485,987
2009	3,295,187	2,580,081
2010	3,640,185	2,669,374
2011	3,394,326	2,587,487
2012	3,447,729	2,705,256
2013	3,188,030	2,688,794

The number of visitors has remained relatively constant in the past few years, especially for Grand Teton which most closely mirrors economic activity in the Jackson Hole area. Skier days at Teton Village have ranged from 413,684 during the 2009-2010 ski season to 502,000 in the 2012-2013 ski season. Across the mountains to the west, Grand Targhee Resort averages 150,000 to 160,000 skier days per year. Visitations to the parks and skier days have varied from year to year, but have generally been stable during the past few years.

Jackson is the county seat of Teton County and is well known for its year-round recreational activities. Jackson is the only incorporated town in the county. As noted earlier, Jackson grew significantly from 1990 to 2000 (93%), but has shown much slower growth in population from 2000 to 2010 (11%). The growth of Jackson has occurred primarily from tourist-related activities and construction activity.

According to the US Census Bureau the median household income in Teton County for 2008 - 2012 was \$69,020, which compares to the state's \$56,573. Median family income was estimated at \$86,184 for Teton County and \$70,013 for the state. HUD estimates of median family income for 2014 were \$96,800 for Teton County and \$71,400 for the state. However, the statistic of median household income does not really present a true representation of the situation. There is a large divergency in income and/or wealth levels in the county. There are many wealthy individuals who call the Jackson area home, residing either year-round or seasonally in the area. For the most part, this wealth has been generated in other places and these people do not rely on the local area for their means of support.

According to US Census Bureau information for 2008 through 2012, 42.9% of the housing units in Teton County were vacant. For the same time period the figure statewide was 15.3% vacant. Included in the category of "vacant housing units" are properties that are for rent or for sale, but most pertinent to this analysis are those for "seasonal, recreational or occasional use". In Teton County the statistics reported 4,118 housing unit for seasonal, recreational or occasional use. This is 32% of the total 12,821 housing units in the county. For the state of Wyoming, there were 18,027 housing units for seasonal, recreational or occasional use, which represents 7% of the total housing units in the state. Nineteen of the state's counties are reported to have 10% or less of their housing units used for seasonal, recreational or occasional use. In addition to Teton, the other counties with rates over 10% are: Niobrara at 13%, Lincoln at 17% and Sublette at 25%. Lincoln and Sublette Counties adjoin Teton County and experience some "spill-over" from Teton County. This appears to be due to the fact that

some people who are attracted to Teton County simply cannot afford property in that area (or are unwilling to pay the higher prices commanded) and purchase property in Lincoln and Sublette Counties. There are a number of counties throughout the country that also have high percentages of housing units used only on a part-time basis. However, in many of the other areas, a large percentage of these housing units are modest cabins. That is not the case in Teton County. Certainly, there are modest cabins in the 4,118 part-time occupied housing units. However, a large percentage of the housing units are large, high-end homes.

Single-family home construction building permits in Teton County dropped significantly in 2009 and were relatively stable from that point through 2012. There was a noticeable increase in 2013, but the number of permits issued for new homes was still only about half of the 2006 to 2008 figures and about a third of the number in 2005. The annual comparisons follow.

- 2005: 208 buildings, average cost \$604,664
- 2006: 140 buildings, average cost \$883,103
- 2007: 143 buildings, average cost \$1,110,660
- 2008: 145 buildings, average cost \$1,089,439
- 2009: 50 buildings, average cost \$1,331,622
- 2010: 58 buildings, average cost \$1,584,607
- 2011: 40 buildings, average cost \$1,726,3081
- 2012: 43 buildings, average cost \$1,936,930
- 2013: 72 buildings, average cost \$2,030,250
- To November 15, 2014: 61 buildings, average cost \$1,304,049

The slowdown in the construction industry has had a significant adverse effect on the economy of Teton County, and has also contributed to the higher unemployment rate beginning in 2009.

Noted following are sales in the Jackson Hole area reported on the Jackson MLS between 2005 and 2014 that are categorized as building sites:

Year	Number Sales	Sales Volume	Median Price
2005	138	\$156,137,587	\$721,250
2006	122	\$154,888,750	\$912,500
2007	121	\$178,914,500	\$885,000
2008	42	\$79,149,000	\$1,297,500
2009	23	\$25,485,225	\$820,575
2010	29	\$50,840,000	\$800,000
2011	34	\$57,583,547	\$857,500
2012	76	\$153,030,273	\$865,000
2013	90	\$141,596,873	\$575,000
2014 to 12/1	88	\$125,768,500	\$745,000

For comparison purposes, year to date sales and volume as of December 1, 2013 were 85 and \$137,606,873, with a median price of \$610,000.

Note that total sales volume for these sales peaked in 2007 at nearly \$180,000,000. Due to the vast mix of sizes and locations of lots, the median price is not conducive to any reliable analysis. Overall, the data suggests that demand for building sites in 2008 through 2011 was very low. The number of sales increased considerably in 2012 with total sales volume similar to 2005 and 2006. In 2013, the number of sales increased slightly from 2012, with sales volume down slightly, but still considerably higher than 2008 through 2011. Year to date figures for 2014 (December 1) are similar to December 1, 2013.

Statistics for sales categorized as residential follow:

Year	Number Sales	Sales Volume	Median Price
2005	601	\$588,073,759	\$575,000
2006	528	\$565,228,939	\$676,000
2007	460	\$646,054,157	\$829,550
2008	240	\$407,863,383	\$953,750
2009	170	\$188,467,073	\$657,750
2010	226	\$327,821,575	\$750,000
2011	308	\$339,343,937	\$615,000
2012	351	\$461,091,352	\$575,000
2013	454	\$537,273,180	\$625,000
2014 to 12/1	349	\$399,018,297	\$625,000

For comparison purposes, as of December 1, 2013 the number of sales was 426 and the volume totaled \$510,279,381. Although the peak sale volume did not occur at the same time as was the case for building sites, the trend from 2008 to current tracks fairly closely with the trend for building sites.

From 2005 through December 1, 2014 there were 43 properties of all types with 40 acres or more that sold through the MLS. The number of sales by year are shown on the table following:

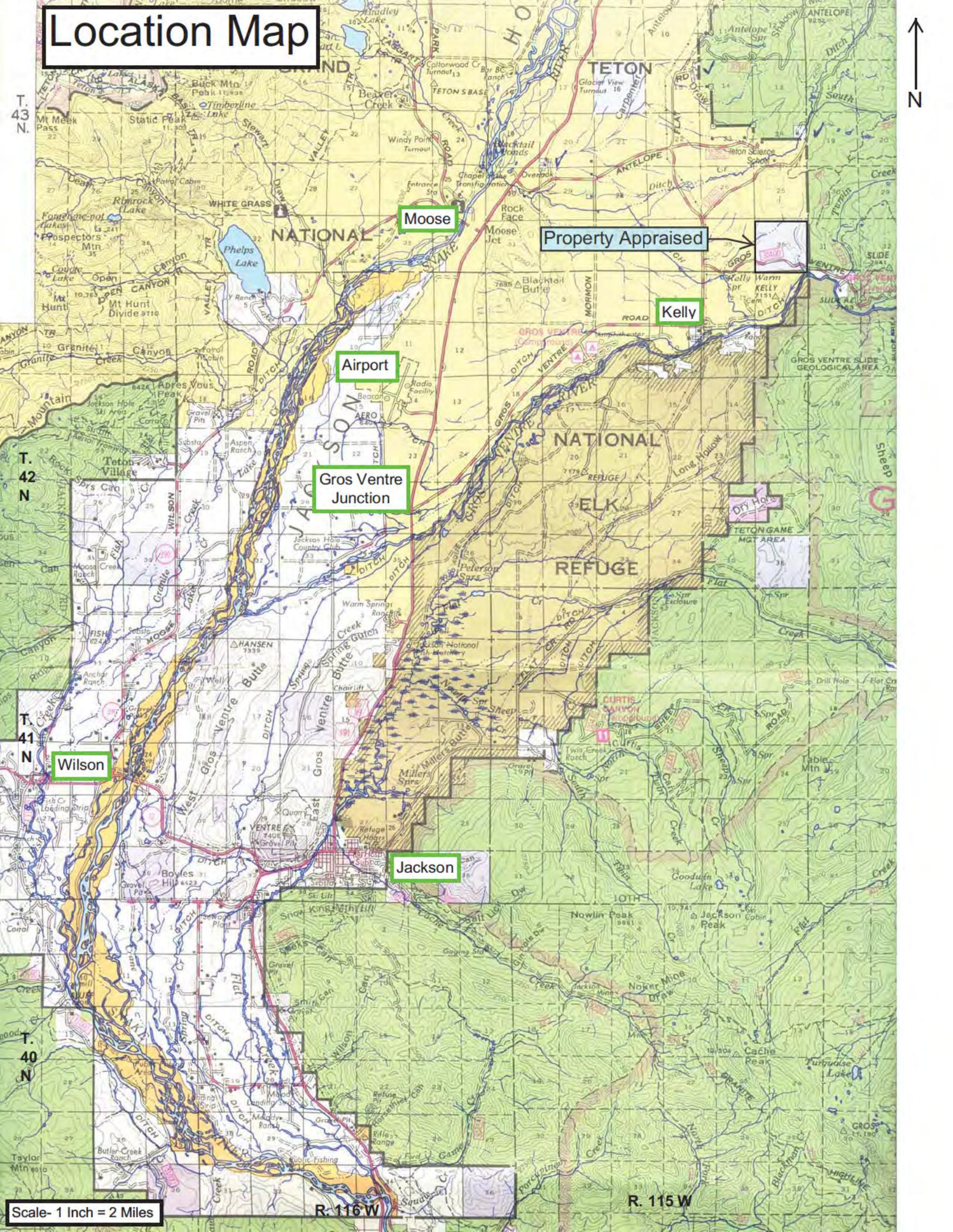
2005	2006	2007	2008	2009	2010	2011	2012	2013	12/1/2014
4	2	6	1	0	7	4	8	7	6

The size range of the sales is from 40 to 440 acres. About half the sales were vacant and half had buildings. With the small volume of sales, meaningful comparisons cannot be made.

There has been an increase in activity since 2009 and as of early 2014 some agents were reporting strengthening in prices.

Conclusion: The major sectors of the economy of the Jackson area are construction and tourism. The tourism segment is linked to the levels of visitation at the two nearby national parks and local ski areas. While the United States economy was strong, tourism was on an upward trend. However, with a tougher economy, tourism suffered. Property values in the local market are affected by the typical supply and demand factors that apply to any market, but are also subject to factors outside the area that influence discretionary spending for vacation travel and second home purchases. Historically, real estate values have increased during general inflation cycles and decreased when the national economy is in a recession. After a lengthy period of increasing prices and increasing construction activity, all segments of the construction and real estate market suffered since 2007 or 2008. Overall activity has picked up in the last few years, and as will be discussed in the time (market conditions) section later in this report, the market appears to have strengthened recently.

Location Map



T. 43 N.

T. 42 N.

T. 41 N.

T. 40 N.

Moose

Property Appraised

Kelly

Airport

Gros Ventre Junction

Wilson

Jackson

Scale- 1 Inch = 2 Miles

R. 116 W

R. 115 W

Neighborhood Data

The subject is located approximately 15 airmiles northeast of Jackson within Grand Teton National Park and about one airmile northeast of the small burg of Kelly. Kelly is located along the south side of Lower Gros Ventre Road and fronts the Gros Ventre River. Lower Gros Ventre Road is a county road that runs northeast and then east from US Highway 191/89/26 about six miles north of Jackson. The road turns north at Kelly and continues for about 3½ miles where it ends at Antelope Flat Road.

Kelly is not incorporated, but according to the US Census Bureau the population of Kelly CDP was 43 in 2000 and 138 in 2010. Kelly is simply a residential area with essentially no services other than a post office and a small café. Private land uses in the subject's neighborhood are primarily residential and recreational with some agricultural use. The subject's neighborhood is impacted by the same economic factors and cycles as the greater Jackson Hole area.

Lower Valley Energy provides electric service to the neighborhood and telephone service is provided by Qwest and Silverstar. Domestic water is typically from individual wells or springs and sewage disposable is via individual septic systems.

The subject is located within Grand Teton National Park and adjoins National Park land on the north and west. The south boundary adjoins both National Park and National Elk Refuge and the east boundary adjoins National Forest. The subject's neighborhood is part of the Jackson area and impacted by the market activity in the Jackson area. The location within the Grand Teton National Park is a locational factor that is considered in the appraisal and will be discussed in greater detail later in this report.

SECTION 36

PROPOSED ACCESS TO SECTION 36
1,410 LF - 20' WIDE - 25 MPH

500' Swath Eminent 124R231

210' Road Eminent 124R231

500' Swath Eminent 124R231

APPROXIMATELY 7,000 LF
LVE 3-PHASE POWER AND
SILVERSTAR FIBER OPTIC

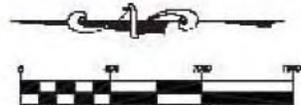
EXISTING 4WD ROAD

KELLY WARM SPRINGS

APPROXIMATE LOCATION
OF LVE 3-PHASE POWER
AND SILVERSTAR FIBER
OPTIC CONNECTION

LOWER GROS VENTRE RD.

GROS VENTRE RD.
LVE



Scale: 1 Inch = 500 feet
This scale valid only for 22x34 prints.

Property Data

Location

The subject tract is located about 15 airmiles northeast of the town of Jackson , about five and one-half air-miles east of US Highway 191/89/26 and within Grand Teton National Park.

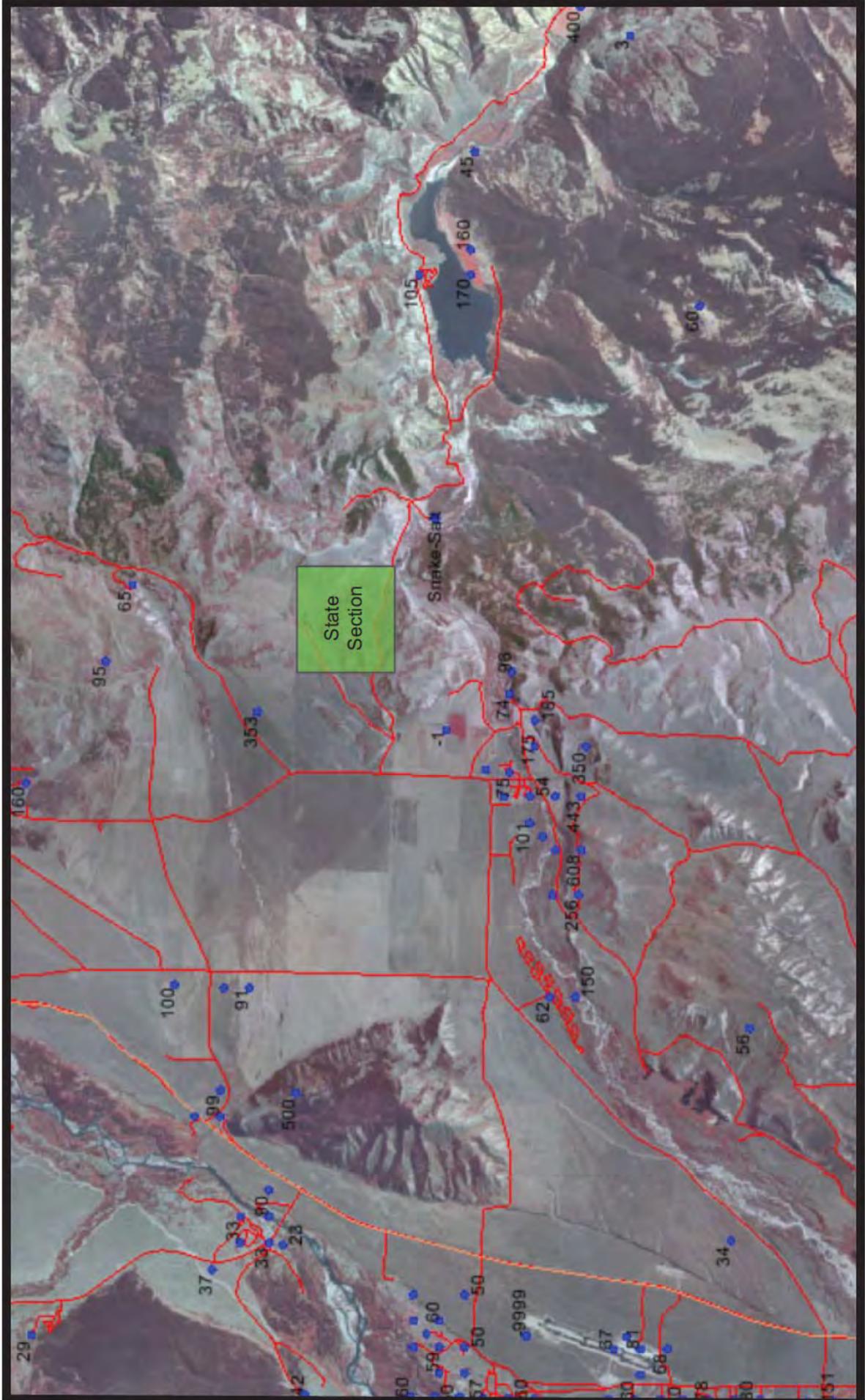
Physical Description

Size and Shape: This subject tract consists of 640 acres and is square in shape. It is one square mile—a full section of land.

Current Land Use: The subject land north of Gros Ventre Road is currently used for livestock grazing. We did not observe evidence of grazing south of the road. The property may be used by the public for passive recreation such as hiking, walking, and wildlife and scenery photography.

Access: Gros Ventre Road traverses the south part of this subject tract, running east-west through the entire distance of the tract. The road is paved and is maintained for public use on a year-round basis, including snow plowing in the winter. However, there is a scenic easement along the entire length of the road that allows only mining and agricultural use. As previously discussed, the subject is appraised employing an extraordinary assumption regarding access and extension of utilities. In accord with the extraordinary assumption, road access (and extension of utilities) is permitted from Gros Ventre Road in Section 35, crossing National Park Service land in Section 35, to the west boundary of the subject (Section 36) north and south of the scenic easement. We subcontracted engineering work with Jorgensen Associates, PC to provide cost information on construction of a road and extension of utilities from Gros Ventre Road to the property. In their analyses, the engineers determined the most feasible location for an access road and extension of utilities is over an existing jeep trail that runs northeast from Gros Ventre Road in the east part of Section 35. The distance from Gros Ventre Road over the proposed access route is 1,410 feet. According to Jorgensen Associates, the portion of the subject outside the scenic easement south of Gros Ventre Road is not buildable due to steep slopes. Therefore, they did not estimate cost for a road to this portion of the subject. The cost of constructing the access road is discussed in detail in the analyses of access/utilities in the sales comparison approach. The addenda of this report includes the Jorgensen Associates report. The aerial map on the facing page depicts the subject property and the access route (and utilities extensions) used in the Jorgensen Associates analyses.

Utilities: There is a power line traversing the scenic easement in the southeast corner of the subject. However, since the only uses allowed in the scenic easement are mining and agriculture, extension of utility lines through the easement for other uses are not permitted. Therefore, Jorgensen Associates also estimated the cost for extension of telephone and power to the subject property. According to the Jorgensen Associates report, 7,000 feet of power and fiber optic line would be needed to provide utilities to the subject. The cost of the power and telephone line extensions is discussed in detail in the analyses of access/utilities in the sales comparison approach. The subject is appraised under the extraordinary assumption that extension of “typical service utilities”, (this would include power and telephone) will be allowed to the property crossing National Park Service lands.



Scale- 1" = 7,550'

Registered Wells- Kelly Area

No water system or service is available and neither is there a sewer system in the area. Domestic water is typically provided by wells and sewage disposal is by individual septic systems. Records of the Wyoming State Engineer as compiled by the University of Wyoming were researched on existing domestic water wells in the area of the subject. A map of the registered water wells is shown on the facing page. The closest existing water well is about one-half mile northwest of the subject. The area of this well has a generally lower elevation than the property appraised, with the depth of the well at 353 feet. Around Slide Lake east of the subject are four wells in the 45 to 170-foot depth. South and east of the property appraised, there are many wells in the Kelly area. There is a wide range in the depth in that area—62 to 608 feet. Those south of the Gros Ventre River tend to be deeper, generally in the 256 to 608-foot range. It is apparent that ground water is available in this area, but given the elevation of the subject, likely at deeper levels than in the more level areas of the neighborhood. However, please note that we are not water experts and provide no opinion of the availability of potable ground water on the subject property.

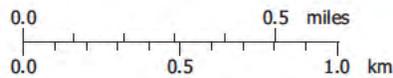
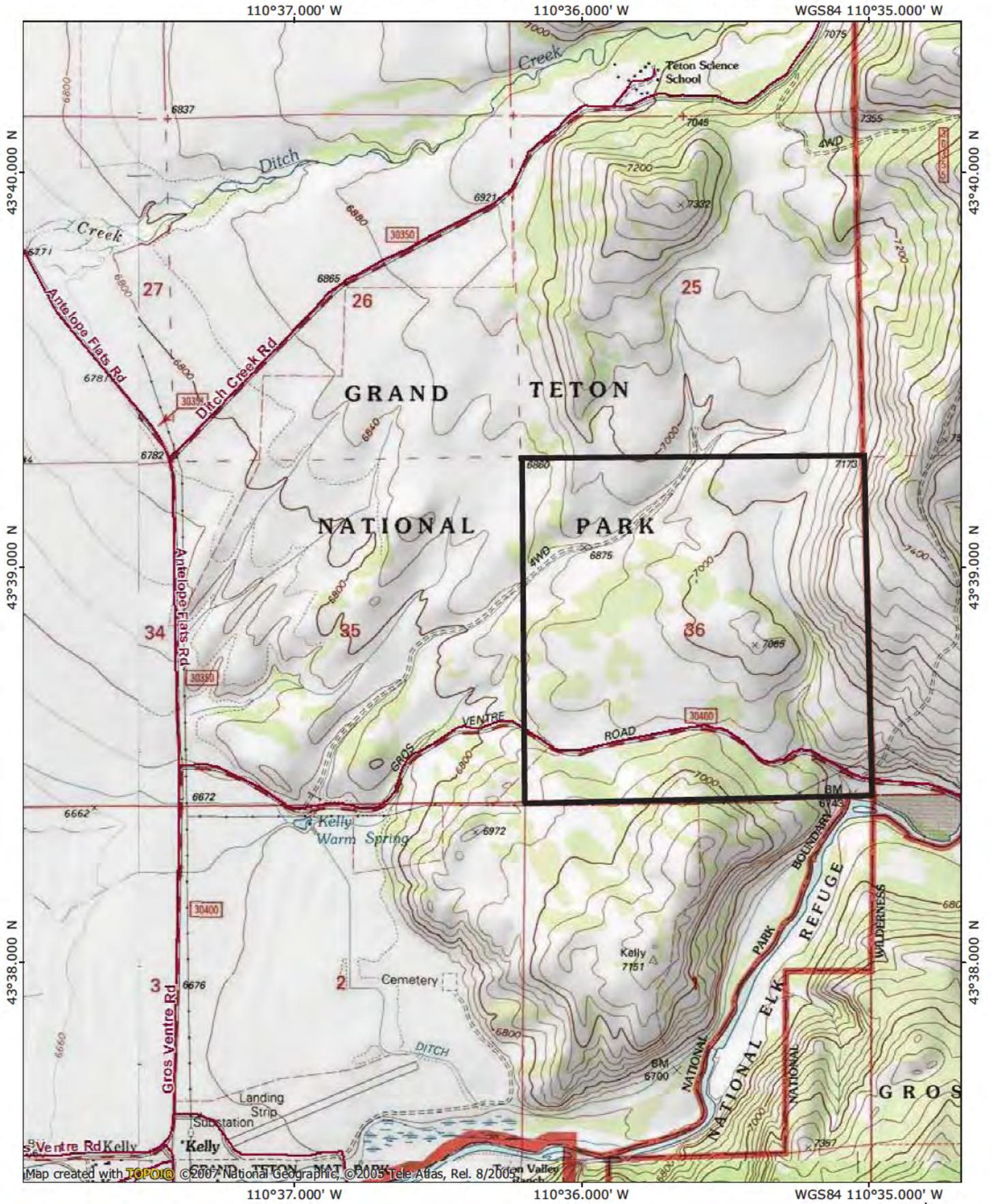
Terrain and Elevation: Terrain is mostly rolling with some steeper area along the east boundary and some steeper slopes south of Gros Ventre Road. The slopes on the eastern, steeper portions range from 25% to 50%. South of the road the steepest slopes are about mostly 15% to 25%, but there are some areas with slopes over 25%. There is a small draw that runs through the east part of the property and a gentle swale in the northwest part of the property. These areas do not appear to have perennial water flow. The elevation ranges from about 7,300 feet in the middle of the east boundary to 6,730 feet near the southeast corner.

Vegetation: The vegetation is a mix of open areas with sagebrush/grass cover and tree-covered areas. The land south of Gros Ventre Road is mostly tree-covered with a few small open areas. The rest of the property is mostly open, with a band of treed areas extending through the mid-section of the tract and a few small, tree-covered areas in the north and east parts of the subject. The tree cover consists of a mix of mostly conifers and aspen trees. Within the conifers and aspens are smaller shrubs and brush. There are willows growing along the ephemeral stream in the draw in the east part of the property. We estimate the overall property has about 25% tree cover. The portion south of Gros Ventre Road is about 80% tree-covered

Wetlands: FWS maps delineating wetlands were reviewed. There are no designated wetlands on the subject tract.

Amenities: The subject is about eight miles southeast of the Teton Mountains and has nearly full frontage views of the Tetons from portions of the property. Some parts of the property have more limited views and portions do not have any Teton views. The subject is surrounded by public land—Grand Teton National Park on the north, west and most of the south boundary; National Elk Refuge on a portion of the south boundary; and National Forest on the east. It should be noted that private land corners the southeast corner of the subject. The subject is in close proximity to the Gros Ventre River, but does not have frontage on the river. The river is visible from the southeast part of the property. Wildlife, including elk, deer, antelope, buffalo, moose, bear, wolves, grouse and other birds, are likely to be observed on the property at times.

Subject Tract 06-102, Section 36 Topography Map



TN* MN
11 1/2°
10/01/14

Detriments: Gros Ventre Road traverses the property and this road has heavy recreational traffic. There is a parking area and Gros Ventre River access area immediately adjacent to the southeast corner of the subject. This area is also heavily used and there is evidence of recreational use on the subject. The National Park Service is reseeding old dry farm land to the north and west of the subject. These areas appear to have infestations of weeds, with weed spread onto the subject likely. The fence on the east side of the property is not on the property boundary.

The State of Wyoming manages sage grouse through an Executive Order signed by Governor Matt Mead in June 2011. In addition to reviewing the Executive Order, we also interviewed Doug Brimeyer, Wildlife Management Coordinator with the Wyoming Game and Fish in Jackson. Mr. Brimeyer indicated that a strip roughly 100 to 500 feet wide extending north from the Gros Ventre Road along the west end of Section 36 is core sage grouse habitat. This area is roughly 25 acres. The State as a matter of policy does not extend the restrictions to privately owned lands in the state as Doug stated "The State respects private property rights."⁷ The State will work with private landowners to minimize habitat disturbance/loss. However, if transferred to Federal ownership, the U.S. would be limited by a "five percent" disturbance factor, i.e. no more than 5% of the area in core habitat can be disturbed. The subject property is appraised under a definition of market value that includes the aspect of "a competitive and open market" and the ability to sell the property to anyone with the financial ability to buy the property. In other words, it is appraised under the presumption that it is privately owned and not subject to sage grouse restrictions that apply to state and federally-owned land.

Improvements: There are no buildings on the property. There is a set of corrals along the north side of Gros Ventre Road. There is fencing on the property, but not on the entire property boundary, plus some of the fencing is not on-line. There are some two-track roads/trails located on the portion of the subject north of Gros Ventre Road.

Personal Property: No personal property is included in the valuation.

Soils: Soil information was researched using USDA's web-based soil survey. There are three soil types on the subject: Greyback-Thayne complex, Tetonia-Lantonia silt loams and Turnerville silt loams. The soils are typical for the area.

Water Rights: According to our research of Wyoming State Engineer's office website, there are no water rights associated with the parcel. There was a filing for use of water on the subject land, but it was cancelled in 1990. In performing the search for water rights, we found an adjudicated water right summary that includes the subject land. According to the summary, the water right permits the irrigation of 10 acres. However, the land that can be irrigated under this water right is located in Section 35—not the subject Section 36.

⁷ 9. Existing rights should be recognized and respected." Executive Order, 2011-5, p. 3

7/2010

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N

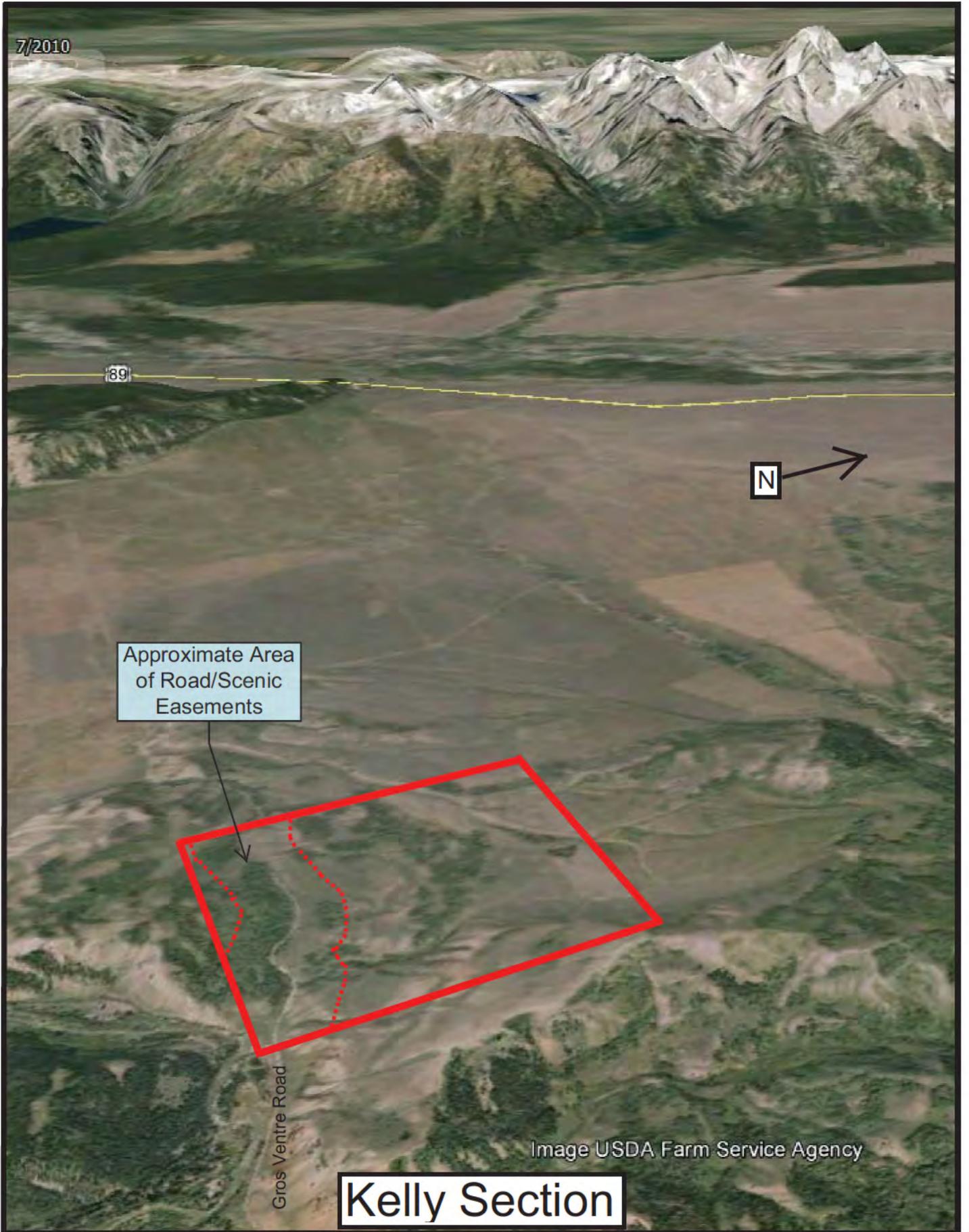
Approximate Area
of Road/Scenic
Easements

Gros Ventre Road

Image USDA Farm Service Agency

Kelly Section

Scale- 1 Inch = 1,700 Feet



Mineral Rights: We were provided with a mineral report prepared by Ryan Z. Taylor, dated August 8, 2014. The mineral report concludes there is no currently recognized potential for development of sand, gravel and aggregates because of: quality of material, demand, county zoning restrictions, and environmental issues regarding wildlife. The report indicates low potential for development of geothermal resources because of: lack of identified thermal water on the subject, initial costs, location, and environmental issues regarding wildlife. The report indicates there is no currently recognized potential for oil and gas or other minerals.

Environmental Hazards: We do not have expertise to provide an opinion as to the potential for hazardous substances. No hazards were observed. However, it is a specific limiting condition of this appraisal that we are not qualified to detect hazardous substances.

Flood Zone: FEMA Panel 56039C0450B, dated May 4, 1989, covers the subject. The subject is in Zone X, outside the 500-year floodzone.

Ownership and Property History

The subject is owned by the State of Wyoming and has no sales history. The portion north of Gros Ventre Road is leased for grazing. The portion of the subject south of the road does not appear to be used by the property owner.

Real Estate Taxes

Because the subject property is owned by the State of Wyoming, it is not subject to taxation. If privately owned it is presumed the taxes would be similar to other properties in the area.

Zoning

Teton County's Land Development Regulations (LDRs) have recently been updated. The effective date of the updated regulations is January 1, 2015. With a date of value of November 26, 2014, there is virtually no way the property could be developed—or even one house built on the property prior to January 1, 2015. A knowledgeable purchaser of the property would make purchase decisions based on these updated regulations. Accordingly, the subject's zoning is considered under the county's regulations that will be effective January 1, 2015.

The subject is currently owned by the State of Wyoming. The county's LDRs state: *Physical development, use, exercise of development options and subdivision by the State of Wyoming, the federal government, and all other government entities and their respective agencies, shall comply with the procedures and standards of these LDRs to the extent permitted by law.*⁸ Key to this provision is the language "to the extent permitted by law". It is unlikely the State of Wyoming would consider they are subject to Teton County's regulations. Nevertheless, the subject property is appraised under a definition of market value that includes the aspect of "a competitive and open market" and the ability to sell the property to anyone with the financial ability to buy the property. In other words, it is appraised under the presumption that it is privately owned and subject to Teton County's LDRs.

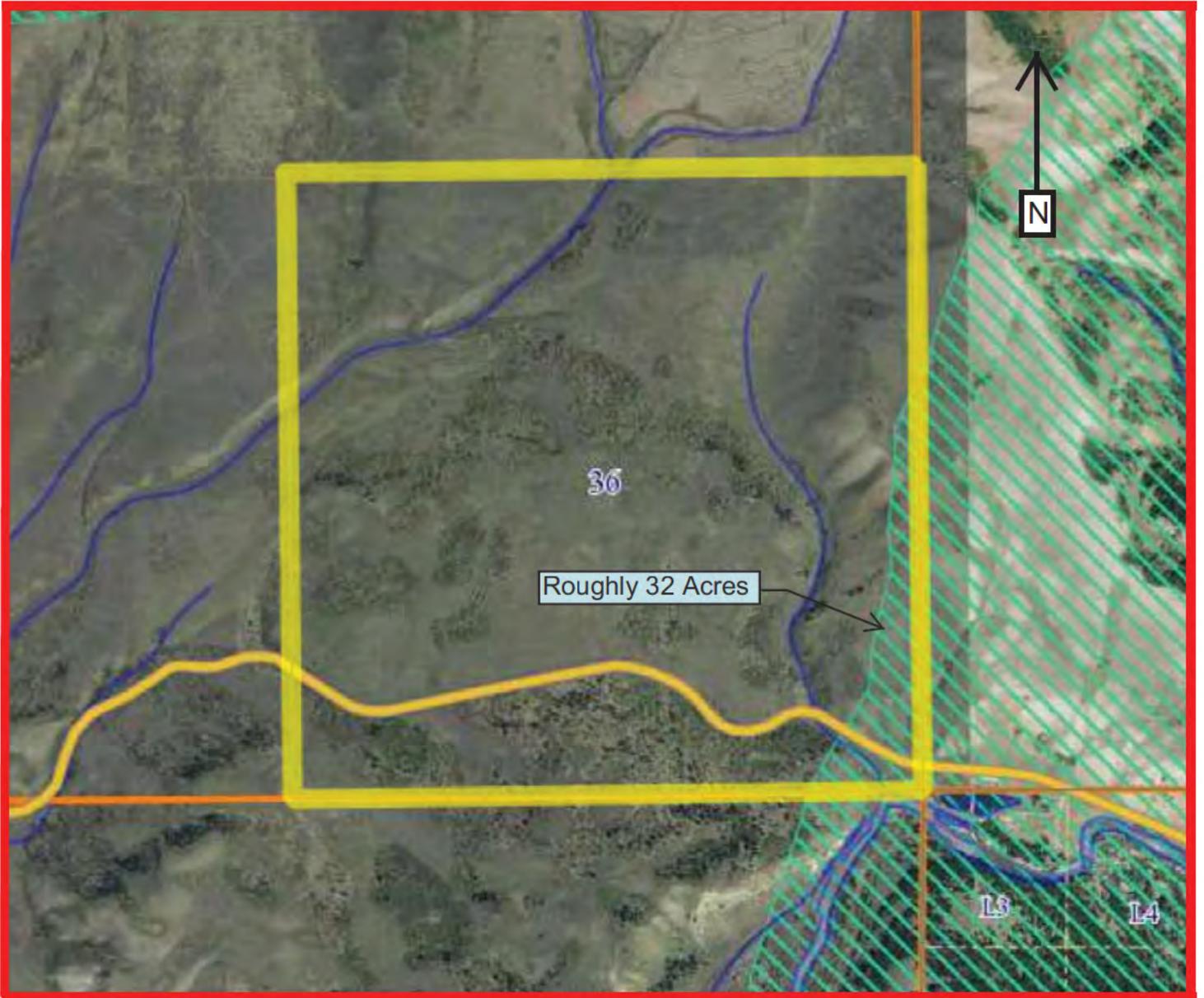
⁸ Teton County LDRs, January 1, 2015, Section 1.5.3.B, p. 1-6

Teton County apparently recognizes the limitations on their ability to control use of state lands because the LDRs also include a provision entitled “Change of Jurisdiction”.⁹ This section states: *When land changes jurisdiction by transfer, trade, or sale from state or federal agencies to a private landowner, the land shall be assigned to the R-TC zone, and the NRO and SRO as applicable, pursuant to the procedure of Sec. 8.7.2.* We conferred with Teton County planning personnel to confirm the zoning on the subject, if in private ownership, would be R-TC (Rural zoning designation) and Kristi Malone, with the department confirmed that in the event the property was transferred from state ownership it would be zoned R-TC by the county.

We also reviewed Teton County’s zoning map to determine whether or not the R-TC zoning is a common zoning designation of private property in the area. This was done in an effort to ensure the subject is not “penalized” by zoning that is more restrictive than is typical for private ownership in the area. Two inholdings in the National Park located northwest of the subject, both within four miles of the subject, are designated to have Rural zoning. A private inholding within the National Forest that adjoins the subject’s southeast corner is zoned Rural. The little burg of Kelly is located about one mile southwest of the subject. The land within the townsite of Kelly is zoned Neighborhood Conservation—Single Family. The more recently developed areas east and southwest of Kelly are zoned Rural. Furthermore, the county’s LDRs state the NC zone is to recognize existing residential neighborhoods and subdivisions and that this designation will not be applied to vacant land except for infill. About six miles west of the subject is the northern boundary of the block of private land that encompasses Jackson Hole. The zoning at the northern reaches of this area is a mix of Rural and Neighborhood Conservation—Single Family. Based on our review of the zoning information, it appears that R-TC is the zoning that would likely be designated on the property if it were privately owned. Thus, the county’s position that the subject would be zoned R-TC if it transfers from state to private ownership, appears to be consistent with zoning of private lands similar to the subject.

The purpose of the Rural Zone is to “preserve wildlife habitat, habitat connections, scenic vistas, and undeveloped open spaces to the extent possible given existing development patterns.” Uses that are allowed by right under the zoning (and do not require special approval) are: agriculture, detached single family-family residential unit, and temporary use for Christmas tree sales. There are a number of uses that require a “basic use permit”. The county’s regulations state: “A basic use permit (BUP) permits uses that are allowed by right, but require administrative review to ensure compliance with the standards of these LDRs.” These uses are: accessory residential unit; home occupation; family home daycare; ag employee housing; and temporary uses for real estate sales office, temporary shelter, farm stand, temporary gravel extraction and processing, and helicopter tree removal. In addition, there are a number of categories of use that would require a “conditional use permit”, which is defined by the county as: “A conditional use permit (CUP) permits a use that is generally compatible with the character of a zone, but requires project specific conditions to limit and mitigate potential adverse impacts.” The uses listed by the county in this category are: downhill ski area, golf course, dude/guest ranch, dormitory, group home, campground, nursery, bed and breakfast, home business, home daycare center, cottage industry, and receptions/events.

⁹ Teton County LDRs, January 1, 2015, Section 1.7.6, p. 1-10



Scale- 1 Inch = 1,320 Feet

Kelly Section
Natural Resource
Overlay

According to Ms. Malone, the subject could be legally subdivided into eighteen 35-acre lots, but “would incur affordable housing fees and development exactions.” Each lot would be allowed one single family dwelling, an accessory residential unit and various outbuildings. The maximum floor area would be 8,000 square feet of habitable floor area;¹⁰ 11,500 square feet of gross floor area;¹¹ and 76,230 square feet of site development area.¹² However, Ms. Malone indicated these maximums could vary depending on road easements and slopes. An estimated 80 acres of the subject has slopes of 25% or more and the presence of these steep slopes could impact the allowed building sizes and development areas. The impact of the slopes cannot be determined without an environmental analysis. Furthermore, about 32 acres of the subject are situated in the county’s Natural Resource Overlay (NRO). However, Ms. Malone stated that it is her opinion that the 32 acres is not likely to have a significant impact on development of 35-acre lots.

Oftentimes, these types of large-acreage lot subdivisions are based on sixteen 40-acre lots to allow for road easements, while still maintaining the 35-acre maximum size. Theoretically, sixteen lots could be developed on the subject, each with a building area that would allow the building sizes and development areas as previously discussed. However, because of the slopes this would require a rather creative configuration of the lots that could impact the desirability of some of the lots.

As a single site of 640 acres, the county would allow 8,000 square feet of habitable floor area, 15,000 square feet of allowable total floor area, and 1,435,541 square feet of site development area.

The county also has provisions for Planned Residential Development (PRD). With clustering, PRD can be used to increase total density of a subdivision. However, there is currently a moratorium on approvals of PRDs that subdivide land. According to Ms. Malone, the moratorium is expected to continue into 2015. She also informed us the county will be refining the zoning for the rural parts of the county. When this takes place, PRDs may be reinstated for properties over 140 acres. However, the option of eliminating PRDs has also been discussed. As of the date of this appraisal, a PRD is not permitted and it would be speculative to analyze the subject assuming that a PRD would be permitted in the future.

¹⁰ Teton County LDRs, January 1, 2015, Section 9.5 Defined Terms, p. 9-19; “Habitable floor area is the floor area that can be used for living purposes, usually having access to heat, plumbing, and electricity. Habitable floor area includes studios, exercise rooms, offices, and similar spaces. It also includes foyers, hallways, restrooms, storage, and other common areas within a building. Habitable floor area does not include barns, garages, or unfinished attic space.”

¹¹ Teton County LDRs, January 1, 2015, Section 9.5 Defined Terms, p. 9-19; “Gross floor area is the total of all habitable and non-habitable floor area in a structure on all levels. Gross floor area includes basements, and partial levels such as lofts, mezzanines, and interior balconies. It also includes foyers, hallways, restrooms, storage, and other common areas within a building.”

¹² Teton County LDRs, January 1, 2015, Section 9.5 Defined Terms, p. 9-26; “Site development is the area of the site that is physically developed; it is generally the inverse of landscape surface area. Site development includes the area of the site that is covered by buildings, structures, impervious surfaces, porches, decks, terraces, patios, driveways, walkways, parking areas, and regularly disturbed areas such as corrals, outdoor storage, and stockpiles.”

Analysis and Conclusions

Larger Parcel

The Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA or the Yellow Book) states that a larger parcel determination must be made for all appraisals.¹³ However, the Statement of Work states: "At the request of the client agency the appraiser is instructed to analyze and value each of the indentified parcels (#05-121 and #06-102) as individual stand-alone units. The appraiser is instructed to produce an individual opinion of value and accompanied appraisal report for each of the indentified parcels. If a larger parcel analysis concludes that the two properties would constitute one larger parcel the appraiser shall contact the OVS Review Appraiser for further instructions."

The three tests for larger parcel are unity of ownership (title), unity of highest and best use and contiguity. The two parcels are both owned by the State of Wyoming and have unity of ownership. The two parcels are separated by nearly three airmiles and much farther by road miles. They lack contiguity and in this case without contiguity, they do not have unity of highest and best use.

In accordance with the SOW, we have appraised the two subject tracts of land as individual, stand-alone units.

Highest and Best Use Analysis

Highest and Best use is defined as:

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.¹⁴

The highest and best use of a specific parcel of land is not determined through subjective analysis by the property owner, the developer, or the appraiser; rather, highest and best use is shaped by the competitive forces within the market where the property is located.¹⁵ The definition forms the basis or foundation of the highest and best use analysis. The property's use must be:

- 1.) legally permissible;
- 2.) physically possible;
- 3.) financially feasible; and
- 4.) must result in the highest value.

Consideration is given to trends based on recent land sales, economic factors, and strength of the local market. An analysis of the highest and best use of the property forms the basis for the valuation of the property. Highest and best use serves as a guide in the selection of sales to be used in the valuation of the subject property. Because the use of land can be limited by the presence of improvements, highest and best use is determined for (1) the land, or site "as though vacant" and available to be put to its

¹³ *Uniform Appraisal Standards for Federal Land Acquisitions*, 2000, Section A-14, p. 18.

¹⁴ *Uniform Appraisal Standards for Federal Land Acquisitions*, 2000 Edition, Section B-3, p. 48.

¹⁵ *The Appraisal of Real Estate*, Twelfth Edition, The Appraisal Institute, 2001, p. 305.

highest and best use; and (2) the property "as improved." The subject has no structural improvements; therefore, no "as improved" analysis is done.

Highest and best use analysis addresses the use the "most probable buyer(s)" would make of the total property. The highest and best use analysis of these types of properties is based on several appraisal principles:

- Anticipation: The value of all present and future benefits arising from ownership and use of real property.
- Supply & Demand: The price of real property varies directly, but not necessarily proportionately, with demand, and inversely, but not necessarily proportionately, with supply.
- Substitution: The property with the lowest price attracts the greatest demand when several similar properties are available on the market.
- Contribution: The value of a particular component is measured in terms of its contribution to the value of the whole property, or as the amount that its absence would detract from the value of the whole.
- Conformity: The real property value created and sustained when the characteristics of a property conform to the demands of its market.

"as if vacant"

Legally Permissible Uses- Legal limitations affecting a tract of land's use typically include zoning and deed or other title restrictions. The property is encumbered with a road easement and scenic easement that together restrict use on 156.74 acres—26.12 acres in the road right-of-way and 130.62 acres in the scenic easement. To the best of our knowledge the rest of the property is not subject to any deed or other title restrictions except for the power-line easement in the southeast corner. The subject is under the zoning jurisdiction of Teton County and when the new zoning regulations become effective on January 1, 2015, the zoning (if the subject transferred from state to private ownership) will be R-TC, which is the county's Rural Zone. Permanent permitted uses are agriculture and single family residential. A number of temporary uses are permitted or allowed with a basic use permit. However, at the price levels of property in the area, temporary uses for such things as Christmas tree sales and real estate sales office are not likely to be a motive for purchase. Therefore, temporary uses are not analyzed as potential highest and best uses. A number of uses that are accessory to agriculture and single family residential are legal with a basic use permit. The county's regulations also include a listing of uses that may be allowed with a conditional use permit (previously reported in the zoning discussion). These uses are not analyzed in the highest and best because they are specialty uses that are not likely to be a motive for a typical buyer and furthermore, there is no assurance special use permits would be granted for these uses on the subject.

Without a subdivision, the county would permit one single family residence on the subject.

The county's zoning would permit development of the property into residential lots of 35 acres or more. Subdivision development under the county's regulations would require affordable housing fees and development exactions to be paid by the developer. Development of 35-acre or larger lots could also be done under the state exemption, but affordable housing fees and exactions would still be required at the time houses were constructed on the lots. Thus, there is no exemption from the fees/exactions, but rather a deferral until building permits are requested.

Personal/passive recreational use (such as hiking, hunting, photography) and investment, although not specifically addressed in the county's regulations would be legal uses of the property because they do not involve the construction of buildings.

The uses permitted on the subject are geared toward residential and its accessory uses, agriculture, recreation and investment.

Physically Possible Uses- The physical qualities that could influence utility or appeal include:

- The subject is 640 acres and is square in shape—a full section of land.
- The terrain is variable with an estimated 80 acres with slopes 25% or more. The majority of the steep slopes are in the east portion of the subject. The property is traversed by two draws with ephemeral water flow. According to Jorgensen Associates, the area south of the scenic easement is not buildable due to slopes.
- Access direct from Gros Ventre Road is not permitted because of the scenic easement. The National Park Service will permit access across federal land in Section 35 to the west of the subject. There is no road currently constructed. It will need to be built after securing the easement/permit from the National Park Service and conducting federally required environmental studies.¹⁶
- Power and telephone lines for residential use would need to be extended along the alignment of the access road that will be permitted. (Note: a power line runs through the southeast portion of the subject, but this area is within the scenic easement where buildings are not allowed.) There is no water or sewage disposal service in the area. For a property like the subject, domestic water is typically provided by individual wells and sewage disposal by individual septic systems. As previously discussed, water wells registered with the State of Wyoming in the vicinity of the subject have depths ranging from 62 to 608 feet.
- There are views of the Tetons from portions of the property.
- Vegetation is a mix of open areas with grass and sagebrush, and areas with trees. There is a band of trees extending through the mid-section of the tract and a few small, tree-covered areas in the north and east parts of the subject. The area south of Gros Ventre Road is heavily treed. Trees are a mix of conifers and aspen trees, with smaller shrubs and brush. There are willows growing along the ephemeral stream in the draw in the east part of the property.
- The subject is entirely surrounded by federal land
- Wildlife is commonly seen on the property.
- The road running through the subject is fairly heavily used for recreation. However, away from the road the rolling terrain provides areas with good seclusion.
- The area is subject to deep snowfall during the winter months.

¹⁶ See Access/Utilities portion of Analysis and Conclusions portion of report for discussion on NEPA studies.

- The property is partially fenced, but the fencing does not appear to be on all the property lines.
- There is ephemeral water on the property, but no apparent perennial livestock water source on the property. However, livestock water could be provided hauling water or by drilling a well.

There are no physical characteristics that would prevent use of the subject for the legally permissible uses.

Financially Feasible Uses- The financial feasibility of the legal and physically possible uses are addressed following.

1. **Agriculture:** Agriculture is a permitted use of the subject. However, at the price levels of this market, there is no chance whatsoever that agriculture would be the motivation for purchase of the subject, or any other property in the Jackson Hole area. There are two reasons for this. First, the return on investment from the only plausible agricultural use (grazing) would be so small as to be almost immeasurable. Second, a buyer whose motivation is agriculture has many, many other alternatives for purchase of less expensive land that is as suitable (or more suitable) for agricultural use as the subject. In our opinion, agriculture is not a feasible use.

One must bear in mind that there are a number of properties in the Jackson Hole area that are used for agricultural purposes. There are likely to be a number of reasons for this, such as: real estate tax benefits (agricultural taxes are less), life style (the chance to be a cowboy/girl), bragging rights (the ability to state they own a ranch at Jackson Hole). However, the agricultural use is almost universally a use that is ancillary to some other use such as residential, recreation or investment.

2. **Recreation:** Although not specifically addressed by zoning, personal recreation would be permitted by the zoning as it is a passive use that does not require changes to the property. Recreational properties are sometimes used only for recreation—without construction of a dwelling, while some recreational property owners build houses for occupancy while they are pursuing recreational endeavors and the zoning would permit construction of a house. The most highly sought recreational attribute in this area is river frontage. The subject lacks this attribute. It has views of the Tetons from parts of the property—if viewing the Tetons can be considered a recreational activity. Wildlife, including big game, for hunting and photography are known to inhabit the property. The property is suitable for hiking, horseback riding, and in the winter snowshoeing and Nordic skiing. The subject adjoins National Park on the north, west and south and the National Elk Refuge on the south, thus having direct access to these lands—but not vehicular access. On the east the subject adjoins National Forest, but again, there is no direct vehicular access to the National Forest other than along Gros Ventre Road. At the price levels of this market, we do not feel recreation is a feasible use of the subject property—as a stand-alone use or as the primary motivation for purchase. While we view recreation as a use some property owners might take advantage of, it is likely to be in conjunction with another use—typically residential. Recreation is eliminated from the analysis.

- 3. Residential:** Residential, as analyzed in this section, is as a single homesite. The subject property could serve as a single homesite of 640 acres. A building permit would be required from the county and there are regulations pertaining to a myriad of things including, setbacks, maximum dwelling size, exterior colors, landscaping, fences, buffers from waters, lighting, natural hazards (such as slopes), and signs. Given the size and physical characteristics of the subject, the requirements could all be met with ease. The access road and power and telephone would need to be extended to the property. The investment required to use the property as a single homesite of 640 acres would be very high. There are many smaller properties in the area that would provide alternative sites that would be just as desirable as a single homesite. Many such properties are currently on the market. In our opinion, use as a single homesite is not a financially feasible use.
- 4. Residential Subdivision:** The subject property is zoned R-TC. The minimum lot size permitted under the county's zoning is 35 acres. According to County Planning, eighteen 35-acre lots would be permitted on the subject's 640 acres.¹⁷ Another subdivision alternative would be development of 35-acre or larger tracts, under the exemption from Teton County's land division procedures,¹⁸ and regulated by the State of Wyoming.¹⁹ As a full section of 640 acres, the subject could be divided into 16 tracts of 40 acres each, which generally equates to at least 35 acres after deducting areas encompassed by roads. These types of developments (often called 40-acre subdivisions) are located throughout much of Wyoming. Typically, these developments are in rural areas. Access is usually provided by gravel or dirt roads to each tract. Power and telephone may or may not be provided. In many—likely most—cases, there are no subdivision amenities. In essence, the buyer gets a 40-acre, more or less, tract with road access (generally) and with power and/or telephone extended to the individual tract in some cases.

In the Jackson Hole area, there have been a number of properties that have been developed with lots of 35 acres or more. Some examples of relatively recent subdivisions of 35-acre or larger lots in the Jackson Hole area are Bar B Bar Ranch, Bar BC Ranch and Two Rivers Ranch, and Crescent H Ranch.²⁰ The developments of 35-acre or larger homesites in the Jackson area differ from many of the others scattered about the state. To varying degrees the large tract developments in the Jackson area usually provide far more amenities or benefits to ownership. Paved roads and gated entries, open space areas and access to river frontage and access to common fishing areas are common. CC&Rs that require large and expensive homes and a myriad of provisions that are intended to insure that the aesthetics of the development are enhanced and preserved are also common.

¹⁷ Teton County will allow the area under scenic easement to be used as part of the density calculations. A plat prepared by Jorgensen Engineering for a prior appraisal of the subject shows long, thin lots stretching across the scenic and road easements, with building areas clustered just north of the north scenic easement. There would likely be some market resistance for owning a 35 to 40-acre parcel, and being very near other homes without much separation.

¹⁸ Teton County LDRs, January 1, 2015, Section 8.5.4, B. 7, p. 8-50

¹⁹ Wyoming Statutes, § 18-5-303

²⁰ Bar B Bar has some smaller lots in an approved subdivision in addition to 35+ acre tracts, Crescent H Ranch has an area of small lots (2 acres or less), which is an actual Teton County subdivision, and tracts of 35 acres or more.

Another aspect of development under the subdivision exemption in Teton County versus other areas is the affordable housing fees and exactions. Teton County requires developers to provide affordable housing or make payments for affordable housing in lieu of providing the housing. They also require exactions for public facilities or improvements such as, parks, playgrounds, or schools. Because the county recognizes an exemption from county subdivision regulations if a property is developed under regulations of the State of Wyoming, one might think that the exemption would also include the affordable housing and exactions. However, that is not the case. Kristi Malone, Associate Planner, stated the affordable housing and exaction fees would “still be assessed but payment will be deferred to the time of building permit issuance instead of being required to be paid by the developer at the time of subdivision.”

We have analyzed listings of vacant land in Jackson Hole in the size range of 35 to 100 acres on the Teton MLS. There are 18²¹ tracts in this size range currently available for purchase. They range from \$1,640,000 for a 40-acre tract to \$17,900,000 for a 72-acre parcel on the Snake River. Ten of the vacant listings are 40 acres and less, with four from 41 to 70 acres and four in the upper range. The listings had been on the market for 53 to 2,925 days, with an average time on market of 1,012 days or roughly 2.77 years. Extended marketing times appear to be the norm in the Jackson Hole market for this class of property.

The research for sales of vacant 35 to 100-acre parcels took us back to 2000. Below is a summary of the data we found reported on MLS in this size class (dollar data rounded to nearest \$25,000 and transactions where price was not reported are excluded):

Year	# of Sales	Mean Acres	Range- \$	Mean-\$	Median- \$	Mean DOM
2000	6	39.19	\$275,000-\$6,200,000	\$3,800,000	\$4,350,000	
2001	1	33.00	\$5,000,000	\$5,000,000	\$5,000,000	
2002	5	36.41	\$750,000-\$5,000,000	\$2,850,000	\$3,250,000	
2003	2	40.40	\$394,000-\$3,750,000	\$2,075,000	\$2,075,000	
2004	12	40.44	\$190,000-\$10,350,000	\$5,800,000	\$5,750,000	
2005	8	41.73	\$360,000-\$10,825,000	\$4,900,000	\$4,350,000	
2006	4	48.06	\$1,600,000-\$10,000,000	\$6,400,000	\$7,000,000	
2007	9	45.48	\$2,500,000-\$13,000,000	\$7,500,000	\$6,225,000	570
2008	4	44.97	\$6,000,000-\$16,000,000	\$9,500,000	\$8,000,000	397
2009	2	34.91	\$3,000,000-\$15,000,000	\$9,000,000	\$9,000,000	1,395
2010	4	35.57	\$1,600,000-\$5,800,000	\$4,050,000	\$4,400,000	681
2011	3	39.11	\$7,800,000-\$9,100,000	\$8,625,000	\$9,000,000	650
2012	5	54.78	\$3,350,000-\$16,000,000	\$8,500,000	\$6,000,000	139
2013	4	44.62	\$980,000-\$7,400,000	\$5,425,000	\$5,750,000	825
2014	3	43.02	\$3,850,000-\$4,840,000	\$4,475,000	\$4,700,000	447

As has previously been discussed, this dataset shows a very strong market from 2004 to 2007, with four to 12 sales each of these years. The number of sales dropped to four in 2008, then

²¹ In addition, there are 10 tracts 35 to 100 acres in size available that have building improvements.

two in 2009, although the average price is up for those two years. Since 2009, three to five sales are noted per year, with the average and median price down in 2013-14 in comparison to most of the prior eight years.

From 2000 to date in 2014, we researched a total of 72 vacant sales in the 35 to 100-acre range. Over the 15-year period, there has been an average of 4.80 sales per year. Significantly more sales occurred during the boom of 2004-07 than occurred on either side of this date range. There are 18 listings of vacant property in the 35 to 100-acres range. Thus, there is basically a four-year supply of listings from 35 to 100 acres based on historical sales data.

A tabulation of listings over 100 acres in size in Teton County considered in this report follows:

Listing #	Date	Grantor	List Price	Acres	\$/Acre	DOM
L-43	Listing	Fall Creek Ranch	\$8,250,000	160.00	\$51,563	350
L-44	Listing	Jackson Land	\$29,000,000	562.83	\$51,525	613
L-45	Listing	Walton Ranch	\$48,700,000	1,848.00	\$26,353	1,095
L-46	Listing	Spring Gulch	\$35,000,000	507.00	\$69,034	92
L-47	Listing	Spring Gulch	\$45,000,000	580.00	\$77,586	114
L-48	Listing	Blue Crane	\$17,850,000	172.27	\$103,616	3,297
L-49	Listing	Flying Goose	\$3,995,000	119.00	\$33,571	1,774
L-50	Listing	Lazy Moose	\$9,000,000	114.00	\$78,947	529
L-51	Listing	JLC	\$10,000,000	117.70	\$84,962	313
L-52	Listing	Robertson	\$11,000,000	104.00	\$105,769	91
L-53	Listing	Four Legs Good	\$13,900,000	125.00	\$111,200	452
L-54	Listing	Hillwood Bar	\$19,000,000	105.00	\$180,952	619
L-55	Listing	Skirtie	\$4,695,000	207.00	\$22,681	535
L-56	Listing	Vandewater	\$9,900,000	105.00	\$94,286	424
L-57	Listing	Vandewater	\$14,200,000	105.00	\$135,238	191

The listings highlighted in yellow are subject to full or partial conservation easement. The data ranges from 104 to 1,848 acres with list prices ranging from \$4,695,000 to \$48,700,000. The properties have been on the market from less than 100 days to about nine years, with an average time on the market of roughly 699 days. This is an extended marketing time even for the Jackson Hole area and the data suggests that the market for larger tracts is not “robust” at present. Asking prices range from \$22,681 per acre for a property in the Game Creek area to \$180,952 per acre for three lots in the Bar BC development northwest of Jackson. The conservation easement encumbered sales range from \$26,353 per acre to \$103,616 per acre, generally at a lower tier than the properties not under easement.

Since 2008, there have been 19 sales that we have researched over 100 acres in Teton County. The numbers are: 2008- 0 sales; 2009- 2 sales; 2010- 2 sales (1 within Jackson Hole); 2011- 0 sales; 2012- 5 sales (3 sales in Jackson Hole, 2 sales in outlying areas of county); 2013- 6 sales (4 in Jackson Hole); and to date in 2014- 4 (two of these sales within Jackson Hole). Mathematically, there have been less than three sales per year in the county since 2008 in this size range, with 12 sales occurring in Jackson Hole, or nearly two sales per year.

In the 15 listings noted on the previous table, 13 are in Jackson Hole with two in outlying areas. Considering this data, on an overall basis there is a five year supply of properties (15 available/3 sales per year) and a 6.5-year supply (13 properties available/2 sales per year) if we stick just to Jackson Hole.

In both size ranges (35 to 100 acres and over 100 acres) there is a four to 6.50-year supply of product, without additional property entering the market. We realize that we do not have knowledge of all properties that are for sale, nor all sales that have occurred since 2000 in the size ranges specified. However, the data does provide a “snap shot” of the supply and demand factors in the Jackson Hole marketplace.

In many markets a four to over six year supply of product currently listed on the market would discourage additional subdivision development of raw land. However, this ratio of supply to demand has been more common than not in the Jackson Hole area and other high-end recreational areas for quite some time and has not generally stopped additional development in the areas. In our opinion, individuals interested in residential development would be likely buyers of the subject property.

5. **Investment:** Investment as analyzed in this appraisal infers that a property is retained by an owner over a number of years for possible appreciation and future resale or development. Buyers focused on investment goals have participated in the Jackson market and similar markets for many years. Typically, investment buyers are most prevalent when the market is strong or appears to be so. Although the market is certainly not as robust as it was in the mid-2000s, there appears to be a current sentiment of cautious optimism that the market has finished its “correction” and that prices will increase in the future. For these reasons, it is our opinion that investment is likely to be a financially feasible use of the subject property.

Maximally Productive Use- The uses judged to be legally permissible, physically possible and financially feasible are residential subdivision and investment. The cash outlay to purchase the subject property would be significant, as would be the carrying costs—whether measured in terms of the payment of interest on borrowed money or the lost opportunity cost. For this reason, it is our opinion that investment is not likely to be the motivation of purchase of the subject. Rather we feel residential subdivision is likely to be the motivation for purchase of the subject and we have concluded the maximally productive use of the subject is residential subdivision.

Our conclusion of highest and best use is **residential subdivision**.

Methods of Valuation

The three traditional approaches to value used by appraisers are: sales comparison approach, cost approach, and income capitalization approach. All three rely on data derived from the marketplace. The three approaches are regarded as a series of checks on the appraiser's judgment by reflecting a separate value conclusion from each. In each approach, the value of the subject is estimated considering the highest and best use of the property. The final step in the appraisal process is the reconciliation or correlation of the three indications of value into a final estimate.

Cost Approach: The cost approach to value is a summation of the contributory value of the land and contributory value of the site and structural improvements. The subject property has only one land class and no building improvements. The cost approach is not applicable and is not used.

Income Approach: This approach is based on the principle that value is created by the expectation of future benefits. Anticipated benefits, dollars or amenities, to be derived from the ownership of a property are converted into a value estimate. More specifically, future annual net income and/or reversions, prior to payment of debt service, is/are capitalized or discounted to attain a present worth. As of the date of value, the subject property is not capable of producing any significant annual income. The future income potential of the subject is that which can be achieved from subdividing the tract into smaller lots and then selling the lots. Thus, the only income analysis that could be used to value the subject is a subdivision discounted cash flow analysis or in the parlance of the Yellow Book (Uniform Appraisal Standards for Federal Land Acquisitions)—the “development approach”. Section A-15 of the Yellow Book states: *When the highest and best use of a property is for subdivision purposes and comparable sales do not exist (emphasis added), the appraiser may resort to the development approach.* In Section B-8, the Yellow Book states: *When comparable sales are available with which to accurately estimate the property’s market value, the development approach should not be relied upon as the primary indicator of value, as it is considerably more prone to error.* There is no argument that “comparable sales” for this assignment are not plentiful. However, they do exist and in our opinion use of the available comparable sales is likely to provide the most reliable indication of the value of the subject property. Furthermore, the Uniform Standards of Professional Appraisal Practice indicate that an income approach should/must be

done when necessary for credible assignment results.²² In our opinion, the income approach is not necessary for credible results. Thus, the income approach has been excluded from use.

Sales Comparison Approach: This approach is based on the principle of substitution: "the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time." The major premise of the sales comparison approach is that the market value of a property is directly related to the prices of comparable, competitive properties. In addition, the principle of externalities states that forces external to a specific property can affect value. A period of economic development or economic depression influences property values. An appraiser analyzes the neighborhood of a subject property to identify all significant external influences. To a great extent, these external forces are reflected in the adjustments made for property location. Typically, sales of similar or "comparable" properties in relation to the subject property are gathered and analyzed, then compared directly to the subject property. The sales comparison approach is utilized in the appraisal.

²² SR 1-4 (c), p. U-19, USPAP 2014-2015 Edition

Data Research

The sales and listings gathered/considered for the appraisal are tabulated on the following page. The sales/listings highlighted in yellow are partially/fully encumbered with conservation easements. The prices shown in boldface type on the tabulation are listing prices; sale prices were not publicly disclosed and we were not able to obtain these sale prices from other sources. Three of the sales are confidential. In order to protect the confidentiality the details of these sales are not provided.

From the available sales and listings, seven sales and two listings were selected for direct comparison to the subject. These are the sales that we have deemed most similar—overall—to the subject. The combination of criteria given primary consideration in selecting the sales was: recent date of sale, size similar to the subject, similar highest and best use, partially encumbered with scenic or conservation easement(s), and vacant land—or building contribution that could be reliably quantified. Unfortunately, no sales met all the desired primary criteria so the selection of sales required some balancing of positives and negatives. For example, none of the sales that took place in the past few years are close to the size of the subject. Therefore, several older, but larger acreage sales were selected. The subject is partially encumbered with a scenic easement and we used six data points (four sales, two listings) that were fully/partially encumbered with conservation easements in addition to five sales with no easements in comparison to the subject.²³ Following the tabulation, are brief summaries of the sales/listings used in direct comparison to the subject.

²³ Conservation easement encumbered sales that took place from 2009 to date that were not used in comparison to the subject and the reasons for not using them are: Sale 23 – no-build easement on entire property; Sale 27 – inability to allocate building contribution; Sales 29 and 30 – at size point of single homesite; Sale 32 – inability to allocate building contribution; Sale 33 – unable to obtain sale price; Sale 36 – no-build easement on entire property.

Sale #	Date	Grantor	Sale Price	Acres	\$/Acre
1	Jan-00	Soest	\$2,000,000	200.00	\$10,000
2	Nov-00	Four Springs	\$27,500,000	260.00	\$105,769
3	Dec-00	Compton	\$1,125,000	100.00	\$11,250
4	Jan-01	Snyder	\$3,900,000	215.83	\$18,070
5	Jun-01	Porcupine Creek	\$2,185,000	202.30	\$10,801
6	Jun-01	Scherr-Thoss	\$30,000,000	329.00	\$91,185
7	Jun-01	Mead	\$25,000,000	116.62	\$214,371
8	Mar-02	Peterson	\$4,000,000	117.82	\$33,950
9	Jun-02	Four Lazy F	\$67,500,000	710.60	\$94,990
10	Nov-02	Thornton	\$9,085,125	337.82	\$26,893
11	Nov-02	Thunder	\$1,074,938	106.14	\$10,128
12	Jun-04	Snake River Assoc.	\$9,000,000	123.98	\$72,592
13	Oct-04	Mead	\$92,000,000	1,340.81	\$68,615
14	Oct-04	Teton Valley Ranch	\$25,250,000	153.13	\$164,893
15	Jan-05	Spring Creek	\$21,500,000	445.13	\$48,300
16	Mar-05	TNC	\$6,000,000	253.00	\$23,715
17	Aug-05	Chapman	\$95,000,000	574.85	\$165,261
18	Aug-05	TNC	\$19,900,000	210.75	\$94,425
19	Mar-06	Hillwood	\$23,250,000	507.00	\$45,858
20	Oct-06	Hansen	\$69,000,000	1,265.10	\$54,541
21	Oct-06	University of WY	\$17,150,000	159.56	\$107,483
22	Feb-07	Sayer	\$15,500,000	120.00	\$129,167
23	Apr-09	Jones Holdings	\$1,500,000	139.50	\$10,753
24	Apr-09	Jones Holdings	\$9,000,000	233.18	\$38,597
25	Aug-10	Puzzleface	\$5,500,000	226.83	\$24,247
26	Sep-10	Mountain Bear	\$5,250,000	160.00	\$32,813
27	Feb-12	Edgcomb	\$3,100,000	144.00	\$21,528
28	Jun-12	Sage	\$7,500,000	164.00	\$45,732
29	Dec-12	BBB	\$7,700,000	104.00	\$74,038
30	Dec-12	US Bankruptcy Court	\$8,140,000	103.00	\$79,029
31	Dec-12	Lucas	\$17,000,000	190.51	\$89,234
32	Feb-13	Wells Fargo	\$5,500,000	285.00	\$19,298
33	Mar-13	Caruso	\$16,900,000	100.00	\$169,000
34					
35					
36	Oct-13	Jackson Hole Preserve	\$1,500,000	181.29	\$8,274
37	Oct-13	Hussey	\$32,950,000	118.00	\$279,237
38	Feb-14	Woodman	\$4,268,000	160.00	\$26,675
39	Jul-14	One Horse	\$4,880,000	141.15	\$34,573
40	Sep-14	Vandewater	\$19,750,000	140.40	\$140,670
41	Sep-14	Triple R Ranch	\$10,125,000	164.00	\$61,738
42					
L-43	Listing	Fall Creek Ranch	\$8,250,000	160.00	\$51,563
L-44	Listing	Jackson Land	\$29,000,000	562.83	\$51,525
L-45	Listing	Walton Ranch	\$48,700,000	1,848.00	\$26,353
L-46	Listing	Spring Gulch	\$35,000,000	507.00	\$69,034
L-47	Listing	Spring Gulch	\$45,000,000	580.00	\$77,586
L-48	Listing	Blue Crane	\$17,850,000	172.27	\$103,616
L-49	Listing	Flying Goose	\$3,995,000	119.00	\$33,571
L-50	Listing	Lazy Moose	\$11,000,000	114.00	\$96,491
L-51	Listing	JLC	\$10,000,000	117.70	\$84,962
L-52	Listing	Robertson	\$11,000,000	104.00	\$105,769
L-53	Listing	Four Legs Good	\$13,900,000	125.00	\$111,200
L-54	Listing	Hillwood Bar	\$19,000,000	105.00	\$180,952
L-55	Listing	Skirtie	\$4,695,000	207.00	\$22,681
L-56	Listing	Vandewater	\$9,900,000	105.00	\$94,286
L-57	Listing	Vandewater	\$14,200,000	105.00	\$135,238

Sale Descriptions

- Sale 13 is a 1,340.81-acre property that sold in October 2004 for \$92,000,000 or \$68,615 per acre. The property included buildings and an agent involved with the sale reported to us that he felt the house on the property contributed to the sale. He estimated the contribution to be \$2,000,000. This opinion appears reasonable to us. Deducting the estimated building contribution from the total sale price leaves a land residual of \$90,000,000, or \$67,124 per acre. The sale is northwest of the town of Jackson in Spring Gulch. Access is direct from Spring Gulch Road, a county-maintained road that is a mix of gravel and paved surfaces. The road is plowed in the winter. The property has frontage on the Gros Ventre and Snake Rivers and has good Teton views. Terrain ranges from level to steep. Vegetation is a mix of meadows, deciduous trees along the rivers, and aspen-conifer mix at the upper elevations. Power and telephone are available at the property. At the time of sale, the property was zoned Rural by Teton County and was not platted. After purchase the property was developed as Bar BC.
- Sale 19 is a March 2006 resale of 507 acres of Sale 13. The price was \$23,250,000, which is \$45,858 per acre. After the purchase of Sale 13 a conservation easement was granted and Sale 19 is encumbered with the conservation easement. The easement allows recreational and agricultural use, and permits four residential homesites. One single family residence, one guesthouse, garage, and two associated non-residential buildings are permitted on each homesite. In addition, a manager house and garage are permitted on one of the homesites. Each of the homesites may be sold individually, but they may not be further subdivided. The sale has access direct from Spring Gulch Road, which runs along the east side of the property. Terrain is nearly level to slightly sloping, with steeper slopes on a small area in the southeast corner. The vegetative cover is primarily meadow grasses, with scattered cottonwoods and willows, and a patch of aspen in the steeper southeast corner. There are Teton views from the sale and power and telephone are at the property. The conservation easement allowed four homesites and the permitted sites were platted. The buyer purchased this land for resale of the four parcels and investment.
- Sale 20 consists of 1,265.1 acres also located in Spring Gulch that sold for \$69,000,000 in October 2006. The unit price was \$54,541 per acre. At the time of the sale the property was encumbered with two conservation easements covering a total of 211.84 acres or 17% of the property. No buildings or residential use are permitted on the easement-encumbered land. Access is off Spring Gulch Road which runs through the easterly portion of the tract. The tract also fronts Highway 22 on the south. Terrain ranges from nearly level bottoms to steeply sloping hillsides on the west and on the portions of the property east of Spring Gulch Road. The vegetation is meadow grasses, willows, and tree cover on the hillsides. Spring Creek bisects the property and there are some Teton views. Power and telephone are at the property. At the time of sale, the property was zoned Rural by Teton County and was not platted. The buyer's motivation was residential development.

As late as November 2012, there were news stories of this sale alleging that the Hansen Family had not vacated the property, and that the Hansen Family was foreclosing on the property for the \$52,000,000 still owed. Sale 20 plus some additional acreage (total of 1,750 acres) was on the market in 2011 and 2012 for \$175,000,000, but listing expired.

- Sale 24 is 233.18 acres that sold in April 2009 for \$9,000,000 or \$38,597 per acre. The property included buildings that were valued at \$960,000 by Teton County and estimated to contribute \$1,180,000 by a local appraiser. We have estimated their contribution at \$1,000,000. This leaves a residual to the land of \$8,000,000 or \$34,308 per acre. The sale is located two miles south of Wilson. The property consists of four physically separated tracts. Three of the tracts are vacant land, encumbered with conservation easements that do not allow any construction of improvements. The fourth tract was partially encumbered by a conservation easement (about one-third under easement) that also prohibits construction of improvements. We estimate 75.92 acres of the property was unencumbered by conservation easements at the time of the sale. The tracts are interspersed with the Crescent H Ranch development. Access is via Fall Creek Road and subdivision roads within Crescent H Ranch. Fall Creek Road is a public road that is plowed in the winter. Terrain ranges from level to rolling. There are oblique Teton views and the property has fishing rights on the Snake River via inclusion in Crescent H Ranch. Vegetation is a mix of open meadows, sage brush and some trees. Power and telephone are available at the property. The zoning by Teton County was a mix of Rural and Planned Unit Development. The unencumbered portion of the property zoned Rural and was platted for two homesites. The buyer purchased this property for future sale of the permitted homesites.
- Sale 25 is a 226.83-acre property that sold in August 2010 for \$5,500,000 or \$24,247 per acre. The property included buildings that were valued at \$642,168 by Teton County. This figure is slightly low because some remodeling of a stable had been done. We have estimated a buildings contribution of \$700,000. This leaves a residual to the land of \$4,800,000 or \$21,161 per acre. The sale is located about two miles west of Jackson, along the southerly side of Highway 22. Access is direct from the highway. The property was encumbered with a conservation easement at the time of the sale. An easement restricts use of 215.83 acres to agriculture and recreation with one homesite. The remaining acreage is two lots—also easement-encumbered. Each lot may be used as a homesite, giving the property a total of three homesites. Neither the lots nor the 215.83 acres may be subdivided, but each of the lots and the 215.83 acres may be sold individually. The property is mostly a level meadow, with a ridge area on the west side—the location of the two lots. The property has Teton views and pond. Vegetation is native grasses with a few trees. Power and telephone are available at the property. At the time of the sale, the 215.83 acres was zoned Rural by Teton County. The two lots were zoned NC-SF, Neighborhood Conservation Single Family and the two lots were platted. The buyer purchased this land as a personal homesite on the 215.83 acres with the potential to sell the two smaller homesites.
- Sale 31 took place December 2012 and the price was \$17,000,000 or \$89,234 per acre for the 190.51 acres. This property is located in Spring Gulch and access is direct from Spring Gulch Road, which bisects the property. The property consisted of five tracts, one of which had a house and some outbuildings. After the purchase, all the buildings except two historic log outbuildings were torn down. No contributory value is allocated to the buildings. The terrain is nearly level. The southernmost tract is mostly open with a cover of grasses. The other tracts have fairly heavy cover of cottonwoods and brush with a few conifers. Power and telephone are available at the sale. The sale has Gros Ventre River frontage on the north and has Teton views. The property was zoned Rural by Teton County and was platted

as five tracts. The buyer is a developer and the land was purchased to resell the five lots through their existing marketing program.

- Sale 35 is a confidential sale. In order to maintain the confidentiality, we have not reported any details of this sale other than a time-adjusted price of \$82,534 per acre.
- Sale 41 is 164-acre property that sold in September 2014 for \$10,125,000 or \$61,738 per acre. The property included buildings and the confirming agent reported the buildings and significant site improvements contributed \$2,500,000 to the sale. In our opinion this estimate appears to be reasonable. After deducting the estimated improvement contribution, the land residual used in the analyses is \$7,625,000, or \$46,494 per acre. The sale is located about 12 miles south of the small community of Wilson and about four airmiles west of Hoback Junction. Access is direct from Fall Creek Road, a gravel-surfaced, Forest Service road. The road is plowed to within 1½ miles of the property. If winter vehicular access is desired, the owners must plow the last stretch of road to the property (1½ miles) and there is a maintenance agreement that permits the owners to plow the road. The property is a National Forest inholding, completely surrounded by public land. Fall Creek bisects the sale. Terrain consists of nearly level bottoms with some sloping areas. Vegetation is a mix of grasses, willows, and conifer and aspen trees. At the time of the sale, the property was platted as a 27-lot subdivision. Power and telephone are available at the property. The buyer purchased the property for residential use.
- Sale 42 is a confidential sale. In order to maintain the confidentiality, we have not reported any details of this sale except for the time adjusted indication of \$46,946 per acre.
- Sale L-46 is a listing of 507 acres located in Spring Gulch. The listing price is \$35,000,000, which is \$69,034 per acre. This property sold in March 2006 and was previously described as Sale 19.
- Sale L-47 is a listing of 580 acres. It includes the 507 acres that comprise Sale L-46 and Sale 19, plus an additional 73 acres. The listing price is \$45,000,000, which is \$77,586 per acre. As previously discussed, the 507 acres is encumbered with a conservation easement, but the 73 acres is not encumbered. The 73 acres consists of two of the Bar BC homesites. These sites are west of the 507 acres and have moderately steep terrain and a mix of open land and tree-covered land. A road through Bar BC provides access to the 73 acres and this portion of the sale has excellent Teton views. The property was zoned Rural by Teton County and was platted as six sites.

A location map of the subject and the non-confidential sales/listings is on the following page. Additional details of the sales, maps and photographs are included in Volume II.

Sale Location Map

R. 116 W.

R. 115 W.

T. 43 N.

Scale 1" = 3.2 Miles

R. 117 W.

T. 42 N.

T. 41 N.

T. 40 N.

T. 39 N.

T. 38 N.

T. 37 N.

T. 36 N.

T. 35 N.

T. 34 N.

T. 33 N.

T. 32 N.

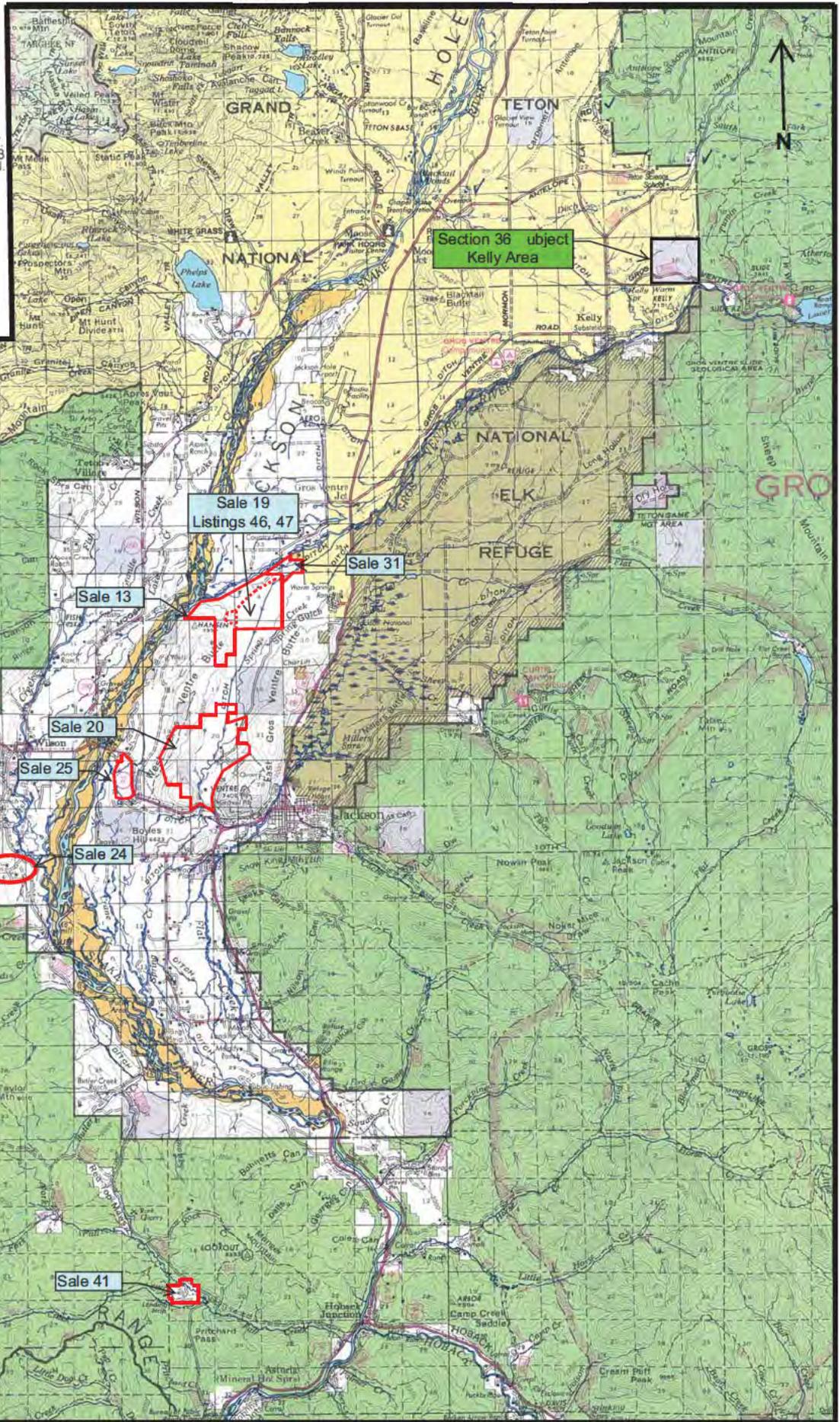
T. 31 N.

T. 30 N.

T. 29 N.

T. 28 N.

T. 27 N.



Data Analysis

There are several ways to analyze and adjust data. The preferred method is a direct comparison of one sale to another sale, or a "matched pair analysis". The sale is compared with another sale that differs significantly in only one factor. The contribution of that factor can then be estimated from the two sales and applied to the other sales to make them similar to the subject property. In the matched pair analyses, whenever possible we avoided applying other adjustments (most pertinently time or market conditions) to keep the comparison as pure as possible and not taint the results by the application of other adjustments prior to making comparisons. Whenever there was adequate data to analyze and quantify adjustments, we used quantified adjustments.

When adequate data was not available, we used qualitative analysis. Qualitative comparisons compare a factor to the subject and consider whether the particular item is inferior or superior compared with the subject property. Differences for the elements of comparison are indicated by plusses if the element on the sale is inferior to the subject, or by minuses if the element on the sale is superior to the subject property. This bracketing technique sets the upper and lower parameters of value of a specific property. The range of value within which the subject falls is shown from among all sales. The opinion of the value of the property is then concluded in accord with its relative comparability to the sales within the bracketed range of value.

There are a number of instances where there are differences between sales and the subject that we have considered to be "slight" differences. These are differences that we believe would have an impact on price/value, but with a magnitude that is less than other elements. In applying adjustments for these slight differences, the adjustments indicated on the grid are "sl+" or "sl-". However, it is important to understand that we are not quantifying the amount of the slight differences. In other words, two slight minuses do not equal, or offset, one positive.

Sales 13, 24, 25 and 41 have building improvements and the estimated contributory value of the buildings is deducted from the total sale price. This residual to the land is then compared to the subject. The agent involved with Sale 13 reported to us that a house situated on the property contributed \$2,000,000 at the time of sale. This opinion appears reasonable to us and we have deducted it from the total sale price of \$92,000,000, leaving a land residual of \$90,000,000, which is used in the analyses. A local appraiser estimated the contribution of Sale 24's buildings at \$1,180,000 and the county valued them at \$960,000. We have used an estimated contribution of \$1,000,000, which leaves a residual of \$8,000,000 to the land. The county valued the buildings on Sale 25 at \$642,168. In our opinion, this is slightly low because of remodeling done to a stable that was not recognized by the county. We have estimated a contribution of \$700,000 for these buildings. This results in a land residual of \$4,800,000. The confirming agent of Sale 41 reported the buildings and significant site improvements contributed \$2,500,000 to the sale and in our opinion the estimate appears to be reasonable. After deducting the estimated improvement contribution, the land residual used in the analyses is \$7,625,000.

Summarizations of the adjustment analyses follow:

Rights Conveyed: The fee simple interest, subject to title report schedule B exceptions is the property interest appraised. As was discussed in the description of property rights, the

majority of the exceptions are standard exceptions that are unlikely to have an impact on value. The title report has an exception for legal access. As was previously discussed in this appraisal report, the subject does have legal access available. The access situation is a separate element of comparison that will be considered later in this report.

The subject property includes all mineral rights. That may or may not be the case with the sales. Without obtaining mineral title reports and in many cases complete mineral searches, there is no way to determine the status of the mineral estates of the sales. The mineral report of the subject concluded there is low to no potential for mineral development on the subject. That is also likely to be the case with the sales. The only type of mineral extraction we have observed in the Jackson area is sand and gravel. To this point in time, Teton County has taken a very “strict” attitude toward development of new sand and gravel sources. Furthermore, the motivation of the purchases of the sales was not likely to include mineral development and the same is true for the subject. In our opinion, the absence or presence of mineral rights is unlikely to have an impact on properties in this area and no adjustments are necessary for the differences, if any.

The subject is encumbered with a road easement that parallels Gros Ventre Road. The width of the right-of-way is 100 feet on each side of the road and encompasses 26.12 acres. The 200-foot roadway easement is much wider than typical, with 60-foot the norm in this area. In addition, there is a scenic easement that is 1,000 feet in width, paralleling the road easement and encumbering an additional 500 feet on each side of the road. The area encumbered by the scenic easement is 130.62 acres. The total area encumbered by these easements is 156.74 acres. Thus, about 24% of the total property is encumbered with these easements. In appraisals of large acreage properties, we do not typically view road easements as “encumbered land”. However, this case is not typical. A road easement of 200 feet is substantially wider than is typical and further when combined with the scenic easement over which access roads for residential use are not allowed, the road easement does not even provide access to the developable portion of the property. In our opinion, the road easement is more onerous than is normally the case and does not provide any corresponding benefit to the property—such as direct access. Therefore, we consider the subject property to be 24% encumbered by easements.

Ideally, all the sales/listings used in comparison to the subject would be partially encumbered by similar easements encompassing about 24% of the property. However, if the sales/listings selection were confined to this criteria, there is only one sale that would be considered comparable to the subject. Therefore, we have used sales/listings that are unencumbered (except for typical road/utility easements), partially encumbered by conservation easements (with the percent encumbered ranging from 17% to 87%), and 100% encumbered by conservation easements. Unfortunately, with other differences between the sales, we do not believe reliable quantified adjustments can be made for this factor. Therefore, we have used qualitative adjustments to account for the conservation easements.

Sales 19, 25 and Listing L-46 are completely encumbered by conservation easements. Each of these easements allows for three or four homesites. Each homesite may be sold separately, but splitting of the homesite areas is not permitted. Even with multiple homesites that may be sold separately, the easements restrict use on these sales more than is the case with the subject. Positive adjustments are applied to these sales. Listing L-47 is the 507 acres encompassed by Sale 19 and Listing L-46, plus two tracts in Bar BC Ranch development. The tracts in Bar BC Ranch are not encumbered with a conservation easement, but Bar BC Ranch covenants have defined one building area on each site. Thus, the Bare BC tracts are similar to the conservation easement tracts on the balance of the property. A positive adjustment is applied to Sale L-47.

Sale 20 was encumbered with a conservation easement that encumbered 17% of the property and we have considered this sale to be similar to the subject. Sale 24 is encumbered with conservation easements that encompassed about 67% of the property. The sale has over twice the percentage of area encumbered compared to the property appraised, and a positive adjustment is applied.

The other sales are not encumbered with conservation or other similar easements. We consider these sales to be slightly superior to the subject and slight negatives are applied to account for the differences in property rights.

In our opinion, other property rights elements such as easements for roads, utilities, etc. on the sales are not likely to have measurable impacts on value and no additional adjustments are applied.

A summary of the adjustments applied in this section follows. On this summary table we have simply used the county’s minimum zoning requirement of 35 acres per homesite for the calculations. We realize that actual development could differ from these calculations.

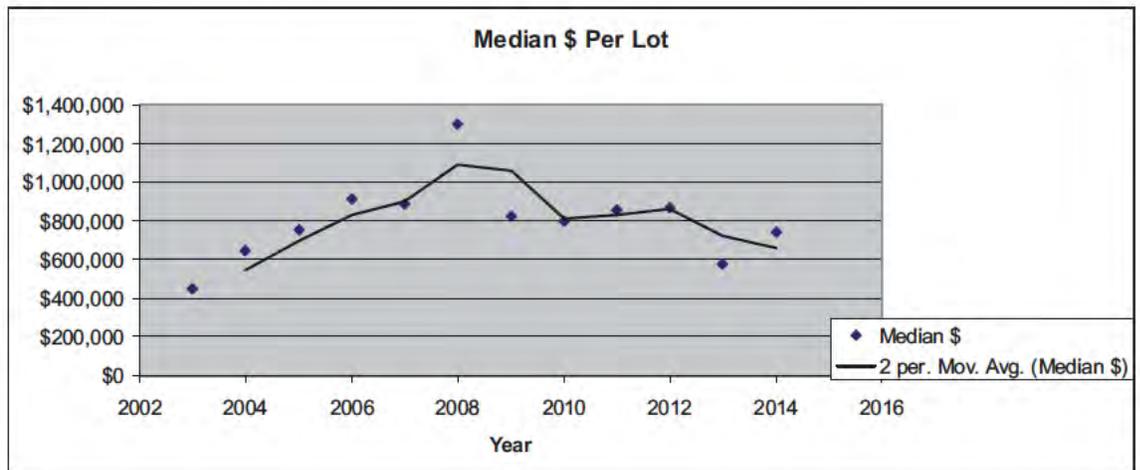
Sale/Listing #	CE Encumbrance	# Of Total Homesites	# Acres/Homesite*	Adjustment
13	0%	38	35	sl
19	100%	4	127	+
20	17%	30	42	None
24	67%	2	117	+
25	100%	3	76	+
31	0%	5	38	sl
35	0%	8	36.72	sl
41	0%	27	6	sl
42	0%	20	8	sl
L 46	100%	4	127	+
L 47	87%	6	97	+
Subject	24%	13	49	
35/acres per homesite of unencumbered lands or number of entitled lots sold				

Conditions of Sale: The closed sales used in direct comparison to the subject appear to have typical conditions of sale. No adjustments are applied. Listings L-46 and L-47 are listings rather than closed sales. It is rare for a property to sell for the full list price so we

believe adjustments are necessary. On six of the nine sales considered, listing price information is available. The discount between list and sale price ranges from a low of 5% to a high of 78%, with indications of -5%, -10%, -18%, -27%, -28% and -78%. The mean is 27% and the median is 27.5%. There is no way to reliably quantify an adjustment for this condition. However, the data indicates this difference is generally quite substantial and a double minus adjustment is given to the two listings.

Financing: All of the sales used in the analysis sold for cash to seller or on terms considered equivalent to cash. Therefore, no adjustments for financing are required.

Time (Market Conditions) The Jackson Hole area has experienced ups and downs in the market for large tracts of land and vacant lots. In general terms, the market appreciated quite rapidly from about 2000 to the middle of 2007, then dropped abruptly due to the national recession and investors (not end users) exiting the market when it was not possible to “flip” a property for a profit. The median sale price of vacant residential lots by year in the Jackson Hole market is illustrated below:



We realize that the data shown in the chart is simply an overview of the market. To refine the time trends in the Jackson Hole area, we looked at sale/resales of the same property occurring at different dates. Based on our experience that the market was increasing in the early part of the 2000s and the trend indicated by the previous chart, we have first considered data to analyze the increase in the market in the early 2000s.

We searched for sale/resales of the same property with acreage over 100 acres. Such data is scarce in this market area. Shown following are the only known sale/resales of this class of property where the earlier sale took place in the early 2000s.²⁴

²⁴ For upward market change, the change is abstracted and applied on a compound monthly basis. For downward market change, change is abstracted and applied on a gross basis. Upward markets tend to

Sale	Date	Price	Acres	\$/Acre	Months	Change
4	Jan-01	\$3,900,000	215.3	\$18,070		
25	Aug-10	\$5,500,000	226.83	\$24,247	115	+0.26%/mo.

This pairing consists of a conservation easement encumbered property on both sale dates with some added acreage on the most recent sale. It is felt that properties that are predominantly encumbered by conservation easements may appreciate/depreciate at a different rate compared to properties without the encumbrance.

Sale	Date	Price	Acres	\$/Acre	Months	Change
11	Nov-02	\$1,074,938	106.14	\$10,128		
23	Apr-09	\$1,500,000	139.5	\$10,753	77	+0.08%/mo.

This is also a pairing of a sale that was conservation easement encumbered on both dates, with some added encumbered lands added to the second transaction. The pairing shows no significant change from 2002 to 2009. In addition to being encumbered with conservation easements, an additional problem is that the two pairings measure a time-frame when the market went up, and then down. Covering both time periods would only be useful if the sale requiring adjustment fit the nearly exact period.²⁵

There are two additional pairings within the 100-acre+ data set. However, these comparisons measure from generally 2010 to 2012 to the current date. These pairings will be discussed in that section of the time analysis.

The first period that needs some refinement is from 2002 to 2007. The change is abstracted on a compound per month basis. Since no larger sales were available, we researched smaller sales in the Jackson Hole market. The sale-resales that generally cover this time-period are noted on the following page.

increase month by month, whereas a big event generally makes this market depreciate.

²⁵ There are two pairings within the less than 100 acres set of data which also cover the up then down market. Sale 70 sold for \$3,325,000 in November 2002, and then resold as Sale 120 in December 2010 for \$4,600,000. The compound monthly appreciation over 97 months is 0.34% per month. Sale 93 sold in November 2005 for \$4,250,000 then resold in October 2014 for \$4,840,000 showing monthly compound appreciation of 0.12%.

Sale # OR						Compound
MLS #	Address	Date of Sale	Sale Price	Size-Acres	Months	%/Mo. Change
93A	Bar BC 8	Dec-05	\$9,000,000	35.54		
82A	Bar BC 8	Nov-04	\$7,500,000	35.54	13	1.41%
92	Tract 12 Crescent H	Sep-05	\$5,512,000	35.00		
68	Tract 12 Crescent H	Oct-02	\$5,000,000	35.00	35	0.28%
93	Tract 13 Crescent H	Nov-05	\$4,250,000	35.00		
69	Tract 13 Crescent H	Nov-02	\$3,252,375	35.00	36	0.75%
B2-12382	2765 W Dairy	Dec-02	\$1,300,000	25.00		
B1-16032	2765 W Dairy	May-02	\$1,225,000	25.00	7	0.85%
	1725 Ely Springs	Oct-06	\$6,250,000	20.40		
	1725 Ely Springs	May-02	\$4,750,000	20.40	53	0.52%
05-1141	2570 Dairy	May-06	\$2,700,000	18.00		
B2-10812	2570 Dairy	Sep-02	\$915,330	18.00	44	2.49%
06-1192	4895 Bald Eagle	Jul-06	\$4,500,000	11.40		
B-4-4562	4895 Bald Eagle	Sep-05	\$3,100,000	11.40	10	3.80%
05-2491	3425 Tucker	Mar-06	\$2,100,000	6.26		
B0-16212	3425 Tucker	May-05	\$1,995,000	6.26	10	0.51%
	Lot 19 HHR Ranch	May-07	\$1,650,000	5.70		
	Lot 19 HHR Ranch	Oct-04	\$880,000	5.70	31	2.05%
06-4943	680 N Bar	Jun-07	\$1,360,000	5.35		
06-1366	680 N Bar	Aug-06	\$1,200,000	5.35	10	1.26%
05-1264	3700 Tucker	May-06	\$1,935,000	5.06		
B4-20952	3700 Tucker	Feb-05	\$1,200,000	5.06	15	3.24%
06-4472	4870 HHR Ranch	May-07	\$1,500,000	4.81		
B5-9362	4870 HHR Ranch	Mar-06	\$950,000	4.81	14	3.32%
B5-9362	4870 HHR Ranch	Mar-06	\$950,000	4.81		
B2-4282	4870 HHR Ranch	Nov-04	\$735,000	4.81	16	1.62%
05-1676	4850 Little Horse T	Oct-05	\$695,000	4.62		
B3-11142	4850 Little Horse T	Sep-04	\$549,000	4.62	13	1.83%
06-5407	8910 Porter Loop	Mar-07	\$1,425,000	4.15		
B2-14822	8910 Porter Loop	Jun-04	\$930,000	4.15	33	1.30%
07-278	4600 Willowbrook	Oct-07	\$1,750,000	3.19		
05-431	4600 Willowbrook	Jan-06	\$1,200,000	3.19	21	1.81%
06-979	3955 Goatsbeard	Oct-06	\$2,065,000	3.13		
B4-15302	3955 Goatsbeard	Jul-04	\$1,300,000	3.13	27	1.73%
05-2011	1285 Lower Ridge	May-07	\$1,500,000	3.10		
B4-12042	1285 Lower Ridge	Sep-05	\$1,250,000	3.10	20	0.92%
	2900 W. Yellowbell	Nov-07	\$2,000,000	3.01		
06-255	2900 W. Yellowbell	Jul-06	\$1,400,000	3.01	16	2.25%
05-1008	496 Moulton Loop	Oct-05	\$600,000	2.54		
B1-21792	496 Moulton Loop	Jul-02	\$475,000	2.54	39	0.60%

Several other sale/resales were considered, but were significantly out of the date range on one end or the other of the 2002 to 2007 time-frame.²⁶ The 19 data-points The 20 data-points range from 0.28% per month to 3.80% per month. The average or mean of this data is 1.63% per month upward change (compound). The median is 1.52% per month upward change (compound).

Because of the lack of large acreage comparison data in the local market, we have also analyzed comparisons in Sublette, Lincoln and Uinta Counties in Wyoming and Bonneville and Caribou Counties in Idaho, where larger acreage sale-resales are available. The comparisons from within the 2002 through 2007 time-span are shown on the table following.

State	County	Grantor	Grantee	Date	Price	Acres	\$/ Acre	Time Between	Compound %
								Sales- Mo.	Per Mo.
Wyoming	Sublette	Bar W Bar	Spanish Trail	Jan-06	\$9,752,211	9,621.02	\$1,014		
				Dec-04	\$6,250,000	9,621.02	\$650	13	3.48%
Wyoming	Lincoln	Darway	Various	Mar-06	\$4,000,000	950.00	\$4,211		
				Oct-02	\$2,000,000	950.00	\$2,105	41	1.71%
Wyoming	Sublette	Brown	Whitaker	Apr-06	\$2,200,000	320.00	\$6,875		
				Mar-03	\$1,000,000	320.00	\$3,125	37	2.15%
Wyoming	Sublette	Trout Ranch	Hawn	Jan-07	\$7,100,000	1,784.00	\$3,980		
				Oct-03	\$4,000,000	1,784.00	\$2,242	39	1.48%
Wyoming	Uinta	Meridian	Lewis	Jul-06	\$2,525,000	640.00	\$3,945		
				Jan-05	\$2,100,000	640.00	\$3,281	18	1.03%
Idaho	Caribou	Glenn	Kirk	Oct-06	\$850,000	483.30	\$1,759		
				Aug-03	\$530,000	483.30	\$1,097	38	1.25%
Idaho	Bonneville	Clark	Bernazzoli	May-07	\$495,000	130.00	\$3,808		
				Jul-06	\$275,000	130.00	\$2,115	10	6.06%

The sale/resales all support an increasing market during the time frame of 2002 to early 2007. However, the range of indications is rather wide. Of the seven indications, four range from +1.03% to +1.71%. The other indications are higher at +2.15% to +6.06%.

In considering the available data, we have relied on both the local, smaller pairings and the larger sale-resales from other areas. The available Jackson area comparisons have a mean of +1.63% and a median of +1.52%. In our opinion, an adjustment near the median is supported and we believe an adjustment of +1.5% per month is appropriate. This selection is supported by the indications from other areas, with four of the seven indications ranging from +1.03% to +1.71%. Most of the pairings using 2007 sales took place in the first half of the year, with only two indications from pairings in the latter half of 2007. This is not surprising as we observed that sales volume in the last half of 2007 was lower than in the first half of 2007. We have decided to apply the upward time adjustment to June 2007.

²⁶ For example, Tract 7 of the up-scale Crescent H development south of Wilson sold for \$5,000,000 in October 1999. The 35.10-acre parcel has all Crescent H amenities. The property resold in October 2004 for \$3,750,000, a decline of 25%. Adjoining Tract 8 of Crescent H sold in June 2000 for \$5,900,000, and the 35-acre parcel resold in January 2004 for \$3,990,000, a decline of 32%. In addition to the change in dates of sale, a forest fire went through this area in July 2001 and generally burned some of each of the tracts.

The market significantly weakened near the middle of 2007, with fewer sales in the latter half of 2007 and significantly fewer sales in the next couple of years. The drop in sales was dramatic with the Jackson MLS reporting 121 sales of vacant lots in 2007 and 42 sales in 2008. A great majority of the sellers in this area were simply unwilling to take a lower price than could be obtained during the cycle in 2006 to 2007. In addition, investor-type buyers recognized that they would likely not be able to quickly sell at a profit during this time, and therefore both ends of the market were at an impasse with regard to pricing structure. With the lower number of sales due to the drop in the market, data available to measure the fall of the market is rather scarce.

We researched sale/resales that cover the general period of 2006 to 2007 to the beginning of 2013. Unfortunately, we only found one sale-resale of larger acreage tracts in the Jackson area to analyze the magnitude of the drop in the market since the peak. It is presented with the forewarning that it is anything but a straightforward comparison.

In October 2004, The Teton Valley Ranch sold for \$25,250,000 after being on the market for 307 days at \$37,000,000. Previous to this, the property had been listed at \$39,950,000 to \$50,000,000 for 536 days starting in 2001, and 141 acres were listed for \$49,950,000 for 107 days in 2003. The 153-acre parcel (advertised at 151 acres) sold for \$165,033 per acre including all improvements. The sale borders the Gros Ventre River on the north for about 3,400 lineal feet. Grand Teton National Park is north across the river. All of the three remaining boundaries border the National Elk Refuge. At the time of sale, the property was extensively improved with older-type dude ranch improvements, and use at the time of sale was for a summer youth camp.

Building improvements included several modest homes, dining hall, several cabins, barn and outbuildings. Some were removed by the seller and they retained the following on the property:

- 2178sf home built 1996
- 525sf cabin built 1992
- 392sf cabin built 1992
- 1849sf barn built 1971
- Two small sheds built 1971 (all on Ranch Tract 2)

And

- 2066sf home built 1972;
- 600sf attached garage built 1972 (all on 2.18-acre parcel that subsequently sold with Ranch Tract 3)

The estimated contributory value of the buildings on Ranch Tract 2 is \$400,000 and for buildings on the 2.18-acre tract – \$300,000. Thus, for comparison purposes, the buildings on the total sale were estimated to contribute \$700,000. This leaves a residual to the land of \$24,550,000 (exclusive of removal costs) or \$160,458 per acre.

Beginning in 2007, Ranch Tract 3 plus 2.18 acres (total of 48.69 acres) and buildings was listed for sale at \$14,900,000. This sale closed in April 2008 for a reported \$12,000,000. The sale did not have Gros Ventre River frontage, but had a pond. The sale borders the National Elk Refuge on the south and east.

Also in 2007, a conservation easement was granted to the Scenic Preserve Trust on Ranch Tract 1 with 52.40 acres. It is unknown whether the easement was purchased by the Trust, or if it was a donation. Residential use is allowed, and in fact a large home was constructed on the property beginning in 2008.

Ranch Tract 2 with 49.70 acres was listed with Sothebys in July 2008 for \$17,900,000, then reduced to \$11,900,000. The property did not sell and a well-advertised auction was held in August 2010, with closing of the sale in September 2010. The minimum bid was \$4,000,000 for Tract 2, but a confidential source indicates the property owner advised the auctioneer that he would sell for something less than the minimum bid of \$4,000,000. There were 10 bidders on the tract with a purported top bid of \$3,000,000 not including the buyer's premium. There was a confidentiality agreement signed by buyer and seller, but the price was reported on MLS for a short time at \$3,300,000 before being deleted. The building improvements were estimated to contribute \$400,000, leaving a residual to the land of \$2,900,000, or \$58,350 per acre to the land. The tract fronts the Gros Ventre River with GTNP across the river, borders the National Elk Refuge, had excellent Teton views, and had a pond for additional water influence.

Ranch Tract 1 was listed with Sothebys in May 2009 for \$29,500,000, reduced to \$25,000,000 (included a new home under construction). The property did not sell and a well-advertised auction was held in August 2010—closing in September. The minimum bid was set by the seller at \$15,000,000. This parcel sold just prior to the auction for a total of \$12,100,000. The property was encumbered by a conservation easement at the time of sale and the home was roughly 90% complete. As is typical in this area, building materials were brought in from overseas. ("Built from reclaimed stone and timbers from Europe. The entry features a stained glass window and stairway balusters from the early 1700s. Parquet floors are from a castle in Thuringen, circa 1880. The fireplaces in both the dining and family rooms contain sandstone pillars from the Palais Arcade in Prague, circa 1780. The balcony railing outside an upstairs bedroom is from Kachtenhausen, Germany, circa 1655. A door leading outside is from a German castle, circa 1780. A sink made in 1800 of Italian Marble is used in an upstairs bathroom. Throughout the house, unique doors have been used that were gathered from various great homes throughout Germany.")

This parcel borders the Gros Ventre River (GTNP on other side of river) and borders the National Elk Refuge.

Attendees at the auction for Tracts 1 and 2 tended to indicate that the prices paid were a “steal.” However, it is interesting to note that no one stepped up to bring the bids to the owner’s minimums. The properties were exposed to the market for a lengthy period and the auction activity is more likely a sign of the times given the difficult real estate market in the Jackson area after 2008.

What does the data tell us? If the \$58,350 per acre (ignoring the conservation easement on Tract 1) land component from Tract 2 is applied to Tract 1, the buildings fall out at \$9,042,460, or \$1,072 per square foot. This is quite high, and likely does not make much sense. Thus, either the land component at \$58,350 per acre is too low, or the buyers of Tract 1 had some affinity to the materials/workmanship of the home, even though it was not complete.

As a sidebar, the three tracts sold for a total of \$27,400,000²⁷ in 2008 to 2010, while the parent parcel was purchased for \$25,250,000 in 2004. This does not consider the construction cost of the new home nor removal costs of the buildings that were removed from the sale. The only off-set would be the purchase/donation of the conservation easement on Tract 1, the amount of which is unknown. The data does fully indicate that overall, the drop in the market past 2007 was not compensated for the increases in the market from the date of purchase in 2004 to 2007.

We turned next to smaller sales in the Jackson Hole market. Ideally, of course, the pairings would all be measuring from the peak of 2007. However, that would reduce the pairings to only one so we have encompassed a broader time-span. Eight comparisons are shown on the table following.

²⁷ Tract 3 sold in April 2008 for \$12,000,000, Tract 1 sold in just prior to auction in 2010 for \$12,100,000, and Tract 2 sold at auction in 2010 for \$3,300,000; totaling \$27,400,000.

MLS #	Address	Date of Sale	Sale Price	Size-Acres	Gross Change
10-18	8455 Henrys	Jun-10	\$800,000	21.20	
07-4510	8455 Henrys	Jan-08	\$1,600,000	21.20	-50%
12-444	3120 E. Wildhorse	Aug-12	\$253,050	14.89	
06-1075	3120 E. Wildhorse	Dec-06	\$680,000	14.89	-63%
12-1009	3875 W. Deer Trail	Sep-12	\$399,000	6.40	
07-1620	3875 W. Deer Trail	Jan-08	\$575,000	6.40	-31%
09-2146	9450 Avalanch	Jul-09	\$1,200,000	5.45	
Jun-55	9450 Avalanch	Sep-06	\$1,350,000	5.45	-11%
10-488	3700 Tucker	Feb-13	\$1,565,000	5.06	
05-1264	3700 Tucker	May-06	\$1,935,000	5.06	-19%
08-3610	4200 Bronco Road	Nov-09	\$550,000	4.99	
06-562	4200 Bronco Road	Nov-06	\$685,000	4.99	-20%
12-2533	1515 N Lower Ridge	Apr-13	\$1,285,000	3.76	
07-246	1515 N Lower Ridge	Jul-07	\$1,750,000	3.76	-27%
11-1409	10200 W Middle	Jan-12	\$550,000	3.00	
06-377	10200 W Middle	Jun-06	\$765,000	3.00	-28%

Several other pairings were considered for this portion of the analysis, but they were outside the date range of 2006 to 2007 to the beginning of 2013. The eight data-points show a drop in the market that ranges from 11% to 63% during this time period, with the highest indications from the two pairings with the most acreage. The average or mean of the data is -31%. The median observation is at -27.5%.

Because the matched pairs available in the Jackson area are using small properties, we have also analyzed larger property sale-resales covering a wider geographic area. With few exceptions, the first sale in each pairing took place in 2007 near the peak of the market. The exceptions are a few sales where the earlier sale took place in late 2006. A tabular summary of these pairings is on the following page.

State	County	Grant or	Grantee	Date	Price	Deeded Acres	\$/ Acre	Change
Colorado	Routt	Perry	Laufer	Jun-09	\$12,000,000	471.00	\$24,478	
		Perry	Perry	Jul-07	\$13,423,500	471.00	\$28,500	-11.00%
Idaho	Bingham	Harbor Lights	Pierce	Jul-09	\$430,000	230.36	\$1,867	
				Jan-07	\$480,000	230.36	\$2,084	-10.00%
Wyoming	Fremont	Big Bend	Hammond	Jul-09	\$600,000	272.50	\$2,202	
				Jan-07	\$700,000	272.50	\$2,569	-14.00%
	Sublette	Ranches	Wapika	Aug-10	\$5,700,000	1,784.00	\$3,195	
				Jan-07	\$7,100,000	1,784.00	\$3,980	-20.00%
Wyoming	Lincoln	Three Rivers	Defty	Dec-10	\$600,000	62.15	\$9,654	
				Sep-07	\$939,000	62.60	\$15,000	> -36%
Idaho	Madison	Tardif	Schwendiman	Dec-10	\$1,051,545	1,106.89	\$950	
				Jan-07	\$3,000,000	1,106.89	\$2,710	-65.00%
Idaho	Teton	BN Investments	Kirk	Dec-10	\$1,712,500	675.00	\$2,537	
				Oct-06	\$5,400,000	675.00	\$8,000	-68.00%
Idaho	Madison	Tardif	Schwendiman	Jan-11	\$2,606,300	1,563.00	\$1,667	
				Dec-06	\$7,200,000	1,563.00	\$4,607	-64.00%
Idaho	Bingham	Futures	FCF	Feb-11	\$750,000	150.34	\$4,989	
				May-07	\$1,700,000	150.34	\$11,308	-56.00%
Idaho	Madison	Fidelity Nat.	Walters	Mar-11	\$550,000	236.51	\$2,325	
				Jan-07	\$1,200,000	236.51	\$5,074	-54.00%
Montana	Madison	Rockview	Kennedy	Nov-11	\$6,750,000	1,718.88	\$3,927	
				Jan-07	\$7,450,000	1,718.88	\$4,334	-9.00%

The indications range from -9% to -68%. The mean of the indications is -37% and the median is -36%. The largest changes were mostly from the Teton Valley Idaho area where the speculation and subdivision that took place in the early to mid-2000s can aptly be described as extreme. The overall range of these larger sale comparisons tracks closely with the Jackson sale-resales using smaller sales, which is -11% to -63%.

The analyses of the local sales show a mean indicated change of -31% and a median of -27.5%. The mean and median indications from the comparisons using larger acreage sales located in other areas are -37% and -36%, respectively. Because most of the comparisons between larger acreage sales were made using Teton Valley Idaho area sales, we do not believe it is appropriate to place as much reliance on these indications. We have selected an adjustment of -30%, which lies between the mean and median of -31% and -27.5% indicated by the local sales. This is somewhat less than the mean and median indications of the larger sales, which we believe is appropriate because the preponderance of the larger acreage sales are located in the Teton Valley Idaho area.

We researched and analyzed sales in an attempt to identify pairings between sales that could be used to ascertain the market trend after 2007. Unfortunately, we were not able to find any such pairings. For this reason we have relied on our discussions with real estate agents regarding trends in market after the drop. Agent discussions did not suggest any notably increases in price until late 2012. For lack of comparative data, we have relied on the opinions of real estate agents.

Starting in late 2012, the market appeared to start gaining some strength, with the median sale price of vacant lots at \$575,000 in 2013 and rising to \$740,000 in 2014. Although the 2014 prices are showing strength compared to 2013, the market is still significantly below the price levels of 2006 (median sale price of \$912,000) and 2007 (median sale price of \$885,000). There is limited information available to measure the change in the Jackson Hole market from 2013 to the current date. Two comparisons from the local market area can be made.

Sale 28 sold in June 2012 for \$7,500,000. The property resold (Sale 41) in September 2014 for \$10,125,000. The overall difference is +35%. However, according to the agents involved with the sales some changes had been made to the property between the two sales. After the 2012 purchase, the owner was reported to have solidified the access arrangement (maintenance agreement with Forest Service), demolished old buildings and such things as a croquet court and pool, buried power lines, and built a new custom barn. In addition, the 2012 sale included personal property in the price of \$7,500,000 and the 2014 did not include personal property in the price. Because of the changes, the most reliable comparison can be made using the allocation to the land.

Sale	Date	Land Price/Ac.	Time Difference	Change
28	Jun-12	\$36,280	2.25 yrs.	+11.6%/yr.
41	Sep-14	\$46,494	27 mo.	+0.92%/mo.

Most of the change between the two properties is likely to be attributed to the addition of the barn. However, the price may have been impacted by the “clean up” work that was done. Furthermore, one of the agents involved in both sales expressed the opinion that the 2012 sale was a bit under market. The property had been on the market at unrealistically high prices and when the seller finally agreed to lower the price, the listing price he selected was lower than the agent recommended simply because he wanted to (at that point) sell the property quickly. Therefore, this pairing suggests the adjustment for market conditions should be something less than +0.92% per month.

A comparison between a recent confidential, pending sale can be made. The party providing the information reported the pending sale did not close because the buyers decided to buy a different property. In order to protect the confidentiality we are not able to provide details on this comparison. The indication of the comparison is +0.71% per month during the time frame of 2012 to 2014.

In looking at smaller sales, two sale-resales of the same property are analyzed to provide an indication of the change in the local market the past couple of years:

MLS #	Address	Date of Sale	Sale Price	Size-Acres	Months	Compound %/Mo. Change
14-329	5370 Mountain Shadow	Apr-14	\$1,500,000	7.92		
11-1280	5370 Mountain Shadow	Feb-13	\$1,325,000	7.92	14	0.89%
12-1306	175 Pines Edge	Aug-12	\$1,705,000	5.17		
11-1909	175 Pines Edge	Feb-12	\$1,650,000	5.17	6	0.55%

The two pairings show a range of change from 0.55% to 0.89% upward, compound per month. Note that the first pairing (measuring 2013 to 2014) shows +0.89% compared to the second pairing in 2012 at +0.55%. We believe this shows that although there may have been some increase in 2012, the market as a whole did not recognize the change until 2013. This was echoed by a real estate agent who was willing to offer a candid opinion about the current market conditions. He stated that the market has increased in the last two years, which would be from late 2012 to date.

In our opinion, the indication of +0.92% is likely too strong when considering the fact that there were some changes made after the first sale. On the other end of the range, the indication of +0.55% measures an earlier time frame in 2012 and prices likely were not increasing in early 2012. The bracket ranges from more than 0.55% to less than 0.92%, with a mid-point of 0.735%. We have decided to apply adjustments of +0.75% per month from January 2013 to the date of value.

Because of the need to include sales that took place over a long time period and the different changes that have taken place in the market during that time period, the application of the time adjustment is complicated. We will apply the following adjustments:

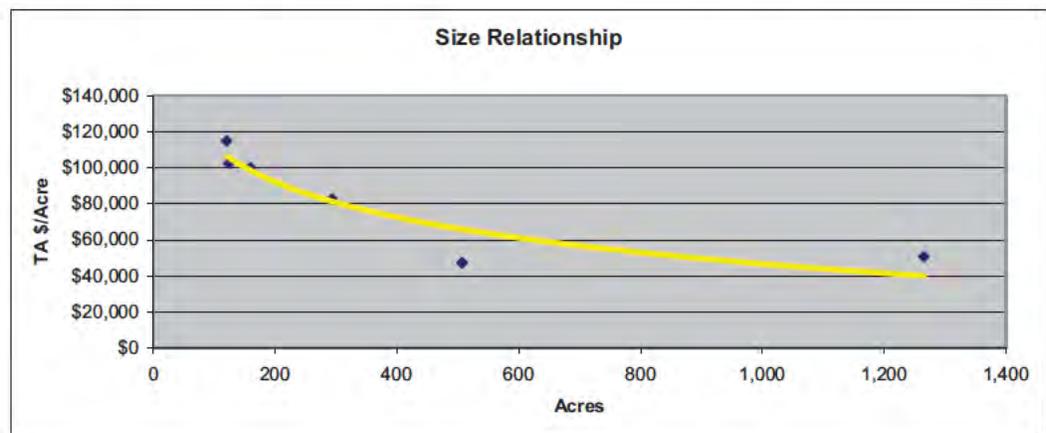
- +1.5% per month to June 2007 (through May) to sales that took place prior to June 2007;
- -30% to the sales that are time-adjusted to June 2007 and to the sales that took place from June 2007 through December 2009;
- +0.75% per month from January 2013 to the date of value.

Size:

The sales considered for this appraisal range from 100 to over 1,300 acres, with the subject parcel at 640 acres. In addition to size, the data varies significantly in water influence, buildings, conservation easements, etc. For this size analysis, we have trimmed the total dataset and have discarded those sales not in Jackson Hole proper, sales with significant water influence, sales where the building contribution was unknown, and sales where the sales price was unknown (only listing price available). The following sales remain in the dataset to measure the effect of size in this market.

Sale #	Acres	T/A \$/Acre
22	120	\$114,808
12	124	\$102,366
21	160	\$99,898
Confidential sale		\$82,534
19	507	\$47,304
20	1,265	\$50,692

The sales have been sorted by size and the \$/acre shown on the table is the time-adjusted price to the current date. Sales 19 and 20 are low in relationship to the balance of the data, but it must be noted that in addition to the size differences, these sales are encumbered with conservation easements. Graphically, the data shows the following relationship:

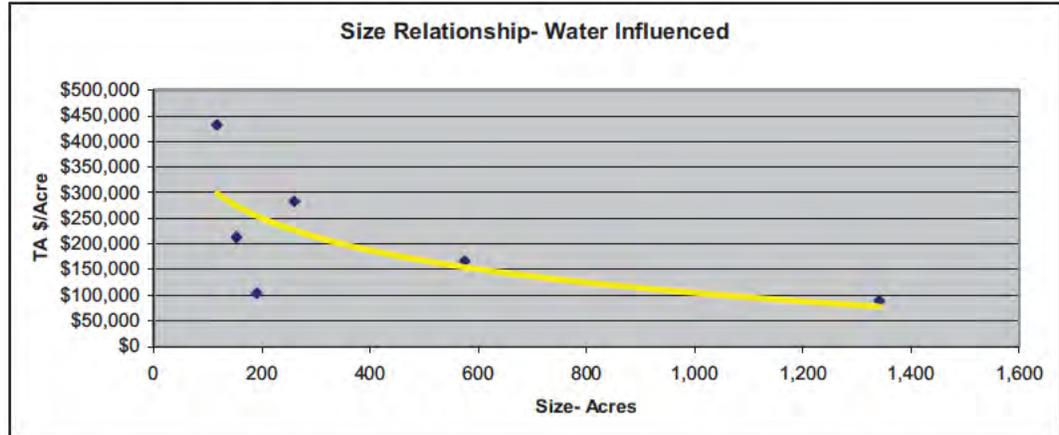


The dataset indicates that as the size of the property increases, the price per acre decreases. Note that there are outliers both above and below the trend line. Obviously not all the differences between these sales are explained by size. If the conservation easement sales are excluded, none of the data is close in size to the subject at 640 acres. The data does show that between 120 and 294 acres, sale price declines as the size of the property increases. However, individual pairings are not possible due to the lack of non-easement encumbered sales near the subject size.

We next looked at water-influenced data within this market, refining the dataset similar to that done on the data not influenced by water. The sales used in the analysis follow:

Sale #	Acres	TA \$/Acre
7	117	\$432,134
8	153	\$213,007
31	191	\$103,680
2	260	\$282,921
17	575	\$166,369
13	1,341	\$89,183

This set of data also shows a general relationship between size and time-adjusted prices. The data is displayed graphically on the chart following:



Although this dataset contains one sale near the subject size, we are reluctant to provide any individual pairings as we are unaware if size relationships between two data points of highly desirable water properties would be similar to non-water properties. However, the data shows the same overall relationship between size and time-adjusted price per acre.

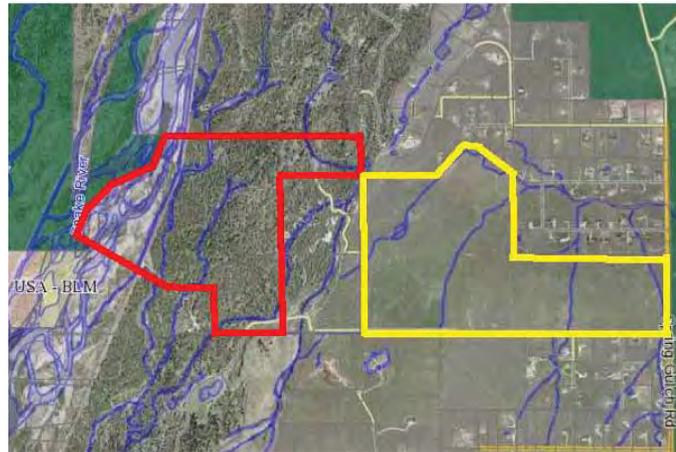
In our opinion, the analysis is not refined enough to ascertain quantitative adjustments for size. However, it does provide support for the generally-accepted notion that there is an inverse relationship between size and price per acre. We will use qualitative adjustments to account for differences in size. Negative adjustments will be applied to sales that are significantly smaller than the subject and positive adjustments will be applied to sales that are significantly larger than the subject.

Live Water:

The subject does not have river or significant creek frontage. However, sales with water frontage are used in comparison to the subject property. We have analyzed sales to ascertain the impact on price for location on a river or a significant creek.

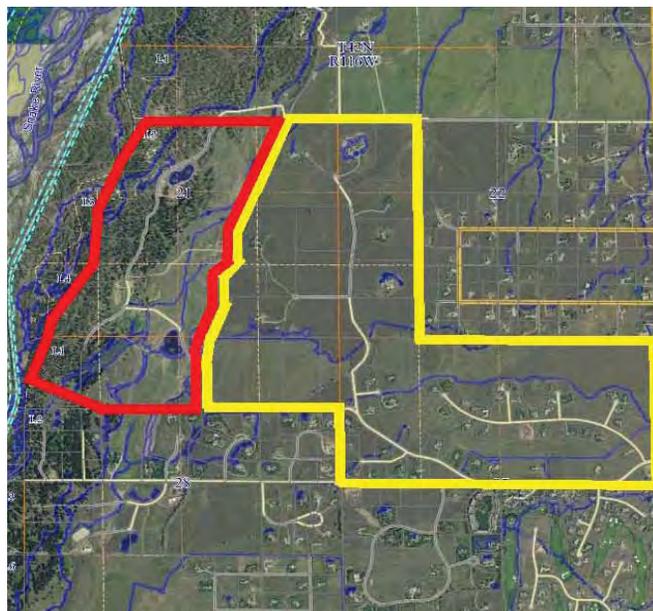
The first pairing uses a confidential sale. In order to protect the confidentiality, we have only provided the most basic of information. The sales are similar to one another in most respects, but one sale has river frontage and one does not. The difference indicated by the comparison is -22%, with the adjustment applied to the sale that has water frontage. However, the sale that lacks river frontage does have spring creek frontage. Therefore, this comparison likely indicates an adjustment more than -22%.

The next pairing uses sales located north of Jackson, just west of the airport. Sale A has Snake River frontage (outlined in red) and Sale B (outlined in yellow) corners on Sale A, but lacks water frontage.



Sale A has an address of 525 West Zenith Road and sold in August 2005 for \$19,900,000, which is \$94,425 per acre for the 210.75 acres. The property fronts along the Snake River with the associated riparian bottoms. It also has spring creeks and Teton Mountain views. The property was encumbered with a conservation easement that permits two homesites. Sale B has an address of 505 East Zenith Road and sold for \$6,000,000 or \$23,715 per acre for the 253 acres. The date of sale was March 2005. This is an upland parcel that lacks the river frontage. It has Teton views and is encumbered with a conservation easement that permits two homesites. The two sales took place at a time frame when the market was increasing so a time adjustment of +1.5% per month is applied to Sale B to bring it to the date of Sale A. This results in an adjusted price of \$25,548 per acre. The difference indicated by the pairing is -73%.

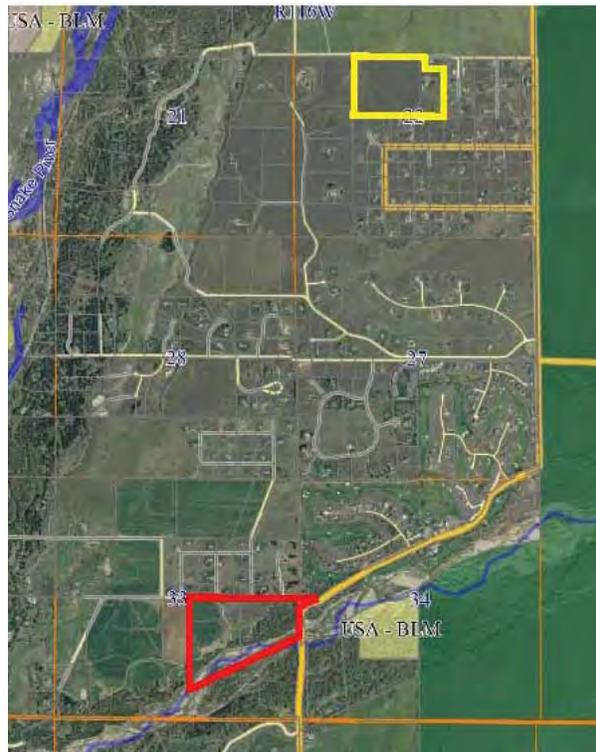
The next pairing uses two sales located north of Jackson, west of Gros Ventre Junction. Sale C has Snake River frontage (outlined in red) and Sale D (outlined in yellow) does not have river frontage.



Sale C straddles both sides of Linger Longer Drive and sold in July 1987 for \$4,500,000, which is \$10,858 per acre for the 414.45 acres. The sale included buildings estimated to contribute \$100,000 at the time of sale. The allocation to the land was \$10,616 per acre. The property fronts along the Snake River with the associated riparian bottoms. It also has Teton Mountain views. Sale D is the site of the Bar B Bar Meadows subdivision, located west of Spring Gulch Road. The property sold for \$2,500,000 or \$3,831 per acre for the 652.5 acres. The date of sale was December 1986. This is an upland parcel that lacks the river frontage. It has Teton views. The two sales took place within seven months of one another and the market at that time was stable to moving lower.

The sale without the river frontage sold for 65% less than the sale with river frontage, or 64% less if the allocation to the land is used on Sale C instead of the total purchase price. If the market was moving lower during the time span of the sales, the comparison would indicate an adjustment more than the indications. However, the difference would not be very significant.

The next pairing also uses sales located north of Jackson. One sale is northwest of Gros Ventre Junction and the other is southwest of Gros Ventre Junction. Sale E has Gros Ventre River frontage (outlined in red) and Sale F (outlined in yellow) does not have river frontage.



Sale E is located at the intersection of Kings Highway and Spring Gulch Road. It sold in September 1996 for \$2,900,000, which is \$34,982 per acre for the 82.9 acres. The property fronts along the Gros Ventre River and has Teton Mountain

views. Sale F is located about two miles north of Sale E at about 550 East Zenith Drive. The property sold for \$1,140,000 or \$20,000 per acre for the 57 acres. The date of sale was July 1995. This property does not have the river frontage, but does have Teton views. The two sales took place within just over a year of one another. The sale without the river frontage sold for 42% less than the sale with river frontage.

We have also analyzed sales in Bar BC Ranch, which is located northwest of Jackson and southwest of Gros Ventre Junction. The development is located at the confluence of the Snake and Gros Ventre Rivers and has homesites both on and off the rivers. Two sales of tracts located on the river (outlined in red) are compared to five sales of tracts off the river (outlined in yellow).



The table following displays the comparisons.

Tract	Date	Price	Acres	River	Difference
Bar BC 1	Dec-11	\$9,100,000	41	Gros Ventre	
Bar BC 6	Jun-11	\$7,800,000	35.16	No	-14%
Bar BC 7	Dec-10	\$5,800,000	35.2	No	-36%
Bar BC 11	Jun-12	\$6,000,000	35.58	No	-34%
Bar BC 13	Apr-12	\$6,000,000	44.43	No	-34%
Bar BC 14	Apr-12	\$6,000,000	53	No	-34%
Bar BC 2	Aug-11	\$9,000,000	41.1	Gros Ventre	
Bar BC 6	Jun-11	\$7,800,000	35.16	No	-13%
Bar BC 7	Dec-10	\$5,800,000	35.2	No	-35%
Bar BC 11	Jun-12	\$6,000,000	35.58	No	-33%
Bar BC 13	Apr-12	\$6,000,000	44.43	No	-33%
Bar BC 14	Apr-12	\$6,000,000	53	No	-33%

In comparison to Tracts 1 and 2, which are on the river, the other sales sold for 13% to 36% less. Tract 6 showed the smallest difference—only -13% and -14%. This tract has the building area on the highest point in the development, which would give it superior views. This likely was a positive factor in its price. The other differences are from -33% to -36%. The differences evident in the Bar BC comparisons are notably less than the other comparisons. However, the owners of the tracts that are not located on the river have access to the river with a foot trail running through Tracts 1 and 2 along the river. Therefore, it is logical that the difference shown by these comparisons would be less than the other comparisons. In our opinion, these comparisons simply set a lower limit for a river adjustment in this market area.

The comparisons made provide the following range of possible adjustments.

>-22%
>-33% to -36%
-42%
-64% or 65%
-73%

We have selected an adjustment that is near the middle of the range of -42% to -73%. We have applied adjustments of -55% to Sales 13 and 31, which have river frontage. Sale 41 has frontage on Fall Creek and in our opinion, this creek would have an influence on price, but it would be less than that of the Snake or Gros Ventre Rivers. We will apply an adjustment of -25% to Sale 41. Sale 24 does not have river frontage, but the development in which the sale land is located—Crescent H—is along the Snake River and the property owners in Crescent H have the right to access the Snake River frontage in the development. To account for this we have also applied a -25% adjustment to Sale 24. Sale 42 is a confidential sale and in order to maintain the confidentiality we have not discussed any details of this sale. It has a water feature and we have applied a -25% adjustment to this sale. Some of the other sales have small creeks, ponds, irrigation ditches, wetlands, etc. We have not applied adjustments, but will consider these differences in the selection of value from within the range of indications.

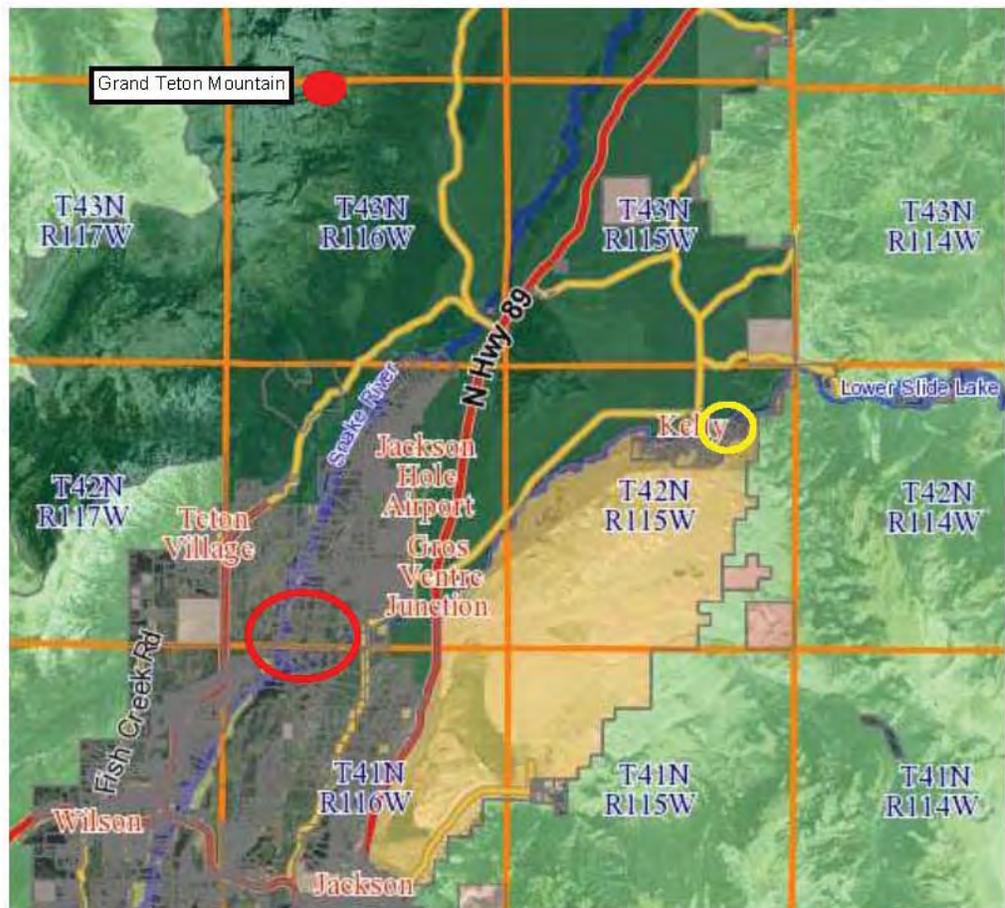
Because of the somewhat wide variation in the indications from the matched pairs, we have also done an analysis using qualitative adjustments. In that analysis two negatives are applied to Sales 13 and 31 for water frontage. Single negative adjustments are applied to Sales 41 and 42 and also Sale 24.

View/Location: The Teton views from the subject are above average for the Jackson Hole area due to the subject's location in the northern part of the market area. Generally, the further one moves north from Jackson, the better the view of the Tetons. Increased elevation above the valley floor and the areas that lack significant tree cover also add to the view component. There is simply not enough data in the sales used in direct comparison to abstract a "view" adjustment. There is one

marginal analysis of larger tracts in the area that can be used to consider differences in view. An overview of the sales used in this analysis follows.

Sale #	Location	Date	Acres	\$/Acre	Buildings	Water
14	Kelly	10/04	150.79	\$165,033	Yes	Gros Ventre
17	SW of Airport	8/05	574.85	\$165,261	Yes	Snake
82	SW of Airport	10/04	41.10	\$243,309	No	Gros Ventre
80	SW of Airport	10/04	51.50	\$200,971	No	Gros Ventre
77	SW of Airport	5/04	36.00	\$277,778	No	Gros Ventre

A general map following shows the location of the sales, with Sale 14 at the yellow circle, and the four sales southwest of the airport generally within the red circle. The subject is located northeasterly from Kelly in T43N, R115W.



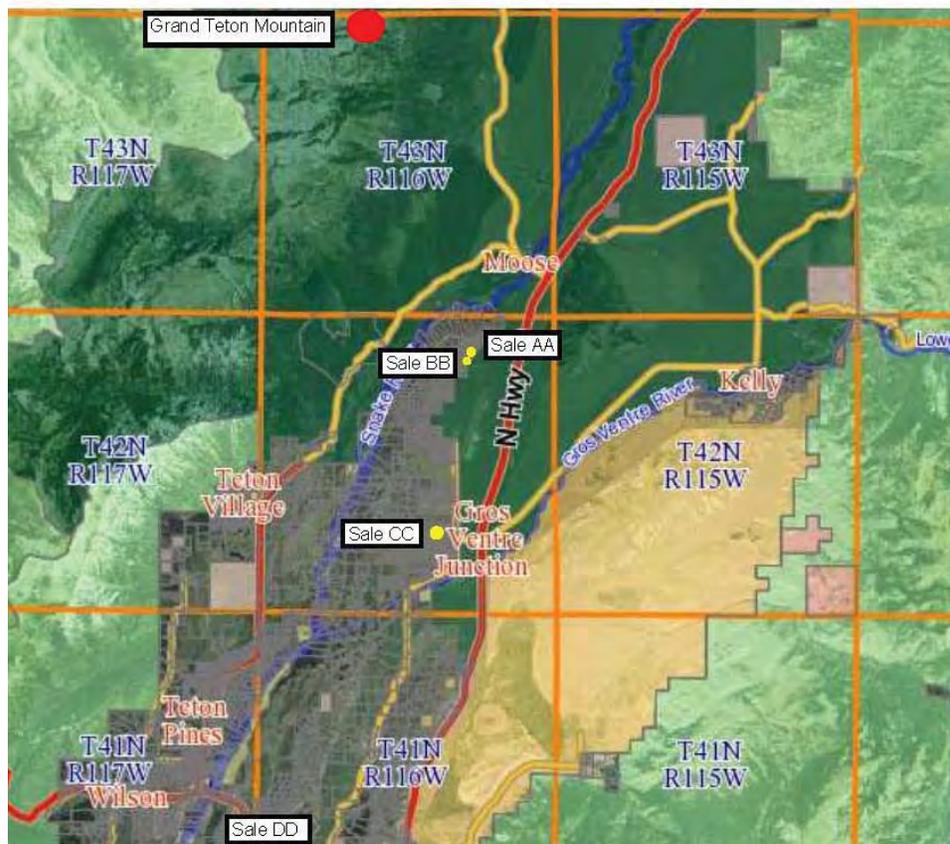
The sale at Kelly would have views similar to the subject and superior to the sales southwest of the airport. The Kelly sale is directly across the Gros Ventre River from GTNP and is bordered on 3+ sides by the National Elk Refuge. None of the sales south of the airport have any public land boundary.

Sales 14 and 17 shows very little difference in price. However, Sale 17 is over three times larger than Sale 14 and its location on the Snake River is not felt to

offset the difference. The remaining sales southwest of the airport show a range of \$200,971 to \$277,778 per acre compared to Sale 14 at \$165,033 per acre. Again there are size differentials, but outward appearances show no premium for proximity to Grand Teton National Park and a superior view. In fact, one could argue that the Kelly location is not as desirable as something southwest of the airport.

Given the lack of larger sales to pair, we have relied on smaller sales in the market area to analyze this element of comparison. Limited current data is available due to the slow-down in the market so we have gone back in time to obtain sufficient data for analysis. The sales used are as close in size and date as possible, and we also considered differences in terrain and vegetative when selecting the sales for comparison.

The sales in the first set range in location from the South Meadow Subdivision about one mile southwest of Moose, to the Skyline Ranch Subdivision west of Jackson. All of the sales have Teton views, with closer views on the northernmost sales, and increasing distance the farther south one moves. The map following depicts the general location of the sales, and again, the subject is located in T43N, R115W.

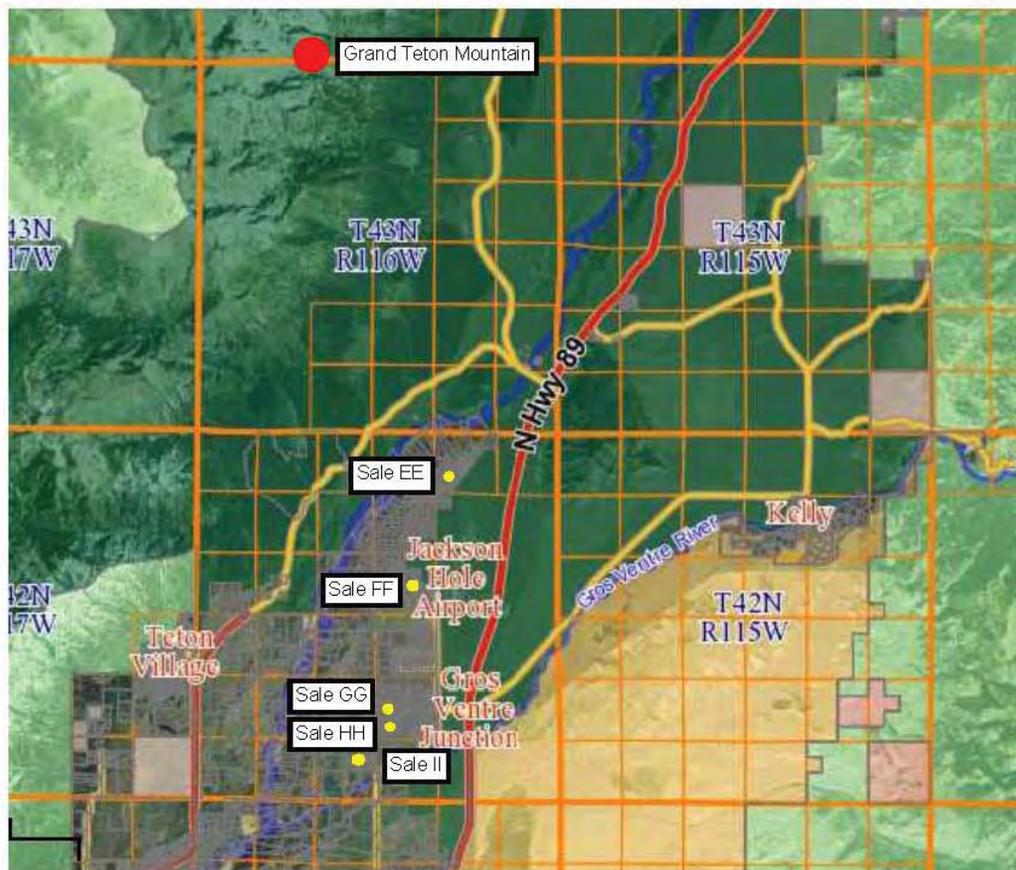


The pertinent details of the sales follow:

Sale	Location	Date	Price	Acres	\$/Acre
AA	10150 N. Meadow	6/05	\$707,500	3.00	\$235,833
BB	1105 S. Meadow	7/05	\$722,500	3.04	\$237,664
CC	6590 Ryegrass	7/05	\$725,000	3.00	\$241,667
DD	200 N. Westbridge	8/05	\$897,750	3.10	\$289,597

It became obvious to us that the sales noted above have at least two major variables—the view component and the location component. The further one moves south, the Teton view tends to decrease, but conversely, the further one moves south, the closer one is to the Town of Jackson. The first three sales are all generally north of Gros Ventre Junction and any inferior view tends to be offset by closer proximity to Jackson. In other words, there appears to be a fairly even balance between view and location nearer Jackson. Sale DD does not fit this pattern, and sold for significantly more than the first three sales. Sale DD is within two miles of the Town of Jackson, suggesting that nearer the town center area, location is more important in this market than overall view of the Tetons.

A second set of data was also researched. Sale EE is about two miles southwest of Moose, Sale JJ is roughly 1.50 miles southwest of Gros Ventre Junction, and the other sales are between these two sales. A map showing the location of the sales follows.

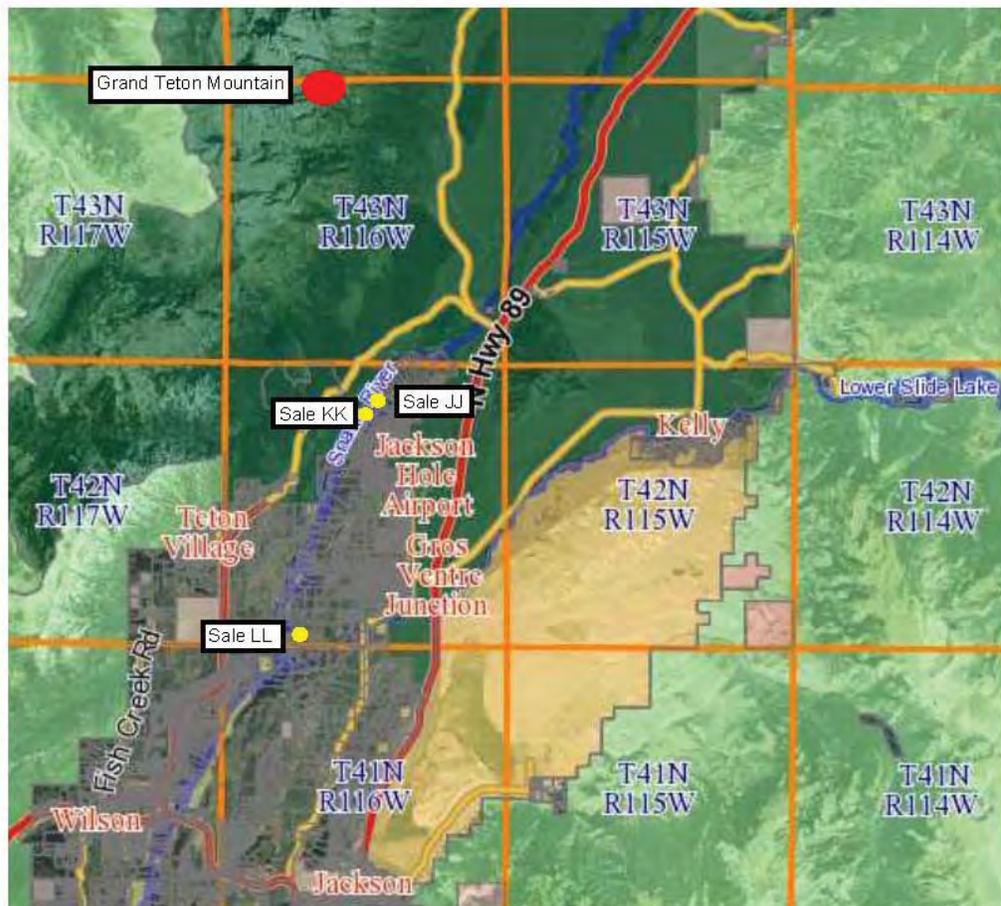


Details of the sales used in these comparisons follow:

Sale	Location	Date	Price	Acres	\$/Acre
EE	10200 W. Meadow	1/12	\$550,000	3.00	\$183,333
FF	475 E. Trap Club	6/12	\$540,000	3.09	\$174,757
GG	75 Huckleberry	5/13	\$749,000	3.12	\$240,064
HH	125 Huckleberry	1/11	\$840,000	3.01	\$279,070
II	5675 N. Stone Cr.	8/13	\$826,000	3.46	\$238,728

It is readily obvious that as one moves south from Moose, prices tend to increase, with Sale EE just south of Moose showing \$550,000, and sales south of Gros Ventre Junction showing the range of \$749,000 to \$840,000, or a premium to the southern sales of 36% to 53%. The superior views in the northern end of the neighborhood do not offset the location closer to the Town of Jackson. Location appears to be much more important than the view component.

Pairings were also made using three older, but larger sales. One sale is just south of Moose and two are located south and west of Gros Ventre Junction. A location map of these sales follows:



Details of the sales used in the pairings follow:

Sale	Location	Date	Price	Acres	\$/Acre	Water
JJ	70 W. Avalanche	3/99	\$3,000,000	42.57	\$70,472	Snake Riv
KK	80 W. Avalanche	9/99	\$3,300,000	42.51	\$77,629	Snake Riv
LL	5170 N. Prince	3/99	\$5,000,000	40.21	\$124,347	Sprg Crks

Sales JJ and KK are about three miles southwest of Moose, with Sale LL roughly three miles southwest of Gros Ventre Junction. The sales prices increase the farther south one goes in the neighborhood. Even though Sale LL had two spring creeks rather than direct Snake River frontage, it sold for 52 to 67% (total price basis) more than the two sales farther north on the Snake River. The comparisons also suggest that location closer to Jackson is more important than the view component in this market.

We have also considered some additional information we have observed over the years from Buffalo Valley. Buffalo Valley is located in Teton County about 12 airmiles northeast of the subject property. The Tetons are nearly due west of Buffalo Valley. Many properties in Buffalo Valley have excellent Teton views. However, all other things being similar, property in Buffalo Valley has historically brought prices noticeably lower than those closer to Jackson. This supports our observation from the previous pairings that location nearer Jackson is as important as or perhaps even more important than Teton views.

Sales 13, 19, 20, 24, 25, 31, 35, L-46 and L-47 have Teton views that are inferior to the subject. Conversely, they are located nearer to the town of Jackson. Based on the pairings we have made that suggest view and location are offsetting, we have not applied adjustments to these sales. Sale 41 is located southwest of Jackson along Fall Creek Road. This sale lacks the Teton views of the subject and it also lacks close proximity to Jackson. Because the sale lacks both Teton views and closer proximity to Jackson, we will apply two positives to this sale. Sale 42 is a confidential transaction. In order to protect the confidentiality, we have not disclosed any information on the property except the time-adjusted price. Two positives are applied to this sale.

**Nat'l Park/Public
Land Boundary:**

The subject property is an inholding in Grand Teton National Park (GTNP) and we have researched the local market to ascertain the impact on price of location within or adjacent to GTNP. We first researched sales of properties that are inholdings or shared a common boundary with GTNP or National Forest. We then researched sales that are physically similar except that they do not border GTNP or National Forest. Using the best available data, we used sales that sold as close together as possible in time, and sales that were actually adjacent to each other when available.

Using the available large acreage sales, we found three sales that could be used in matched pair analyses. Sale 31, used in direct comparison to the subject, adjoins

GTNP, BLM and conservation easement-encumbered land. Sale 21 adjoins National Forest on the west and conservation easement-encumbered land on the north. Sale 22 does not adjoin any public land or conservation easement-encumbered land. The sales are shown on the map following. The sales that border public land are outlined in red and the one that does not border public land is outlined in yellow. Note that at the time of purchase, Sale 21 did not border conservation easement-encumbered land on the east and a portion of Sale 22 was encumbered with a conservation easement after the purchase.



Unfortunately, the sales took place over the course of several years. Therefore, the older sales are time-adjusted to the date of the newest sale.

Sale	22	21	31
Date of Sale	Feb-07	Oct-06	Dec-12
Size-Acres	120.00	159.56	190.51
Sales Price	\$15,500,000	\$17,150,000	\$17,000,000
Building CV	\$0	\$0	\$250,000
Land contribution	\$15,500,000	\$17,150,000	\$16,750,000
Land per acre	\$129,167	\$107,483	\$87,922
Rights conveyed			
Conditions			
Financing			
Mo to 6/07	4	8	
Time adjustment			
Adjusted price	\$137,093	\$121,079	\$87,922
Lump sum adj.	-\$41,128	-\$36,324	
Adjusted price	\$95,965	\$84,755	\$87,922

The time adjusted price of Sale 22, which lacks adjacency to public land, is higher than the other two sales. In comparison to Sale 31, the difference is \$8,043 per acre, and the sale without adjacency to public land has a time-adjusted price 8% more than the sale that is adjacent to GTNP. These two sales are within less than ½ mile of one another.

A similar indication is provided by comparing Sales 21 and 22. The sale without adjacency to public land has a higher time-adjusted price. The difference is 12%. As is frequently the case, there are other differences between the sales. Sale 31 adjoins the Gros Ventre River and has some tree cover. Sale 21 has tree cover and has a “west bank” (of the Snake River) location that is generally viewed as a more favorable location. If anything, these additional differences would have a positive impact on Sales 21 and 31; again, not suggesting a positive adjustment for adjacency to GTNP or National Forest.

Because we were only able to abstract two indications from larger sales, we have also compared smaller acreage properties to analyze the impact of adjacency to GTNP and/or National Forest.

The first pairing of smaller sales is situated about 2.5 miles south of Moose in the Solitude Subdivision. Sale A (outlined in red) is adjacent to GTNP and Sale B (outlined in yellow) is adjacent to Sale A, but does not share a common boundary with GTNP.



Sale A is at 1000 East Solitude Drive and sold in June 2006 for \$1,000,000. With five acres, this is \$200,000 per acre. The property has no water influence, but borders GTNP for roughly 545 feet. The sale features above average views of the Tetons as it is on a bench. Sale B sold in January 2006 for \$925,000 and encompasses 5.45 acres, or \$169,725 per acre. The sale is at 9450 Avalanche Canyon Drive. There is an irrigation ditch that bisects the sale and the views of the Tetons are above average.

On an overall basis, there is a \$75,000 difference, or 8% premium to the sale with common GTNP boundary. On a per-acre basis, the difference is \$30,275 per acre, or a premium of 18% to the sale with GTNP common boundary.

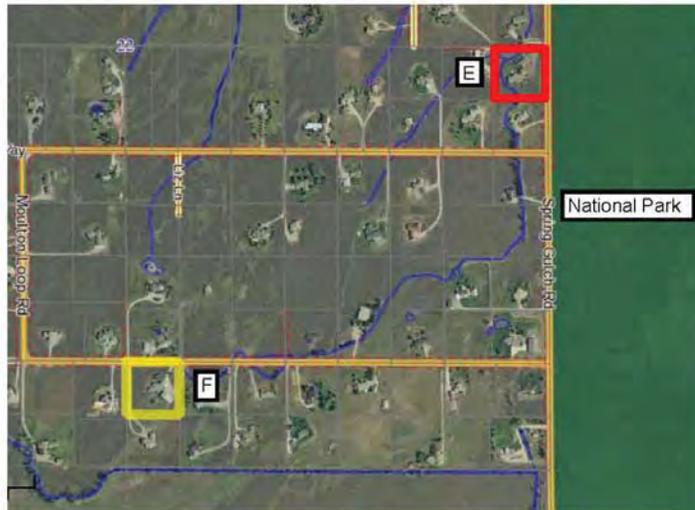
The next pairing is situated generally west of the Jackson Hole Airport and about 3.50 miles southwest of Moose. Sale C is adjacent to Grand Teton National Park, and Sale D is roughly 340 feet west of GTNP.



Sale C is at 8510 North Centennial and sold in May 1998 for \$189,900. The sale encompasses three acres, reflecting \$63,300 per acre. The site is level and there are average views of the Tetons from the site. The sale has roughly 360 feet of common boundary with GTNP. Sale D is at 8605 North Centennial and is kitty-corner to Sale C. The property sold in March 1998 for \$185,000 and also has three acres. The sale reflects \$61,667 per acre and has level terrain and average Teton Views.

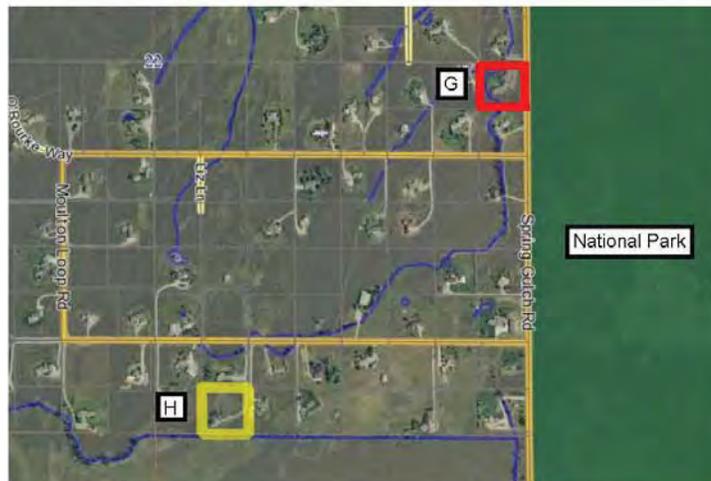
There is \$4,900 or 3% premium shown for common boundary with GTNP on an overall basis. The per acre difference is \$1,633, which is also a premium of 3% for common boundary with GTNP.

The next pairing is southwest of the airport in the Moulton Loop area, roughly seven miles southwest of Moose. Sale E is across Spring Gulch Road from the GTNP, and Sale F is roughly 2,300 feet westerly of the GTNP boundary.



Sale E at 7455 North Spring Gulch Road and closed in December 1998 for \$150,000, or \$56,180 per acre. The 2.67-acre parcel has level terrain and average views of the Tetons. There are some cottonwood trees on the tract and the sale has an irrigation ditch bisecting it. The property has GTNP directly across Spring Gulch Road. Sale F, at 400 Moulton Loop, closed in August 1998 for \$195,000 or \$76,772 per acre for 2.54 acres. The sale is level with no tree cover and has some ditch influence in the northeast corner. Teton views are average from the tract. The pairing indicates a discount for GTNP boundary, with Sale E selling for \$45,000 or 23% less on a gross basis, and 27% less on a per acre basis.

The next pairing is also in the Moulton Loop area. Sale G is across the street from GTNP, and Sale H is roughly 2,000 feet westerly from the GTNP boundary.



Sale G closed in June 2005 for \$439,000 which reflects \$164,419 per acre for the 2.67-acre parcel. Terrain is nearly level, an irrigation ditch bisects the parcel and there are a few trees. The sale is directly across the road from GTNP. Sale H sold

for \$460,000 in March 2005 for 2.54 acres, or \$181,102 per acre. Terrain is nearly level and the site has average views of the Tetons. There is an irrigation ditch on the south end of the sale. The pairing indicates a discount for GTNP boundary, with Sale G selling for \$21,000 or 5% less on a gross basis, and 9% less on a per acre basis.

The next pairing uses an inholding in GTNP west of the National Elk Refuge, roughly four miles northeast of Jackson. There are limited non-GTNP influenced sales the size of the property in the area of Sale I, thus we used a sale located north of Sale I.



Sale I is an inholding in GTNP at 1135 Nichol and borders GTNP on three sides, with the north boundary bordering private land. The property has 1.67 acres and sold in August 2014 for \$765,000 after being on the market for 467 days. Terrain is gently rolling and views of the Elk Refuge and Tetons are average for this area. The sale reflects \$458,084 per acre. Sale J, at 500 East Oatgrass Road, has no common public land boundary and sold in April 2014 for \$750,000. The 1.75-acre property reflects \$428,571 per acre. The tract has nearly level terrain and average views of the Tetons.

On a gross basis, the pairing indicates a difference of \$15,000, or a premium to the sale with common GTNP boundary of 2%. On a per-acre basis, the difference is \$29,513, or a premium to the sale with common GTNP boundary of 7%.

The next pairing uses sales in the Solitude area, roughly 2.5 miles south of Moose. Sale K borders GTNP and Sale L is about 1,800 feet west of the GTNP boundary.



Sale K is at 9500 North Avalanche Canyon and sold in December 1997 for \$330,000. The 5.78-acre parcel shows \$57,093 per acre, has level terrain and a ditch bisecting it. Vegetation is sage and native grasses. There are above average views of the Tetons from the tract. Sale L, at 550 East Phelps, is a 5.20 acre parcel that sold in October 1997. The property sold for \$305,000, or \$58,654 per acre. Terrain is level and vegetation is a mix of sage and native grasses. An irrigation ditch bisects the sale, and the property has above average views of the Tetons.

There is a difference of \$25,000 on a gross basis, showing a premium for GTNP boundary of 8%. The per acre difference is \$1,561, with the sale bordering GTNP indicating a 3% discount (-3%).

The next pairing uses sales situated roughly three miles southwest of Moose. Sale M borders GTNP and Sale N is about 820 feet west of GTNP.



Sale M, at 487 Trap Club, closed October 10, 2014 for \$700,000. The 2.50-acre parcel has level terrain and sage-grass vegetation. Views of the Tetons are above average for the area. This sale reflects \$280,000 per acre. Sale N is northwest of Sale M on Reed Drive and closed in September 2013 for \$895,000. Terrain is level and vegetative cover consists of sage and native grasses. Views of the Tetons from the sale are above average. Sale N consists of 3.51 acres and reflects \$254,986 per acre.

On a gross basis, there is \$195,000 with the pairing showing a discount for GTNP boundary of -22%. The difference on a per-acre basis is \$25,014 or 10% premium to Sale M that borders GTNP.

We are aware of and considered a 0.17-acre sale within the Kelly Townsite. The sale closed in October 2014 for \$350,000. The tract borders GTNP on its east and west boundaries, and is across an alley from GTNP to the north. The size of the sale does not conform to Teton County Zoning, thus there are no reliable sales to pair with this indication. There are some sales in the Town of Jackson within the size range of 0.17 to 0.19 acres in 2013-14 that sold for \$312,500 to \$432,000, but all of these sales have access to city water and sewer, unlike the Kelly sale. Thus, no pairings were made due to this difference. In addition, the effect of GTNP boundary on a parcel this small may not replicate the subject situation

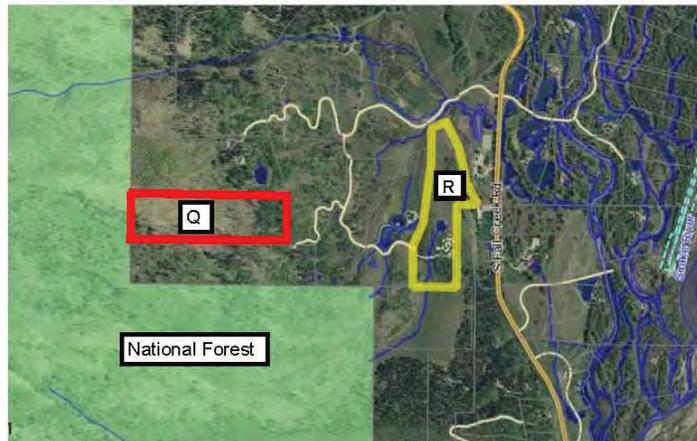
We next researched the market south of Jackson in the Game Creek area with the sales used roughly eight miles southeast of Jackson. Sale O, at 7475 South Squaw Creek Road, borders National Forest on the south, and Sale P, at 1825 East McKean Dugway, has no public land boundary.



Sale O closed in December 2013 for \$320,000. With 6.20 acres, the sale reflects \$51,613 per acre. Terrain is rolling and there are very minor Teton views from the sale. Sale P is a short distance north and closed in April 2014. The sales price was \$265,000 for 5.62 acres, or \$47,153 per acre. The sale has rolling terrain and slightly better Teton views compared to Sale P.

On a gross basis, the difference is \$55,000 or a 21% premium to the sale with forest boundary. The per-acre difference is \$4,460, or a 10% premium to the sale with forest boundary.

We also looked at the area south of Wilson and next to National Forest. Both sales used in the next pairing are in the Crescent H development,²⁸ which is about two miles south of Wilson. Sale Q borders National Forest while Sale R is about 570 feet east of the National Forest boundary.



Sale Q is at 9985 West Salmon Fly Drive (Tract 5 of Crescent H) and sold in December 1999²⁹ for \$3,400,000. The 48.47-acre parcel shows \$70,146 per acre. The sale borders National Forest on the west with rolling topography and scattered trees. The sale has access to all of the Crescent H Ranch amenities (fishing, use of lodge, horse back riding, etc.) Sale R is east of Sale Q at 1890 Stonefly Drive and has rolling terrain and fewer trees than Sale Q. The sale closed in October 1999 for \$5,000,000, or \$142,450 per acre for the 35.10 acres. The Teton views from Sale R are superior compared to those from Sale Q.

The sale next to National Forest (Sale Q) sold for \$1,600,000 less than the sale that did not border National Forest (Sale R). This amounts to a discount to Sale Q of 32% on a gross basis. On a per-acre analysis, the difference is 51% discount to the sale that borders National Forest. The difference in views may explain some of the difference in the two sales.

The next pairing is also in the Crescent H development, with both sales occurring after the July 2001 forest fire in this area. Sale S borders National Forest for a short distance, while adjacent Sale T has no forest boundary.

²⁸ We also considered more recent sales in the development, with the last sale occurring in 2014, the next in 2006, thus we were unable to pair the more current data.

²⁹ This was prior to the forest fire in the Crescent H area in July 2001.



Sale S is at 1880 South Stonefly Drive and sold in January 2004 for \$3,990,000. The sale has 35 acres and reflects \$114,000 per acre. The property has rolling terrain, water influence and scattered trees. There are average views of the Tetons from this site. Sale T is immediately adjacent to Sale S and closed in March 2004. The site has level to rolling terrain and some scattered trees. The selling price was \$3,750,000 for 35.10 acres, or \$106,838 per acre. Views of the Tetons are average and generally similar to Sale S.

The gross difference is \$240,000, or a premium of 6% to Sale S, which adjoins National Forest. The difference in price per acre is \$7,162, or a premium to Sale S of 7%

We next researched northern Teton County in the Pacific Creek area, Lost Creek area and Buffalo Valley sub-markets. Little data was found due to age and size differentials. The only pairing found in these areas is in Buffalo Valley north of the subject property and roughly 22 miles northeast of Moose. Sale U borders National Forest on its south boundary and Sale V is in close proximity, but does not border National Forest.



Sale U sold in February 2006 for \$850,000, or \$146,299 per acre for the 5.81 acres. The address is 27545 North Buffalo Fork Road. The terrain is nearly level and the sale has some wet areas from old ox-bows of the Buffalo River. Access is from a gravel subdivision road. Sale V, at 21820 Buffalo Valley Road, sold in March 2007 and is adjacent to the Buffalo Valley Road. The sales price was \$610,000 for 5.23 acres, reflecting \$116,635 per acre. Terrain is nearly level on this sale.

On a gross basis, the difference is \$240,000 or a premium of 39% to Sale U. The per acre difference is \$29,664, or a premium of 25% to Sale U. The water influence on Sale U likely affects the overall premium to Sale U in a positive manner so all of the difference cannot reasonably be attributed to adjacency to National Forest.

A more recent pairing was researched south of Jackson in the Little Horsethief area. Sale X borders National Forest and Sale W, which is adjacent to Sale X, has no public land boundary.



Sale W, at 4300 South Little Horsethief Lane, closed in October 2014 for \$320,000. The 3.02-acre parcel reflects \$105,960 per acre and has access from a private road. Terrain is nearly level and vegetation is mostly sage-grass. Sale X is directly north of Sale W and also closed in October 2014 for \$345,000. The 3.05-acre parcel has level terrain and sage-grass for vegetative cover. A small ephemeral stream crosses Sale X. Sale X sold for \$113,115 per acre.

On a gross basis, the difference is \$25,000 or a premium to Sale X of 8%. The per acre difference is \$7,155, or a premium to Sale X of 7%.

The pairings are summarized below:

Sales	Date	Park/Forest	Diff. Overall	Diff. Per Acre
22 & 31	2007, 2012	Park	N/A	-8%
22 & 21	2007, 2006	Forest	N/A	-12%
A & B√	2006	Park	8%	18%
C & D√	1998	Park	3%	3%
E & F	1998	Park	-23%	-27%
G & H	2005	Park	-5%	-9%
I & J	2014	Park	2%	7%
K & L√	1997	Park	8%	-3%
M & N	2013, 2014	Park	-22%	10%
O & P	2013, 2014	Forest	21%	10%
Q & R	1999	Forest	-32%	-51%
S & T	2004	Forest	6%	7%
U & V	2006, 2007	Forest	39%	25%
W & X	2014	Forest	8%	7%
		Mean	1.08%	-1.64%
		Median	4.50%	5.00%

The sales used for quantifying an adjustment for bordering GTNP show a wide range of -32% to +39% on a gross basis, and -51% to +25% from the per-acre analysis. The date range is also quite wide, with sales used from the period of 1998 to 2014. The pairings where both properties are either adjacent or corner on each other are shaded in yellow. Generally, adjacency makes for higher comparability. Also note that these yellow shaded transactions all have paired sales that occurred in the same year. The pairings that have a √ are those in closest proximity to the property appraised—all three within eight miles southwest the subject. We believe the above data tends to indicate that bordering National Park or National Forest does contribute to overall value, but at a fairly low rate.

On a gross basis, the sales shaded in yellow indicate a premium ranging from 3% to 8%, with the two most recent pairings showing 8%. On a per acre basis, the range is much larger at 3% to 18%, with the two most recent transactions indicating 7 to 18%. The pairings with √ show a 3% to 8% premium on a gross basis, and -3% to 18% on a per acre basis. The two comparisons using larger acreage sales do not show a premium for adjacency to National Park or Forest.

We feel that, overall, the data supports a positive adjustment for adjacency to National Park or Forest and in our opinion, the comparisons we have analyzed support an adjustment of +10%. We have done three sales comparison grids. On Grid #1 we have applied +10% adjustments to the sales that lack National Park or Forest boundary, which are Sales 13, 19, 20, 25, and Listings L-46 and L-47.

Sales 24, 31 and 35 have common boundary with public land and no adjustments are applied to these sales or Sale 41, which is completely surrounded by National Forest. No adjustment is applied to Sale 42, but the details of its adjacency are not reported in order to protect the confidentiality of this sale.

On Grid #2 we have refined the adjustments further. The comparison data in the general area that we have used in the analysis of the impact of adjacency does not, unfortunately, include any sales that are complete inholdings like the subject. For this grid, we have reached slightly above the range of differences shown by the data and applied +20% adjustments to the sales with no adjacency to public land. In addition, we have applied +10% adjustments to the sales that share some common boundary with public land, but are not completely surrounded by public land.

On Grid #3 we have used qualitative analysis and applied positive adjustments to the sales that lack common boundary with public land. Plusses are applied to Sales 13, 19, 20, 25, and Listings L-46 and L-47. Sales 31, 24 and 35 have common boundary with public land, but are not completely surrounded as is the case with the subject. Slight positives are applied to these sales. No adjustments are applied to Sale 41 or confidential Sale 42.

Access/Utilities: All the sales have road access and power and telephone service either on the property or in close proximity. Gros Ventre Road traverses the subject property, but the road right-of-way is bounded by a scenic easement that allows only mining and agricultural use. Therefore, road access from Gros Ventre Road to the subject is not permitted over the scenic easement. According to information provided by the Department of Interior, roads and utility extensions would be permitted from Section 35, which adjoins the subject on the west, but they are not currently in place. Thus, a road would need to be built and utilities extended. A typical purchaser of the subject property would consider the lack of road and utilities in making purchasing decisions. We were not able to abstract adjustments for access and utilities from the available data because we did not find sales that lack road access and power and telephone that could be compared to the sales with these attributes. Therefore, we have considered the cost of building a road and extending utilities to the property—the cost to cure.

According to the engineering information we obtained from Jorgensen Associates, the cost of constructing an access road to the subject and extending utility lines is estimated at \$460,000. This includes construction of an estimated 1,410 feet of road and power and fiber optic line extensions for 7,000 feet.

In addition to the costs included in the Jorgensen Associates report, environmental studies will need to be conducted prior to construction of the road and extension of utilities. Although not part of the engineering work, we discussed potential costs of environmental studies with Reed Armijo, PE, the project manager for the work done for us by Jorgensen. Mr. Armijo stated that given the lack wetlands along the

road and utility alignment, it is likely “categorical exclusion” level work would suffice. However, since the land is within the National Park, more work would be required than would typically be the case. Mr. Armijo suggested that a cost of \$50,000 would likely cover the cost of environmental studies. Thus, the total estimated expenditures needed to construct the road and extend utilities is \$510,000. In order to correctly apply this adjustment as a per acre adjustment, the total of \$510,000 is divided by the subject’s size of 640 acres. This results in an adjustment of -\$797 per acre ($\$510,000 / 640 = \796.88).

There is no water or sewage disposal service available to the subject property. At the time of development wells and septic systems would most likely be used for water and sewage disposal. None of the sales had water/wells or sewage/septics in place at the time of sale. No adjustments are applied for wells/septics.

Zoning/Platting: The subject zoning, if it were privately owned, would be Rural. This is a common zoning in the area and seven of the sales used in direct comparison were also zoned Rural at the time of the sale. However, within this group of seven, five sales had platting of smaller tracts done prior to the sale—Sales 19, 31, 35, and Listings L-46 and L-47. Sale 24 has a mix of Rural zoning and PD—Planned Unit Development, but the portion of the property that was not encumbered with conservation easements at the time of the sale was zoned Rural and was platted into smaller tracts prior to the sale. Although we do not view platting of the Rural zoned lands as an element of comparison with major impact, we do feel this would be given some consideration. We have applied slight negative (sl-) adjustments to the sales with Rural zoning that did have platting done.

Sale 25 had a mix of Rural zoning (the encumbered part of property) and NC-SF (the unencumbered part of property). The NC-SF (Neighborhood Conservation-Single Family) zoning allows smaller lots and this area of the sale was platted into two lots. Two of the sales—Sales 41 and 42, had SF (Single Family) zoning that also allows smaller lots and were platted with smaller lots. Again, we do not view this as a major factor of consideration so we will apply only slight negative adjustments to Sales 25, 41 and 42.

Vegetation: The subject’s vegetation is a mix of open areas with sagebrush/grass cover and tree-covered areas. The land south of Gros Ventre Road is mostly tree-covered with a few small open areas. The rest of the property is mostly open, with a band of treed areas extending through the mid-section of the tract and a few small, tree-covered areas in the north and east parts of the subject. The tree cover consists of a mix of mostly conifers and aspen trees. Within the conifers and aspens are smaller shrubs and brush. There are willows growing along the ephemeral stream in the draw in the east part of the property. Sales 19, 25, and Listings L-46 and L-47 have no or virtually no trees. They are inferior to the subject and adjustments are applied. Because we do not feel this is an element of major consideration, we will apply slight positive adjustments to these sales. The other sales varying amounts of tree-cover and in our opinion they are similar to the subject. No adjustments are applied.

- Terrain: The subject has mostly rolling terrain with some steeper area along the east boundary and some steeper slopes south of Gros Ventre Road. The terrain of the sales ranges from nearly level to a mix of terrain that ranges from nearly level to steep. However, from the aspect of the likely development of the properties, we do not believe the differences in terrain are likely to have a measureable impact on value. No adjustments are made, but we will consider this element in the selection of value from within the range of indications.
- Configuration: The subject property is a single tract of land as are all the sales except for Sale 24. Sale 24 is comprised of four physically separated tracts of land and three of these tracts are encumbered with conservation easements that do not permit any building. As such the usability/desirability of the land is significantly reduced. In our opinion two positive adjustments are needed to account for this difference. No other configuration adjustments are needed.

Sale	13	19	20	24	25	31	35	41	42	L-46	L-47
Date of Sale	Oct-04	Mar-06	Oct-06	Apr-09	Aug-10	Dec-12	2013	Sep-14	2014	Current	Current
Size-Acres	1,340.81	507.00	1,265.10	233.18	226.83	190.51		164.00		507.00	580.00
Sales Price	\$92,000,000	\$23,250,000	\$69,000,000	\$9,000,000	\$5,500,000	\$17,000,000		\$10,125,000		\$35,000,000	\$45,000,000
Building CV	\$2,000,000	\$0	\$0	\$1,000,000	\$700,000	\$0		\$2,500,000		\$0	\$0
Land contribution	\$90,000,000	\$23,250,000	\$69,000,000	\$8,000,000	\$4,800,000	\$17,000,000		\$7,625,000		\$35,000,000	\$45,000,000
Land per acre	\$67,124	\$45,858	\$54,541	\$34,308	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Rights conveyed	sl-	+		sl+	+	sl-	sl-	sl-	sl-	+	+
Conditions											
Financing											
Mo to 6/07	32	15	8								
Time adjustment	\$40,967	\$11,475	\$6,899								
Adjusted price	\$108,091	\$57,333	\$61,440	\$34,308	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Lump sum adj	-\$32,427	-\$17,200	-\$18,432	-\$10,292							
Adjusted price	\$75,664	\$40,133	\$43,008	\$24,016	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Mo to 11/14	22	22	22	22	22	22		2			
Time adjustment	\$13,519	\$7,170	\$7,684	\$4,291	\$3,781	\$15,943		\$700		\$0	\$0
Adjusted price	\$89,182	\$47,304	\$50,692	\$28,307	\$24,942	\$105,177	\$82,534	\$47,194	\$46,946	\$69,034	\$77,586
Size	+		+	-	-	-	-	-	-	-	-
Live water	-\$49,050			-\$7,077		-\$57,848		-\$11,798	-\$11,737		
Adjusted price	\$40,132	\$47,304	\$50,692	\$21,230	\$24,942	\$47,330	\$82,534	\$35,395	\$35,210	\$69,034	\$77,586
View/Location								++	++		
NP/PubLandBound	\$4,013	\$4,730	\$5,069	-\$797	\$2,494	-\$797	-\$797	-\$797	-\$797	\$6,903	\$7,759
Access/Utilities	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797
Zoning/Platting		sl-	sl-	sl-	sl-	sl-	sl-	sl-	sl-	sl-	sl-
Vegetation		sl+	sl+	sl+	sl+	sl+	sl+	sl+	sl+	sl+	sl+
Terrain											
Configuration				++							
Indication	>\$43,348	>\$51,237	>\$54,965	>\$20,433	>\$26,639	<\$46,533	<\$81,737	>\$34,598	>\$34,413	sl<\$75,140	sl<\$84,548

Sales Comparison Grids

As previously discussed, we have completed three different sales comparison grids. Grid #1 utilizes quantified adjustments for time (market conditions), live water, National Park or other public land boundary (10% adjustment), and access/utilities.³⁰ The adjustments for the rest of the elements of comparison are made using qualitative adjustments—plusses and minuses. A summary of the analysis is on the facing page.

The sale/listing prices—allocation to the land—range from \$21,161 to \$89,234 per acre. Sales 13, 19 and 20 required three time adjustments; upward monthly adjustments to June 2007, lump sum negative adjustments to account for the abrupt change in market conditions, and then upward monthly adjustments to bring them to the current market. Sale 24 required the downward adjustment and the upward monthly adjustment to bring it to the current market. The other sales are more recent and only required the last upward adjustment. Quantified adjustments of -55% were applied to the sales with river frontage and -25% adjustments to sales with water features that are less desirable than river frontage, but still likely to have a noticeable impact on sale prices. Positive 10% adjustments were applied to the sales that do not adjoin public land. Based on the cost to cure, adjustments of -\$797 per acre were applied to all the sales to account for the cost to build a road to the subject and extend power and telephone lines thereto. After the quantified adjustments are applied, the adjusted prices range from \$20,433 to \$84,548 per acre. There are a number of qualitative adjustments that are also applied, and these establish the bracketed range of value for the subject. As a reminder, slight positive and slight negative adjustments are not quantified so that, for example, two slight negatives could be construed to equal a minus on the grid, but do not.

The indications of the sales/listings are arrayed following:

<u>Sale</u>	<u>\$/Acre</u>
24	>\$20,433
25	>\$26,639
42	>\$34,413
41	>\$34,598
13	>\$43,348
31	<\$46,533
19	>\$51,237
20	>\$54,965
L-46	<\$75,140
35	<\$81,737
L-47	<\$84,548

³⁰ The grid is from an Excel spreadsheet. Note that the numbers are rounded to the nearest dollar, although Excel keeps the number out to nine decimal places for the next calculation. For example, note that in the time adjustment for Sale 13 that the adjusted price after the second time adjustment is \$75,664. The third time adjustment is \$13,519 which totals \$89,182 on grid, but when done mechanically using whole numbers equals \$89,183. This rounding carries forth to the bottom of the grid. If all of the numbers in the grid are calculated mechanically, the total for Sale 13 is \$42,615 rather than the \$42,614 shown on the grid. The magnitude of the rounding error is minimal and not considered a factor in the three grids presented.

Sales 24, 25, 42, 41 and 13 clearly provide the lower end of the bracketed range of value, indicating a value more than \$43,348 per acre. The top of the lower bracket is indicated by Sales 19 and 20, which indicate a value more than \$51,237 and \$54,965 per acre. At the upper end of the range, Listings L-46 and L-47 indicate values less than \$75,140 and \$84,548 per acre, while Sale 35 indicates a value less than \$81,737 per acre. Sale 31 is clearly an outlier in the indications, indicating a value less than \$46,533 per acre. We will place little to no reliance on Sale 31.

In our opinion, this analysis indicates a range of more than \$54,965 per acre to less than \$75,140 per acre for the subject.

Sale	13	19	20	24	25	31	35	41	42	L-46	L-47
Date of Sale	Oct-04	Mar-06	Oct-06	Apr-09	Aug-10	Dec-12	2013	Sep-14	2014	Current	Current
Size-Acres	1,340.81	507.00	1,265.10	233.18	226.83	190.51		164.00		507.00	580.00
Sales Price	\$92,000,000	\$23,250,000	\$69,000,000	\$9,000,000	\$5,500,000	\$17,000,000		\$10,125,000		\$35,000,000	\$45,000,000
Building CV	\$2,000,000	\$0	\$0	\$1,000,000	\$700,000	\$0		\$2,500,000		\$0	\$0
Land contribution	\$90,000,000	\$23,250,000	\$69,000,000	\$8,000,000	\$4,800,000	\$17,000,000		\$7,625,000		\$35,000,000	\$45,000,000
Land per acre	\$67,124	\$45,858	\$54,541	\$34,308	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Rights conveyed	sl-	+		sl+	+	sl-		sl-	sl-	+	+
Conditions											
Financing											
Mo to 6/07	32	15	8								
Time adjustment	\$40,967	\$11,475	\$6,899								
Adjusted price	\$108,091	\$57,333	\$61,440	\$34,308	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Lump sum adj	-\$32,427	-\$17,200	-\$18,432	-\$10,292							
Adjusted price	\$75,664	\$40,133	\$43,008	\$24,016	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Mo to 11/14	22	22	22	22	22	22		2			
Time adjustment	\$13,519	\$7,170	\$7,684	\$4,291	\$3,781	\$15,943		\$700		\$0	\$0
Adjusted price	\$89,182	\$47,304	\$50,692	\$28,307	\$24,942	\$105,177	\$82,534	\$47,194	\$46,946	\$69,034	\$77,586
Size	+		+								
Live water	-\$49,050			-\$7,077		-\$57,848		-\$11,798			
Adjusted price	\$40,132	\$47,304	\$50,692	\$21,230	\$24,942	\$47,330	\$82,534	\$35,395	\$35,210	\$69,034	\$77,586
View/Location								+	+		
NP/Publ and Bound	\$8,026	\$9,461	\$10,138	\$2,123	\$4,988	\$4,733	\$8,253			\$13,807	\$15,517
Access/Utilities	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797
Zoning/Platting		sl-		sl-	sl-	sl-	sl-	sl-	sl-	sl-	sl-
Vegetation		sl+		sl-	sl+					sl+	sl+
Terrain											
Configuration				+							
Indication	>\$47,361	>\$55,967	>\$60,034	>\$22,556	>\$29,133	<\$51,266	<\$89,990	>\$34,598	>\$34,413	sl<\$82,043	sl<\$92,306

The second grid (Grid #2) on the facing page also utilizes quantified adjustments for time (market conditions), live water, National Park or other public land boundary, and access/utilities, with the rest of the adjustments made qualitatively. The difference between Grid #2 and Grid #1 is a refining of the National Park or other public land boundary, with +10 and +20% adjustments applied for public land boundary.

The sale/listing prices—allocation to the land—range from \$21,161 to \$89,234 per acre. Sales 13, 19 and 20 required three time adjustments; upward monthly adjustments to June 2007, lump sum negative adjustments to account for the abrupt change in market conditions, and then upward monthly adjustments to bring them to the current market. Sale 24 required the downward adjustment and the upward monthly adjustment to bring it to the current market. The other sales are more recent and only required the last upward adjustment. Quantified adjustments of -55% were applied to the sales with river frontage and -25% adjustments to sales with water features that are less desirable than river frontage, but still likely to have a noticeable impact on sale prices. Adjustments of +20% were applied to the sales that lack any common boundary with public land. Adjustments of +10% adjustments were applied to the sales that have common boundary with public land, but are not completely surrounded by public land like the subject. Based on the cost to cure, adjustments of -\$797 per acre were applied to all the sales to account for the cost to build a road to the subject and extend power and telephone lines thereto. After the quantified adjustments are applied the adjusted prices range from \$22,556 to \$92,306 per acre. There are a number of qualitative adjustments that are also applied, and these establish the bracketed range of value for the subject. As a reminder, slight positive and slight negative adjustments are not quantified so that, for example, two slight negatives could be construed to equal a minus on the grid, but do not.

The indications of the sales/listings are arrayed following:

<u>Sale</u>	<u>\$/Acre</u>
24	>\$22,556
25	>\$29,133
42	>\$34,413
41	>\$34,598
13	>\$47,361
31	<\$51,266
19	>\$55,967
20	>\$60,034
L-46	<\$82,043
35	<\$89,990
L-47	<\$92,306

Sales 24, 25, 42, 41 and 13 clearly provide the lower end of the bracketed range of value, indicating a value more than \$47,361 per acre. The top of the lower bracket is indicated by Sales 19 and 20, which indicate a value more than \$55,967 and \$60,034 per acre. At the upper end of the range, Listings L-46 and L-47 indicate a value less than \$82,043 and \$92,306 per acre, while Sale 35 indicates a value less than \$89,990 per acre. Sale 31 is clearly an outlier in the indications, indicating a value less than \$51,266 per acre. We will place little to no reliance on Sale 31.

In our opinion, this analysis indicates a range of more than \$60,034 per acre to less than \$82,043 per acre for the subject.

Sale	13	19	20	24	25	31	35	41	42	L-46	L-47
Date of Sale	Oct-04	Mar-06	Oct-06	Apr-09	Aug-10	Dec-12	2013	Sep-14	2014	Current	Current
Size-Acres	1 340.81	507.00	1 265.10	233.18	226.83	190.51		164.00		507.00	580.00
Sales Price	\$92 000 000	\$23 250 000	\$69 000 000	\$9 000 000	\$5 500 000	\$17 000 000		\$10 125 000		\$35 000 000	\$45 000 000
Building CV	\$2 000 000	\$0	\$0	\$1 000 000	\$700 000	\$0		\$2 500 000		\$0	\$0
Land contribution	\$90 000 000	\$23 250 000	\$69 000 000	\$8 000 000	\$4 800 000	\$17 000 000		\$7 625 000		\$35 000 000	\$45 000 000
Land per acre	\$67 124	\$45 858	\$54 541	\$34 308	\$21 161	\$89 234		\$46 494		\$69 034	\$77 586
Rights conveyed	sl-	+		sl+	+	sl-	sl-	sl-	sl-	+	+
Conditions											
Financing											
Mo to 6/07	32	15	8								
Time adjustment	\$40 967	\$11 475	\$6 899								
Adjusted price	\$108,091	\$57,333	\$61,440	\$34,308	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Lump sum adj	-\$32 427	-\$17 200	-\$18 432	-\$10 292							
Adjusted price	\$75,664	\$40,133	\$43,008	\$24,016	\$21,161	\$89,234		\$46,494		\$69,034	\$77,586
Mo to 11/14	22	22	22	22	22	22		2			
Time adjustment	\$13 519	\$7 170	\$7 684	\$4 291	\$3 781	\$15 943		\$700		\$0	\$0
Adjusted price	\$89,182	\$47,304	\$50,692	\$28,307	\$24,942	\$105,177	\$82,534	\$47,194	\$46,946	\$69,034	\$77,586
Size	+		+	-	-	-	-	-	-	-	-
Live water	--										
View/Location											
NP/PubLandBound	+	+	+	sl+	+	sl+	sl+	+	++	+	+
Access/Utilities	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797	-\$797
Zoning/Platting		sl-		sl-	sl-	sl-	sl-	sl-	sl-	sl-	sl-
Vegetation		sl+			sl+					sl+	sl+
Terrain											
Configuration				++							
Indication	sl-\$68,385	>\$46,507	>\$49,895	>\$27,510	>\$24,145	<\$104,380	<\$81,737	<\$46,397	<\$46,149	>\$68,237	>\$76,789

The final grid or Grid #3 on facing page utilizes quantified adjustments for time (market conditions) and access/utilities. The adjustments for the rest of the elements of comparison are made using qualitative adjustments—plusses and minues.

The sale/listing prices—allocation to the land—range from \$21,161 to \$89,234 per acre. Sales 13, 19 and 20 required three time adjustments; upward monthly adjustments to June 2007, lump sum negative adjustments to account for the abrupt change in market conditions, and then upward monthly adjustments to bring them to the current market. Sale 24 required the downward adjustment and the upward monthly adjustment to bring it to the current market. The other sales are more recent and only required the last upward adjustment. Based on the cost to cure, adjustments of -\$797 per acre were applied to all the sales to account for the cost to build a road to the subject and extend power and telephone lines to thereto. After the quantified adjustments are applied the adjusted prices range from \$24,145 to \$104,380 per acre. Qualitative adjustments are applied to account for other differences and after these adjustments are applied, a bracketed range of value for the subject is established. As a reminder, slight positive and slight negative adjustments are not quantified so that, for example, two slight negatives could be construed to equal a minus on the grid, but do not.

The indications of the sales/listings are arrayed following:

<u>Sale</u>	<u>\$/Acre</u>
25	>\$24,145
24	>\$27,510
42	<\$46,149
41	<\$46,397
19	>\$46,507
20	>\$49,895
L-46	\$68,237
L-47	\$76,789
35	<\$81,737
13	<\$88,385
31	<\$104,380

Sale 42 and 41 indicate values less than \$46,149 and \$46,397 per acre and do not correlate with the other indications. Sales 25, 24, 19 and 20 suggest a value more than \$24,145 to \$49,895 per acre. Sales 35 and 31 indicate a value less than \$81,737 and \$104,380 per acre. Sale 13 indicates a value less than \$88,385 per acre. Listings L-46 and L-47 show \$68,237 and \$76,789 per acre.

Eliminating the indications of Sales 41 and 42, the range of value suggested by this analysis is more than \$49,895 per acre and less than \$81,737 per acre.

The three different analyses provide the following ranges of indications:

- Grid #1: More than \$54,965/acre to less than \$75,140/acre
- Grid #2: More than \$60,034/acre to less than \$82,043/acre
- Grid #3: More than \$49,895/acre to less than \$81,737/acre

On an overall basis, the analyses indicate a value more than \$49,895 per acre to less than \$82,043 per acre. This is a rather narrow range considering the type of assignment. The analyses done for Grids 1 and 2 have the advantage over the third grid because they rely less on qualitative analysis. Furthermore, the two sales that bracket the value of the subject on the third grid have four and five qualitative adjustments applied and two of the sales used in this analysis have indications that contradict those of the other sales. All things considered, in our opinion the third grid does not provide as strong an indication as the first two grids.

In the selection of the final value we believe it is prudent to look to the current listings as the subject's competition. The asking prices for the listings are \$69,034 and \$77,586 per acre. They are similar to the subject's size. They are listings, which normally sell for less than asking price, but they are encumbered/mostly encumbered with conservation easements that permit four separate homesites on the property that is completely encumbered and at least six on the partially encumbered property. The subject is encumbered with easements, but the portion of the subject property encumbered by the easements is less than is the case with the sales.

We feel the ranges indicated by the analyses are as well-supported as can be expected for a property of this type in this area. The one element of comparison that is not replicated in the market is the location within Grand Teton National Park completely surrounded by public land. We generally observed a small premium in prices paid that appeared to be attributable to adjacency to public land. Unfortunately, the relevant market data did not provide any pairings in which one sale was a complete inholding. It should be observed, however, that Sale 41 is an inholding within the National Forest; yet its time-adjusted price is among the lowest of the selected sales. This suggests to us that other things—such as views and proximity to Town of Jackson proper, are of significantly greater importance than the aspect of being an inholding. In addition, our analyses indicate that location nearer the heart of Jackson is important to the degree that it appears to offset superior Teton views. The point of making this observation at this place in the appraisal is to support our contention that the adjustments we have applied for adjacency to public land, while smaller than some may expect, are reflective of this market.

We believe the sales comparison grids using more quantified adjustments (Grids #1 and #2) are the more reliable for this assignment. Therefore, we have placed little to no reliance on the indications of Grid #3.

The only difference between the first and second grids is the adjustment for National Park or other public land boundary. The lower indicated range is the result of applying a +10% adjustment to the sales that lack any common boundary with public land. The higher indicated range is the result of applying +20% to the sales that lack any common boundary with public land and +10% to the sales that share a common boundary with public land, but are not inholdings.

The middle of the range of \$54,965 to \$75,140 per acre is \$65,052 per acre; the middle of the range of \$60,034 to \$82,043 per acre is \$71,038 per acre; and on an overall basis the mid-range of \$54,965 to \$82,043 per acre is \$68,504 per acre. The three mid-ranges are at \$65,052 to \$71,308 per acre. The ranges of both Grids 1 and 2 suggest values below the upper end. However, we were not able to quantify an adjustment for differences in property rights and we believe the configuration of the subject's scenic easement presents more than typical challenges to development of the property. An

example of this is the fact that the scenic easement on the south side of Gros Ventre Road encumbers nearly all of the land with 0 to 10% slopes and a good portion of the land with slopes from 10% to 15%. In addition, lands out of and south of the scenic easement are not developable according to Jorgensen due to steep slopes. The proposed site plan prepared by Jorgensen for Meiling reflected building envelopes clustered in a relatively small area just north of the scenic easement- something we feel would meet market resistance as purchasers of 35 to 40 acre parcels require more separation from other homes. We feel a value towards the bottom of the overall range of \$54,965 to \$82,043 per acre range is appropriate. The mid-point of the overall range is \$68,504 and the mid-point between \$54,956 and \$68,504 is \$61,730. We have selected a value of \$61,000 per acre, which is near the middle of the lower half of the indicated range.

Our conclusion of the value of the subject property is:

$$640 \text{ acres} \times \$61,000 \text{ per acre} = \$39,040,000, \text{ rounded to } \$39,000,000\text{—cash.}$$

In upscale markets like the subject's we believe it is necessary to take a final look at the total value conclusion to ascertain its reasonableness within the market area. A total of \$39,000,000 would be a large "price tag" from most buyers' perspective. We have compared our final value conclusion with total prices paid for properties in the Jackson market area since 2000. Since 2000, we are aware of four properties that have sold in excess of \$39,000,000, with prices ranging from \$67,500,000 to \$95,000,000. Sales 13 and 20 are two of these sales. We are also aware of six sales with total prices in excess of \$20,000,000, but less than \$39,000,000—one of which is Sale 19 used in direct comparison to the subject. In our opinion, this market can support a total value of \$39,000,000.

We have also done another check on reasonableness that we believe is appropriate for this assignment. This check is based on the prices of two properties—one encumbered with a conservation easement and one unencumbered that are similar to one another. In rounded terms, the property with a no-build conservation easement sold for \$8,000 per acre and the similar, unencumbered property sold for \$75,000 per acre to the same buyer at the same time. If applied to the subject's land the result is:

156.74 acres x \$8,000 =	\$1,253,920	
483.26 acres x \$75,000 =	<u>\$36,244,500</u>	
Total	\$37,498,420	divided by 640 = \$58,591 per acre.

We realize the calculations above are a summation and are not appropriate appraisal methodology for appraisals of conservation easement-encumbered properties. However, we believe they serve as a check of reasonableness for this challenging appraisal problem. The total would be fairly close to the subject indication if time-adjusted, but to time adjust would indicate to a casual reader confidential data.

Jurisdictional Exception: The Uniform Standards of Professional Appraisal Practice states that the appraiser must develop and report "exposure time linked to the value opinion."³¹ However, the Uniform

³¹ "The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. (Line 2892); and "When an opinion of reasonable exposure time has been developed in compliance with Standard Rule 1-2(c), the opinion must be stated in the report." (Line 2843). *USPAP 2012-2013*

Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time.³² Thus no development or reporting of exposure time was completed. This is a jurisdictional exception to USPAP Standard Rule 1-2(c)(iv).

Extraordinary Assumption: In an e-mail following the pre-work meeting (received by us October 16, 2014), Glenna Vigil, Chief Realty Officer, Land Resources Program Center, stated the following:

“After consultation with the park, the following was determined regarding access to the State of Wyoming Land located in Section 36. The Potential Access Roads (two roads) to Tract 06-102, aka Section 36 T 43 N R 115 W can be made from the Gros Ventre Road (GVR) through Section 35 owned by NPS/USA. These potential access roads would begin in the easterly portion of Section 35, T 43 N R 115 W and extend easterly from said GVR crossing Section 35 to Section 36, and intersecting the West line of Section 36 at two points located at 600' + north of and 600' + south of the center line of the GVR (ie. one potential road would extend from some point on the GRV northerly and easterly to Section 36, and the other potential road would extend from some point on the GRV southerly and easterly to Section 36). These entrances/access roads are to be located outside of a designated scenic easement that lies either side of the GVR right-of-way that is located solely in Section 36 as granted in a Grant of Easement recorded Book 12, Page 231 of the deed records of Teton County. In the event of future development of Section 36, the actual sighting/location of these potential access roads to be located in Section 35 for access into Section 36 would be determined by Grand Teton National Park at that time.

“Access is (sic) to Section 36 is provided for in the enabling legislation PL 81-787 which directs the Secretary of the Interior to grant rights-of way to state owned and privately owned land within the park's boundaries.”

Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: “I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 06-102. It is assumed that the proposed access as stated would not limit or hinder the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing the National Park Service lands by the most convenient and least invasive means possible.” The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

Hypothetical Condition: In an e-mail dated November 7, 2014, Gary Lay, ARA, OVS Review Appraiser stated, "You are hereby instructed to employ a Hypothetical Condition that the property in question is not leased for grazing and that there are no tenancies associated with the property." The use of this hypothetical condition might have affected the assignment results.

Edition, Statement 6, Pages U90-91

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Reconciliation and Final Value Opinion

The cost and income capitalization approaches have not been applied. The sales comparison approach is the only approach that is applicable for the subject. The sales comparison approach indication of value is \$39,000,000—cash, which is our opinion of the value of the subject as of November 26, 2014.

Jurisdictional Exception: The Uniform Standards of Professional Appraisal Practice states that the appraiser must develop and report “exposure time linked to the value opinion.”³³ However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time.³⁴ Thus no development or reporting of exposure time was completed. This is a jurisdictional exception to USPAP Standard Rule 1-2(c)(iv).

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Certificate of Appraisers

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and legal instructions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have performed no services, as appraisers 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The appraisal was made and the appraisal report prepared in conformity with *the Uniform Appraisal Standards for Federal Land Acquisitions*.
9. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with: Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute; the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice*, except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule; and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the American Society of Farm Managers and Rural Appraisers.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, and the requirements of the State Appraisal Board and the American Society of Farm Managers and Rural Appraisers relating to review by their duly authorized representatives.

11. As of the date of this report, John Frome, MAI, ARA, has completed the requirements of the continuing education program for Designated members of the Appraisal Institute. As of the date of this report, we have completed the requirements of the continuing education programs of the American Society of Farm Managers and Rural Appraisers.
12. We have made personal inspections of the appraised property that is the subject of this report. The inspections were made on October 7, and November 26, 2014. On the first inspection, Robert Moulton, representing the property owner, participated in the inspection; as did Gary Lay, ARA, OVS Review Appraiser; and Gary Pollock, Management Assistant, Grand Teton National Park. On the second inspection, both Mr. Moulton and Mr. Lay declined the invitation to inspect the property with us. The October 7, 2014 inspection was made on foot and by vehicle and the November 26, 2014 inspection was by vehicle.
13. No one provided significant real property appraisal assistance to the persons signing this certification.
14. Our value conclusion as well as other opinions expressed herein are not based upon a requested minimum value, or a specific value or approval of a loan.
15. Our state appraisal certifications/registrations have not been revoked, suspended, canceled, or restricted.
16. In our opinion, the market value of the subject property, as of November 26, 2014 is \$39,000,000—cash.

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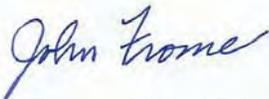
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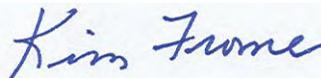
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John Frome, MAI, ARA
Wyoming Certified General Appraiser #31



Kim Frome, ARA
Wyoming Certified General Appraiser #423

Addenda

1. Statement of Work
2. Jorgensen Associates Report
3. Mineral Report

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 1
2. AMENDMENT/MODIFICATION NO. 0002	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY DOI, Office of Valuation Services 12136 W. Bayaud Avenue, Suite 105 Lakewood CO 80228	CODE D60	7. ADMINISTERED BY (If other than Item 6) DOI, Office of Valuation Services 12136 W. Bayaud Avenue Suite 105 Lakewood CO 80228	CODE D60
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) JOHN FROME & ASSOCIATES 506 CR 172 GROVER WY 83122-0000		(x) 9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)
CODE 0070436561 FACILITY CODE		x 10A. MODIFICATION OF CONTRACT/ORDER NO. D14PX00309	10B. DATED (SEE ITEM 13) 08/28/2014

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers is extended. is not extended.
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO., AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 52.212-4(c) Changes
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not. is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

This no-cost modification hereby:

1. Replaces Attachment D.1: Statement of Work, dated August 05, 2014 with Attachment D.1: Statement of Work, dated September 08, 2014.

All other terms and conditions remain unchanged.

Payment Terms:

PP30

Period of Performance: 08/28/2014 to 02/13/2015

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) John Frome, Appraiser/President	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Adeyanju Woolfolk
15B. CONTRACTOR/OFFEROR <i>John Frome</i> (Signature of person authorized)	15C. DATE SIGNED 9/15/14
16B. UNITED STATES OF AMERICA <i>Adeyanju Woolfolk</i> (Signature of Contracting Officer)	16C. DATE SIGNED 16 Sep 2014

STATEMENT OF WORK (SOW)
Office of Valuation Services

Agency Case ID: GRTE 05-121, GRTE 06-102

IVIS Number #00065217, #00065218

SECTION 1 – Subject Identification & General Information

Identification

Case Name GTNP-Non-Federal
Location Teton County, Wyoming
Acreage Parcel GRTE 05-121: 640 acre(s)
 Parcel GRTE 06-102: 640 acre(s)

Property Type Vacant Land
Case Type Exchange

Client

U.S. Department of Interior, Office of Valuation Services (OVS)

Intended Users

The intended users of the appraisal report are the National Park Service and the Bureau of Land Management on behalf of the United States of America, and the **State of Wyoming Board of Land Commissioners by and through the Office of State Lands and Investments.**

Intended Use

The appraisal report will be used for a proposed land exchange of the identified properties. It is not intended for any other use.

Property Description

The subject property consists of two non-contiguous parcels of vacant land. In general the properties are made up of a mixture of sagebrush scrublands and native grasses with small pockets of deciduous and coniferous trees:

NPS Tract No.	Gross Acres (Land)	Estate	Improvements
05-121	640.00	Fee simple**	None
06-102	640.00	Fee simple**	None

**Parcels include surface and subsurface estates, any encumbrances are noted in the Commitment for Title Insurance included with this SOW.

Legal Description

Township 43 North, Range 115 West, 6th P.M.

Section 16: All

Section 36: All

Property Interest

Fee Simple Estate subject to all reservations of record

Outstanding Rights and Reservations

There are no known unrecorded documents, agreements, easements and/or encumbrances. Outstanding rights of record are included in the Commitment for Title Insurance included in the Addendum to this SOW. Each exception to title should be analyzed and its effect on value, if any, should be discussed in the appraisal report.

Personal Property

None

Property Access Physical and Legal

According to information provided, the access varies on the subject parcels. Parcel #06-102 is reported to have legal, insurable access via the Gros Ventre Road. Parcel #05-121 is reported not to have legal insurable access (currently). However, Public Law 81-787, which established Grand Teton National Park, specifically directs the Secretary of the Interior to designate rights-of-way over and across Federal lands within park boundaries to and from State and private land inholdings. Therefore, the appraiser will be instructed to appraise both parcels (#06-102 and #05-121) as having legal access.

Ownership/Occupant

State of Wyoming

Tenancies

The subject properties are currently owned by the State of Wyoming. Parcel #06-102 is under a State of Wyoming Grazing and Agricultural Lease (3-6569) to Patricia Ann Hardeman, Trustee until March 1, 2022. Parcel #05-121 is not under lease or permit.

Provided Subject Property Exhibits

The following Subject Property Exhibits will be provided as attachments to the solicitation:

- a. GRTE 05-121
- b. GTNP 05-121 Commitment
- c. Map GRTE state land within park boundaries
- d. GRTE 06-102
- e. GTNP 06-102 Commitment
- f. GRTE 06-102 Encumbrance Docs

SECTION 2 – Appraisal Requirements & Instructions

Appraisal Standards

1. Uniform Standards of Professional Appraisal Practice (USPAP)
2. Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)

Market Value

Market value means 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 - Definitions.

Date of Value

The date of value is the date of the last property inspection, which must be no later than 30 calendar days prior to the submission of the completed appraisal report, unless the OVS Review Appraiser approves, in advance, other conditions in writing.

Extraordinary Assumptions (EA's)

None; the Appraiser may not assume or invoke any extraordinary assumptions without documented written approval from the OVS Review Appraiser **and consultation with the Wyoming Office of State Lands and Investments.**

Hypothetical Conditions (HC's)

The Appraiser may not invoke or use any hypothetical conditions without documented written approval from the OVS Reviewer **and consultation with the Wyoming Office of State Lands and Investments.**

Jurisdictional Exceptions (JE's)

The appraiser has been instructed to produce a UASFLA compliant appraisal. UASFLA states that "*appraisers should not link their estimates of market value made for federal acquisition purposes to a specific exposure time*", Current USPAP requirements state that if exposure time is a component of the definition of the value opinion being developed the appraiser must also develop an opinion of reasonable exposure time linked to that value. Reasonable exposure time is an element of UASFLA's definition of market value; therefore, to comply with the implied intent of UASFLA's Section B-2 a Jurisdictional Exception is hereby granted for the requirement stated in USPAP's Standard Rule 1-2 (c) (iv), specifically to the language pertaining to *EXPOSURE TIME*.

If the appraiser feels that it is warranted to further invoke USPAP's Jurisdictional Exception Rule to comply with law or UASFLA regulation, he/she must contact the OVS Review Appraiser to obtain prior written approval.

Placement in Report (when applicable)

The appraiser must clearly identify all Extraordinary Assumptions, Hypothetical Conditions, and Jurisdictional Exceptions wherever the final value conclusion is stated, including the Letter of Transmittal and the Summary of Salient Facts. These must also be communicated any General Assumptions and Limiting Conditions.

Property Inspection

The appraiser is required to make a personal inspection of the subject property as well as all of the comparable market properties used in the analyses unless specific arrangements to the contrary have been approved in writing by the assigned OVS Review Appraiser prior to the commencement of the assignment.

Currently the property in question is under the ownership of the State of Wyoming and is considered State Trust Land; therefore, permission to access the property is not a requirement.

Pre-Work Meeting

The appraiser will not be required to attend a separate pre-appraisal work meeting; however, a coordination of the representatives of the named intended users and client will be given an opportunity to accompany the appraiser during the site inspection. Any questions or concerns can be addressed at that time.

Controversies/Issues

None. Should the appraiser identify any controversies or issues during the course of assignment, he/she must immediately notify the OVS Review Appraiser identified in Attachment D.2 provided at contract award **and the Wyoming Office of State Lands and Investments.**

Legal Instructions

None.

Special Appraisal Instructions

1. Even though communication is encouraged with the client agency, only the assigned OVS Review Appraiser can modify appraisal instructions (in writing).
2. The appraiser may not communicate assignment results to any party except OVS until authorized to do so in writing by OVS.
3. Any communication (verbal or written) with the Client Agency Realty Contact shall include the assigned OVS Review Appraiser.
4. At the request of the client agency the appraiser is instructed to analyze and value each of the identified parcels (#05-121 and #06-102) as individual stand-alone units. The appraiser is instructed to produce an individual opinion of value and accompanied appraisal report for each of the identified parcels. If a larger parcel analysis concludes that the two properties would constitute one larger parcel the appraiser shall contact the OVS Review Appraiser for further instructions.

General Appraisal Requirements & Instructions

1. The appraiser must hold a valid license as a Certified General Appraiser for the jurisdiction in which the subject property is located. (*Wyoming*). Temporary certificates do not qualify
2. The OVS Statement of Work, other assignment instructions and engagement letter must be included within the Addenda to the appraisal report.
3. The appraiser must appraise the subject property in its “As Is” condition unless authorized in writing by the OVS Review Appraiser to do otherwise.
4. Color photographs and maps of comparable properties shall be included in the appraisal report. OVS will accept aerial photographs for comparable properties, unless the aerial photographs do not accurately represent the property as of the date of inspection. The appraiser must photograph any unusual property features from the ground.
5. The appraisal report will be reviewed for compliance with the terms of this Statement of Work (including all cited standards). Any findings of inadequacy will require clarification and/or correction.
6. The appraiser shall consider the appraisal report and all DOI internal documents furnished to the appraiser to be confidential. Refer all requests for information concerning the appraisal to the OVS Review Appraiser.
7. OVS will not normally accept custody of confidential information. Should appraiser find it necessary to rely on confidential information, he/she will contact the 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.
8. While the public is not an intended user of the appraisal report, the Freedom of Information Act (FOIA) and Agency policy may result in the release of all or part of the appraisal report to others.
9. If including any proprietary information in the appraisal, appraiser must gain concurrence from OVS Review Appraiser and deliver the proprietary information in a separate binder.
10. When the appraiser has performed any services regarding the subject property within the three prior years, he/she must disclose this in the bid proposal.
11. The appraiser’s scope of work must result in credible assignment results for the intended use
12. The appraiser’s conclusion of highest and best use 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.

SECTION 3 – Performance & Submission Requirements

December 31, 2014 is the due date for delivery to the OVS Review Appraiser. This initial submission will include one (1) signed hard copy of the appraisal report. The initial submitted appraisal reports will be reviewed for compliance with the terms of this Statement-of-Work, UASFLA, USPAP and the Uniform Act (PL 91-646) when applicable. Unless other arrangements have been made, OVS will review the report within twenty (20) calendar days of receipt and respond to the offeror regarding inadequacies, modifications or corrections that are deemed necessary for the credibility of the report. Any corrections or modifications requested must be completed and returned to the requestor within ten (10) calendar days.

Once the report is deemed acceptable by the OVS Review Appraiser, the appraiser will submit four (4) signed final hard copy versions, and (1) electronic copy (pdf.) of the report for final submission.

Deliverable/Task Schedule

REQUIRED DELIVERABLES	DELIVERY DATE
Initial Appraisal Report	Target date is December 31, 2014
Review Period	Review period will commence immediately upon receipt of appraisal from contractor. The contractor will receive comments from the OVS Reviewer within 20 calendar days
Comments/Revision Period	10 days after notification from the OVS Reviewer
Final Appraisal Report Delivered to OVS.	Target is January 30, 2015

Invoice Requirements – See Section B “Contract Administration Data”



Kim Frome <kimf@silverstar.com>

Fwd: Grand Teton NP- Access to State Lands located in Section 36 T 43 N R 115 W

1 message

Lay, Gary <gary_lay@ios.doi.gov>

Thu, Oct 16, 2014 at 9:16 AM

To: Kim Frome <kimf@silverstar.com>, John Frome <jofrome@silverstar.com>

Good Morning John and Kim,

Based upon the following email from Glenna Vigil, regarding access to Tract 06-102:

For the purpose of the appraisal process, I am approving that an Extraordinary Assumption be applied in regards to the legal access for Tract 06-102. It is assumed that the proposed access as stated would not limit or hinder the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing the National Park Service lands by the most convenient and least invasive means possible.

Gary L. Lay, ARA
Review Appraiser
U.S. Dept. of Interior/Office of Valuation Services
2602 1st Av. North, Room 329, Billings, MT. 59101
PO Box 2395, Billings, MT. 59103
Office [406-657-6356](tel:406-657-6356)
Cell [720-498-2329](tel:720-498-2329)
Fax [406-657-6352](tel:406-657-6352)

Good Morning Gary:

After consultation with the park, the following was determined regarding access to the State of Wyoming Land located in Section 36.

The Potential Access Roads (two roads) to Tract 06-102, aka Section 36 T 43 N R 115 W can be made from the Gros Ventre Road (GVR) through Section 35 owned by NPS/USA. These potential access roads would begin in the easterly portion of Section 35, T 43 N R 115 W and extend easterly from said GVR crossing Section 35 to Section 36, and intersecting the West line of Section 36 at two points located at 600' + north of and 600' + south of the center line of the GVR (ie. one potential road would extend from some point on the GRV northerly and easterly to Section 36, and the other potential road would extend from some point on the GRV southerly and easterly to Section 36). These entrances/access roads are to be located

outside of a designated scenic easement that lies either side of the GVR right-of-way that is located solely in Section 36 as granted in a Grant of Easement recorded Book 12, Page 231 of the deed records of Teton County. In the event of future development of Section 36, the actual sighting/location of these potential access roads to be located in Section 35 for access into Section 36 would be determined by Grand Teton National Park at that time.

Access is to Section 36 is provided for in the enabling legislation PL 81-787 which directs the Secretary of the Interior to grant rights-of way to state owned and privately owned land within the park's boundaries.

NOTE: This information is for potential access is to be used for Grand Teton National Park Tract 06-102 appraisal purposes only.

For your reference, attached is the land status map of this area depicting Section 35, Section 36 and the GRV as it traverses these sections .

Thank you, Glenna

--

Glenna F. Vigil
Chief Realty Officer
Land Resources Program Center
Intermountain Region
Phone: [303-969-2610](tel:303-969-2610)
Fax: [303-969-2599](tel:303-969-2599)



grtesm06.pdf

341K



Kim Frome <kimf@silverstar.com>

State Grazing Lease on Section 36 of the Grand Teton Land Exchange

1 message

Lay, Gary <gary_lay@ios.doi.gov>

Fri, Nov 7, 2014 at 3:33 PM

To: Kim Frome <kimf@silverstar.com>, John Frome <jofrome@silverstar.com>

Cc: Timothy Hansen <timothy_hansen@ios.doi.gov>, Tanya Henderson <tanya_henderson@ios.doi.gov>

In regards to the Wyoming State Grazing Lease associated with case file #GRTE 06-102, Section 36, Township 43 North, Range 115 West, 6th P.M.

"You are hereby instructed to employ a Hypothetical Condition that the property in question is not leased for grazing and that there are no tenancies associated with the property."

As always, if you have any questions regarding this issue or any others please feel free to call me.

Gary L. Lay, ARA
Review Appraiser
U.S. Dept. of Interior/Office of Valuation Services
2602 1st Av. North, Room 329, Billings, MT. 59101
PO Box 2395, Billings, MT. 59103
Office [406-657-6356](tel:406-657-6356)
Cell [720-498-2329](tel:720-498-2329)
Fax [406-657-6352](tel:406-657-6352)



John Frome <jofrome@silverstar.com>

Re: Grand Teton Exchange

1 message

Lay, Gary <gary_lay@ios.doi.gov>

Wed, Jan 14, 2015 at 10:07 AM

To: John Frome <jofrome@silverstar.com>

Cc: Timothy Hansen <timothy_hansen@ios.doi.gov>, Tanya Henderson <tanya_henderson@ios.doi.gov>

John,

In regards to the issue of the required element of "Date of Value", Section 2 - Appraisal Requirements & Instructions, Statement of Work, Grand Teton National Park Land Exchange, Non Federal Parcels; **! hereby waive this requirement**. Your firm has more than adequately met the intent and purpose of the requirement and to now change the date of value to strictly comply with USPAP is unrealistic at this juncture.

The waiver of this requirement is allowed as stated in the Statement of Work. This email is to be considered and treated as written consent and your notice of the waiver.

If you have any further questions or concerns please feel free to contact me.

Gary L. Lay, ARA

Review Appraiser

U.S. Dept. of Interior/Office of Valuation Services

2602 1st Av. North, Room 329, Billings, MT. 59101

PO Box 2395, Billings, MT. 59103

Office 406-657-6356

Cell 720-498-2329)

Fax 406-657-6352

On Tue, Jan 13, 2015 at 9:53 AM, John Frome <jofrome@silverstar.com> wrote:

Gary,

During your review, you have suggested that some sections of the report lack clarity. We will provide additional clarity. USPAP under FAQ #138 indicates that when corrections are made to a report, the corrected report must show a new date of report. In doing this, the time-period allowed under the Statement of Work is not followed. Would you please revise the SOW to allow us to follow USPAP as the new date of the report will not be within 30 days of the date of value as required by the SOW.

Thanks

John

—

John Frome, MAI, ARA

John Frome & Associates

P.O. Box 128

506 CR 172

Grover, WY 83122

Tel (307) 885-9254

Cell (307) 654-1385

Fax (307) 885-1385



December 3, 2014

Ms. Kim Frome
John Frome & Associates
PO Box 128
Grover, Wyoming 83122

Re: Appraisal of State of Wyoming Parcels Located in Grand Teton National Park
Access Road and Infrastructure Construction Cost Opinion Update
Project No. 03026.03

Dear Ms. Frome –

Jorgensen Associates, P.C. is pleased to submit this updated cost opinion for road access and utility service to State of Wyoming parcels located in Grand Teton National Park. These cost opinions are for your use in the appraisals of these parcels. The specific parcels are:

1. Antelope Flats Parcel: Section 16, Township 43 North, Range 115 West, 6th P.M.
2. Kelly Parcel: Section 36, Township 43 North, Range 115 West, 6th P.M.

In 2003, Jorgensen Associates, P.C. was retained by Mr. Paul Meiling, MAI, ARA to prepare potential land development infrastructure concepts for three parcels owned by the State of Wyoming and located within Grand Teton National Park. As part of this process, JA prepared assumed 35-acre lot layout configurations with road and utility corridors to access the parcels and the lots. These costs were updated in 2010. In both iterations, cost opinions were prepared for these development concepts utilizing historical construction cost data maintained by JA.

Per your request, JA developed a scope of work and fee estimate to update these costs on October 2, 2014. For this cost update, JA was directed to limit the cost to the access road from the nearest public road to the parcel. On October 16, 2014, JA received direction from John Frome & Associates on access locations as identified by the National Park Service (enclosed).

The specific access locations are described below:

1. Antelope Flats Parcel – Section 16: This access location was requested to be on US 26, 89 between the north boundary of Section 17 and the Glacier View Turnout. The topography includes a relatively steep cut slope along the east side of the highway. The most appropriate location appears to be as far north in section 17 as possible while adhering to the Wyoming Department of Transportation's Access Manual minimum access distance from the Schwabacher Landing access road. The proposed access is assumed to be residential. This distance is 660 feet. We also assumed a deceleration lane into the access may be required.
2. Kelly Parcel – Section 36: The specific location chosen for this access is an existing access to a historic jeep trail from Gros Ventre Road. The access appears to have adequate sight distance and reasonable grades from Gros Ventre Road. The alignment appears suitable for the road to enter Section 36 just north of the Gros Ventre Road Scenic Easement. No access was included for the portion of section 36 south of the Gros Ventre Road Scenic Easement as the remaining parcel does not appear developable.



Concept road designs were prepared and are attached. The roads were designed in accordance with the Teton County Land Development Regulations and the Teton County Fire Resolution. Road functional classifications for the access roads are assumed to be Minor Local with average daily traffic volumes below 500 vehicles per day. The design speed is 25 miles per hour for rolling terrain. The road surface width is 20 feet, and the surface treatment is asphalt pavement.

JA coordinated with Lower Valley Energy (power), Silver Star (telecommunications), and 3 other area communications providers. Only LVE and Silver Star provided information on their nearest service connection locations. Neither would provide a cost for providing the actual lines or connection fees. As such, JA has assumed a linear foot cost for trenching and installing conduits for the lines to be installed from the points of connection.

Cost opinions were prepared utilizing a similar road project bid in Teton County, Wyoming in the fall of 2013. JA prepared bid summaries of estimated quantities for the Antelope Flats parcel and Kelly parcel access roads and assigned unit prices from the actual bids received for the referenced project. A contingency of 20% was assigned based upon the concept level of the designs. The bid item cost summaries are enclosed. The cost opinion for each access road is:

Antelope Flats Parcel – Section 16: \$930,000

Kelly Parcel – Section 36: \$460,000

These costs are based upon concept design plans and derived unit costs based upon recent construction experience. Actual costs will vary based upon actual development layouts and detail design information. We have appreciated the opportunity to provide our services to you. Please contact me if you have any questions.

Sincerely,
JORGENSEN ASSOCIATES, P.C.

Reed Armijo, P.E.
Project Manager

**GTNP STATE LAND PARCELS SECTIONS 16 AND 36
INFRASTRUCTURE COST OPINION
ENGINEERS OPINION OF PROBABLE COST**

ANTELOPE FLATS PARCEL SECTION 16 ACCESS

Item No.	Specification	Bid Item	Unit	Quantity	Unit Price, \$	Extension, \$
1	02001	Mobilization	LS	1	\$ 5,000.00	\$ 5,000.00
2	02110	Clearing and Grubbing	SF	74,755	\$ 0.05	\$ 3,737.75
3	02210	Topsoil Stripping and Haul to Stockpile, 6" Depth +/-	CY	1,384	\$ 5.00	\$ 6,921.76
4	02210	Unclassified Excavation	CY	3,500	\$ 30.00	\$ 105,000.00
5	02511	4" Bituminous Asphalt	TN	847	\$ 45.00	\$ 38,115.00
6	02231	6" 3/4" Crushed Gravel, Grading H, 4" Depth	TN	1,263	\$ 35.00	\$ 44,205.00
7	02190	10" Pit-run Sub-base	TN	2,150	\$ 35.00	\$ 75,250.00
8	02210	Excavation Below Sub-grade	CY	500	\$ 50.00	\$ 25,000.00
9	02735	Utility Trenching and Conduit	LF	17,950	\$ 12.00	\$ 215,400.00
10	02725	18" CMP Culvert	LF	200	\$ 40.00	\$ 8,000.00
11	02925	Revegetation Seed	SY	3,891	\$ 10.00	\$ 38,912.22
12	02280	Topsoil Placement	CY	1,297	\$ 5.00	\$ 6,485.37
13	02820	Silt Fence	LF	800	\$ 5.00	\$ 4,000.00
		20% Contingency				\$ 115,205.42
SECTION 16 TOTAL						\$ 691,232.52

DECELERATION LANE

Item No.	Specification	Bid Item	Unit	Quantity	Unit Price, \$	Extension, \$
1	02001	Mobilization	LS	1	\$ 5,000.00	\$ 5,000.00
2	02110	Clearing and Grubbing	SF	10,300	\$ 0.05	\$ 515.00
3	02210	Topsoil Stripping and Haul to Stockpile, 6" Depth +/-	CY	193	\$ 5.00	\$ 962.96
4	02210	Unclassified Excavation	CY	650	\$ 30.00	\$ 19,500.00
5	02511	4" Bituminous Asphalt	TN	146	\$ 45.00	\$ 6,552.00
6	02231	6" 3/4" Crushed Gravel, Grading H, 4" Depth	TN	211	\$ 35.00	\$ 7,371.00
7	02190	10" Pit-run Sub-base	TN	338	\$ 35.00	\$ 11,830.00
8	02210	Excavation Below Sub-grade	CY	200	\$ 50.00	\$ 10,000.00
9	02925	Revegetation Seed	SY	462	\$ 10.00	\$ 4,622.22
10	02280	Topsoil Placement	CY	154	\$ 5.00	\$ 770.37
11	02820	Silt Fence	LF	250	\$ 5.00	\$ 1,250.00
		20% Contingency				\$ 13,674.71
DECELERATION LANE TOTAL						\$ 82,048.27
SUBTOTAL						\$ 773,280.79
ENGINEERING DESIGN AND CONSTRUCTION MANAGEMENT						\$ 154,656.16
SEGMENT 16 PROJECT TOTAL						\$ 927,936.95

KELLY PARCEL SECTION 36 ACCESS

Item No.	Specification	Bid Item	Unit	Quantity	Unit Price, \$	Extension, \$
1	02001	Mobilization	LS	1	\$ 5,000.00	\$ 5,000.00
2	02110	Clearing and Grubbing	SF	48,533	\$ 0.05	\$ 2,426.65
3	02210	Topsoil Stripping and Haul to Stockpile, 6" Depth +/-	CY	899	\$ 5.00	\$ 4,493.80
4	02210	Unclassified Excavation	CY	1,000	\$ 30.00	\$ 30,000.00
5	02511	4" Bituminous Asphalt	TN	702	\$ 45.00	\$ 31,590.00
6	02231	6" 3/4" Crushed Gravel, Grading H, 4" Depth	TN	1,047	\$ 35.00	\$ 36,645.00
7	02190	10" Pit-run Sub-base	TN	1,782	\$ 35.00	\$ 62,370.00
8	02210	Excavation Below Sub-grade	CY	500	\$ 50.00	\$ 25,000.00
9	02735	Utility Trenching and Conduit	LF	7,000	\$ 12.00	\$ 84,000.00
10	02725	18" CMP Culvert	LF	130	\$ 40.00	\$ 5,200.00
11	02925	Revegetation Seed	SY	2,267	\$ 10.00	\$ 22,667.78
12	02280	Topsoil Placement	CY	756	\$ 5.00	\$ 3,777.96
13	02820	Silt Fence	LF	700	\$ 5.00	\$ 3,500.00
		20% Contingency				\$ 63,334.24
SECTION 36 SUBTOTAL						\$ 380,005.42
ENGINEERING DESIGN AND CONSTRUCTION MANAGEMENT						\$ 76,001.08
SEGMENT 36 PROJECT TOTAL						\$ 456,006.51

Terri Zullo

From: Kim Frome
Sent: Thursday, October 16, 2014 12:35 PM
To: Reed Armijo
Subject: Re: GTNP State Parcels
Attachments: Sec 16 Access Area.pdf; Sec 36 Access-Utilities.pdf

Reed,
We heard back from the feds on roads/utilities.

On Sec. 16, they say access will be from the highway somewhere between the north line of Sec. 17 and north of Glacier View turnout. They are concerned about traffic so they don't want it right at Glacier View, but they are leaving it open at to the exact location to allow for what makes the most sense, I guess. I've attached a rough map (appraiser-style) that has the area they'll allow the road to be located highlighted in red/pink. Since utilities are not at the highway, it looks like power would need to come from the east where there's a transmission line along Shadow Mountain Road. We did not see phone along Shadow Mountain Road and if it's not there, the closest lines we saw were at the junction of Antelope Flats Road and Mormon Row. Perhaps you have a better handle on that than we do.

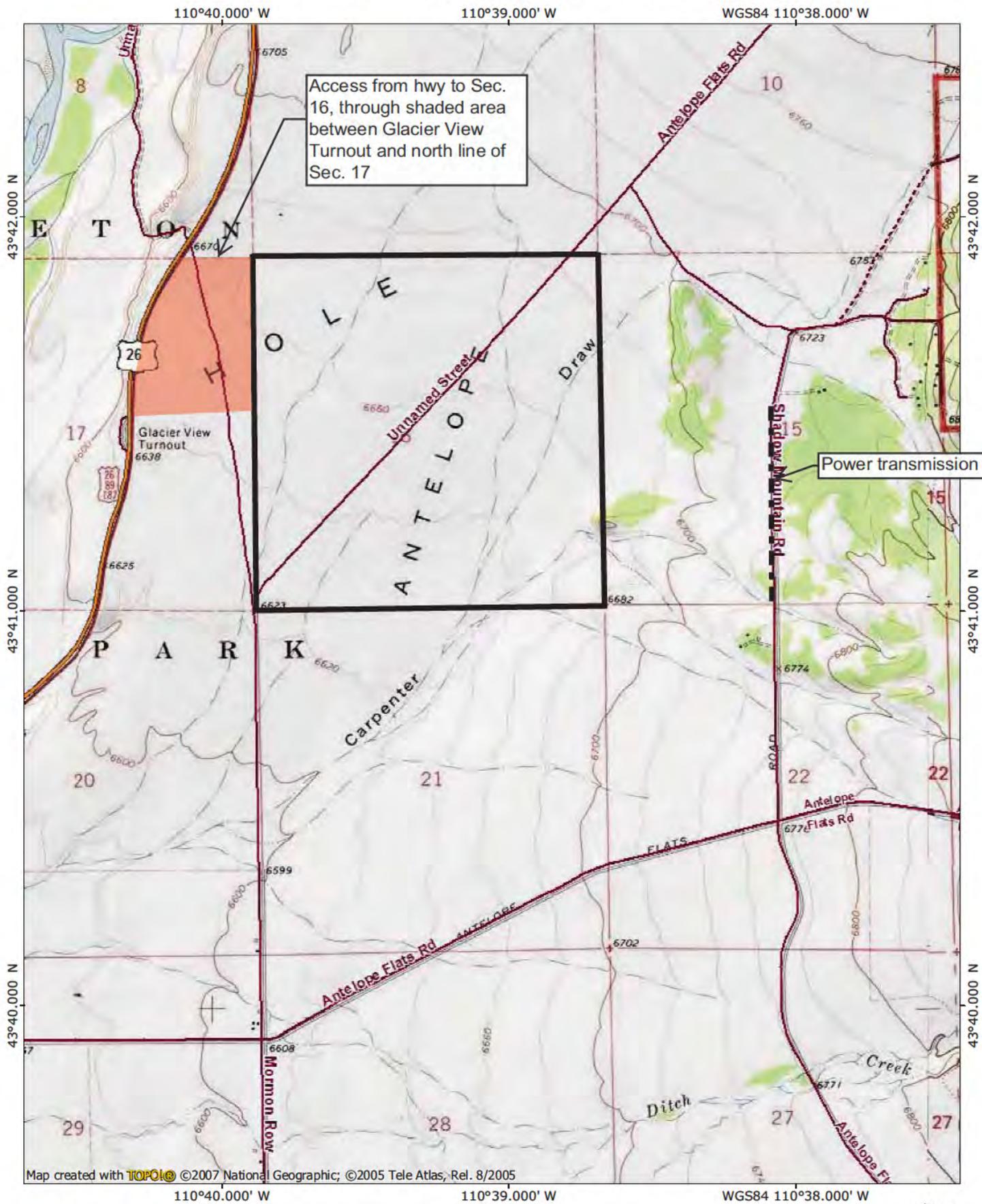
Section 36 is more complicated. You're aware of the scenic easement running through Sec. 36 from your prior work. The info we've gotten is they won't allow roads and utilities across the scenic easement. But they will allow it across other park land in Sec. 35 to the west. They say the access roads would begin in the "easterly portion of Section 35" and run to the part of Sec. 36 north of the scenic easement and south of the scenic easement, both of which extend 600 feet north of the center line of the road. They have not determined an alignment so it will just have to be what makes the most sense. Power is along the south line of Section 36, but it will need to be run to the north part along the road. I'm not sure about the location of phone--perhaps you know from the prior work. If not, we'll need to investigate that.

We appreciate your patience on this. We thought we'd have this information by 10/14, but I guess the delay wasn't that bad. If you have any questions just let me know.

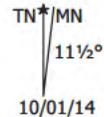
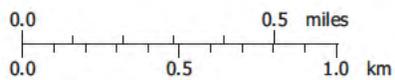
Thanks,
Kim

Kim Frome
John Frome & Associates
PO Box 128
Grover, WY 83122
307-885-9254
307-248-1575 (cell)

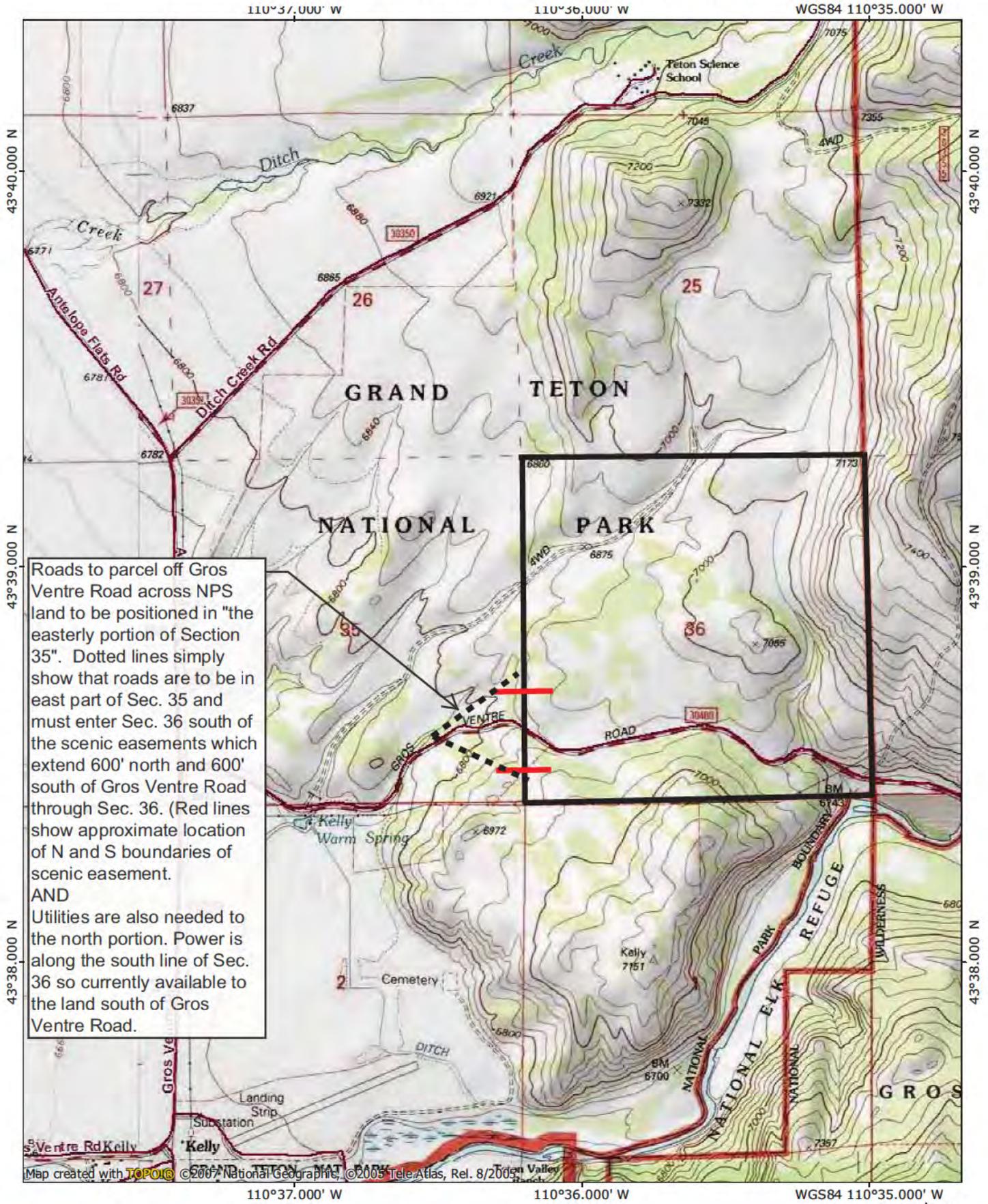
Subject Tract 05-121, Section 16 Topography Map



Map created with **TOPO!** ©2007 National Geographic; ©2005 Tele Atlas; Rel. 8/2005

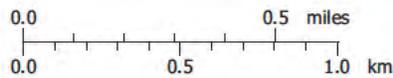


Subject Tract 06-102, Section 36 Topography Map



Roads to parcel off Gros Ventre Road across NPS land to be positioned in "the easterly portion of Section 35". Dotted lines simply show that roads are to be in east part of Sec. 35 and must enter Sec. 36 south of the scenic easements which extend 600' north and 600' south of Gros Ventre Road through Sec. 36. (Red lines show approximate location of N and S boundaries of scenic easement. AND Utilities are also needed to the north portion. Power is along the south line of Sec. 36 so currently available to the land south of Gros Ventre Road.

Map created with TOPOIG ©2007 National Geographic, ©2005 Tele Atlas, Rel. 8/2005



TN* MN
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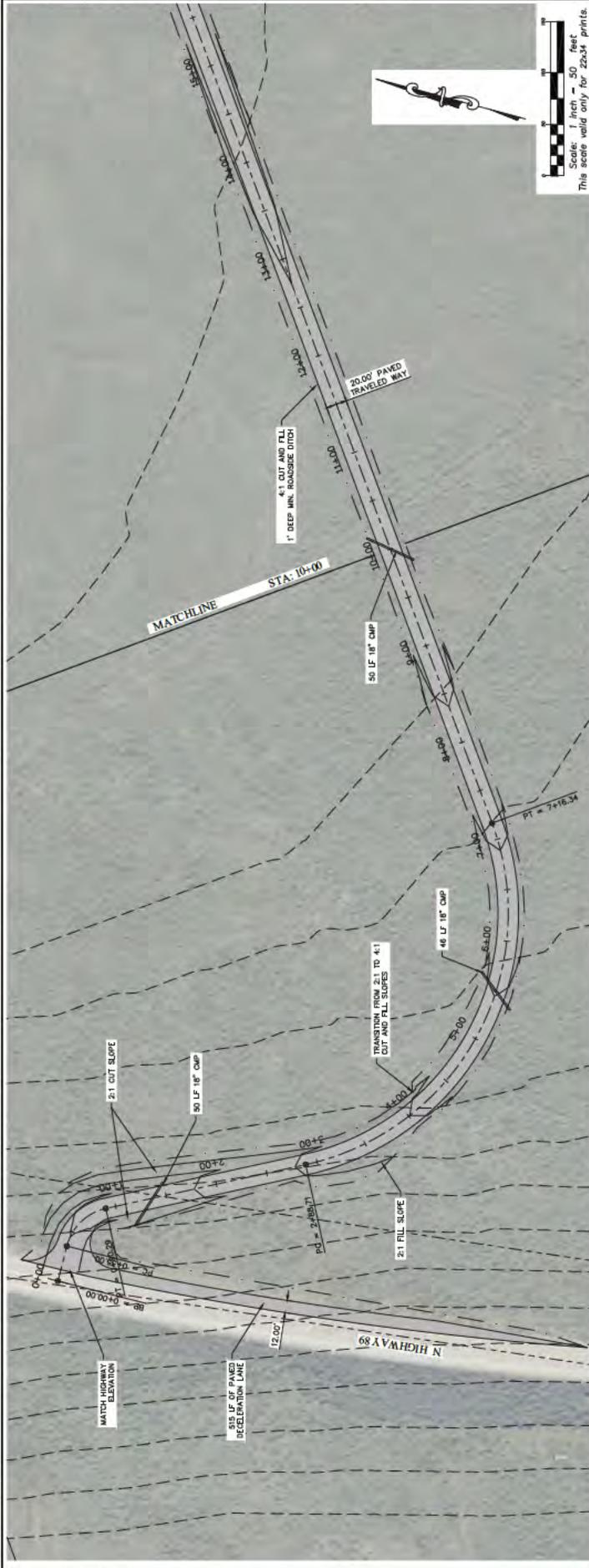
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1	11/24/20	AS	SA

PROJECT TITLE:
 GNTF State Land Parcels
 Infrastructure Cost Option
 John Frome and Associates
 Teton County, Wyoming

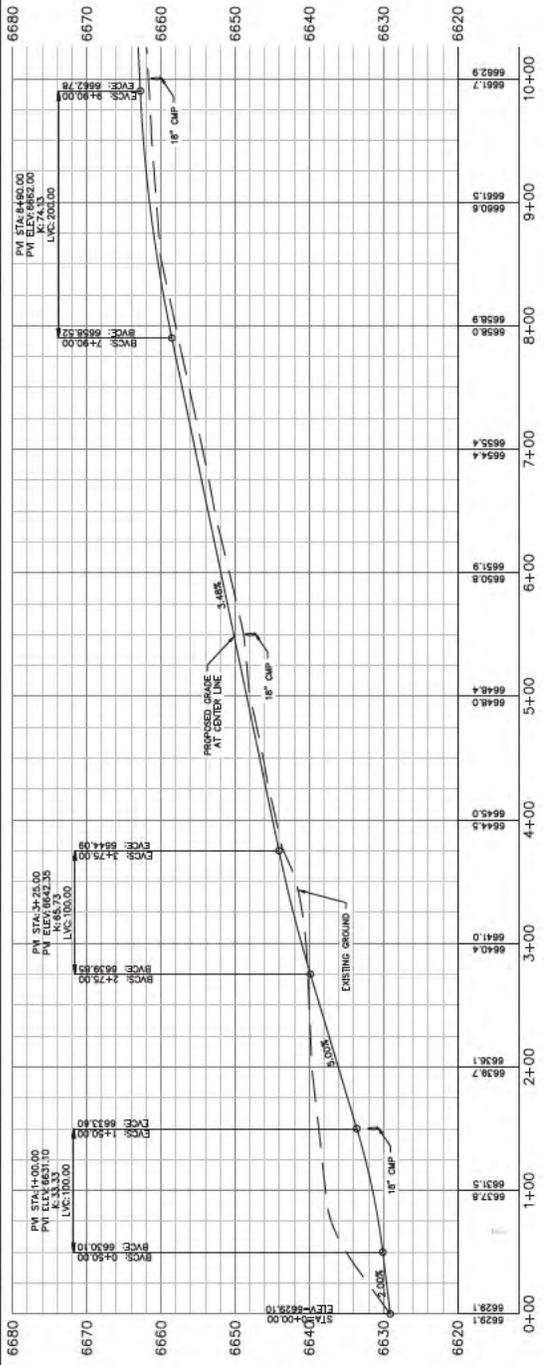
PLAN AND PROFILE
 STA: 0+00 TO STA: 10+00

PROJECT NUMBER:
 03026.01

SHEET TITLE:
 C2.1



Scale: 1 inch = 50 feet
 This scale valid only for 2x24 prints.



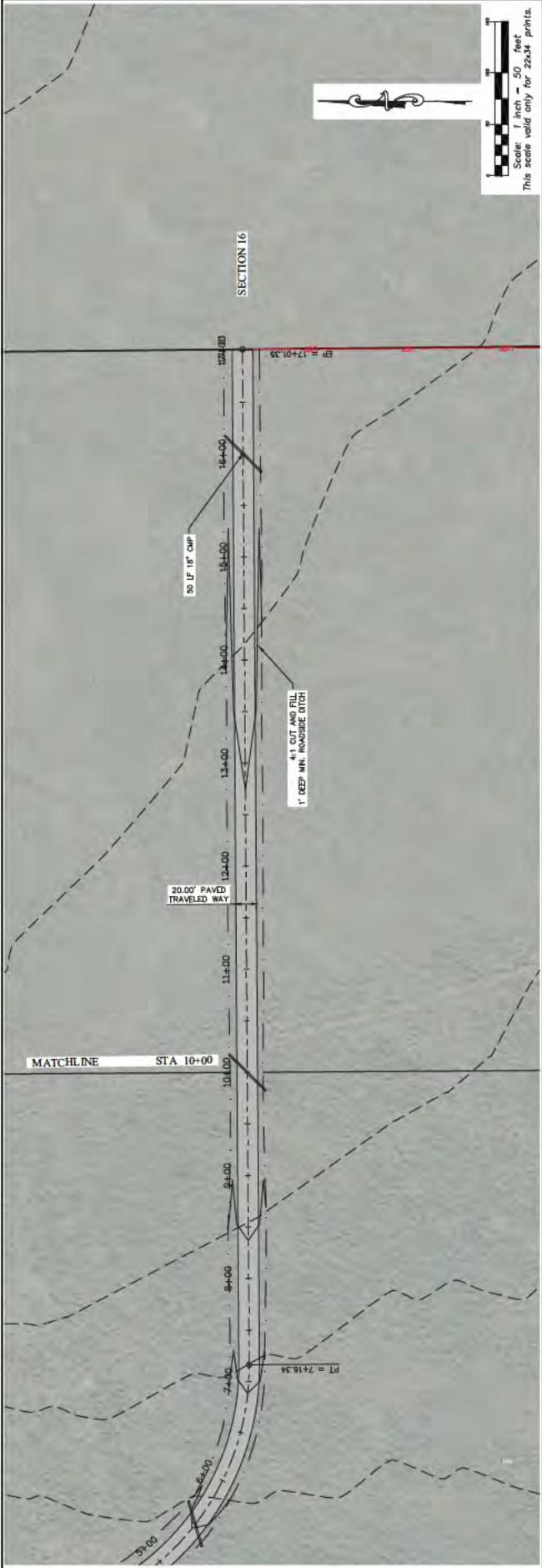
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11/24/20	AS	SA

SECTION 16 ACCESS
 PLAN AND PROFILE
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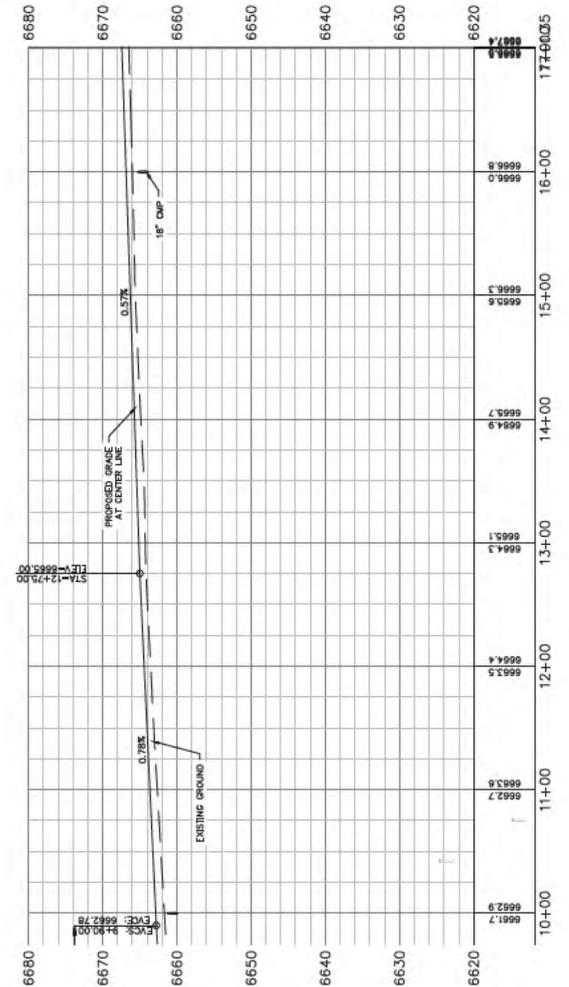
GNTF State Land Parcels
 Infrastructure Cost Option
 John Frome and Associates
 Teton County, Wyoming



PROJECT NUMBER
 03026.01
 SHEET
 C2.2



Scale: 1 inch = 30 feet
 This scale valid only for 24x36 prints



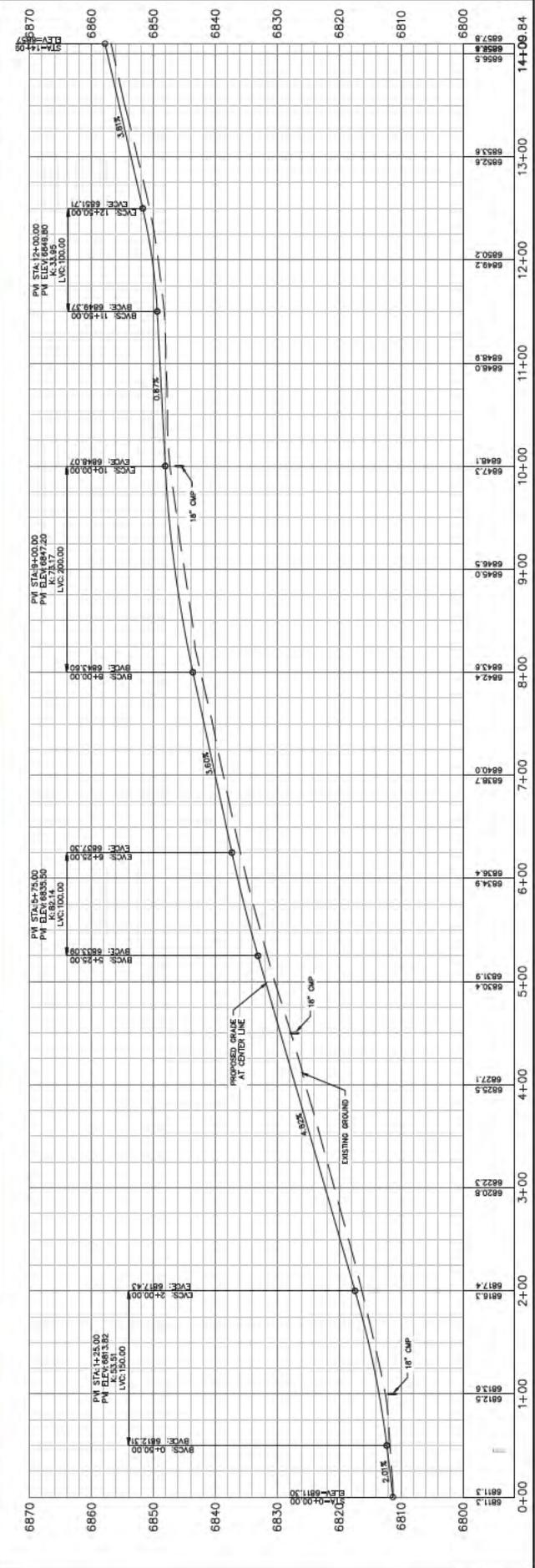
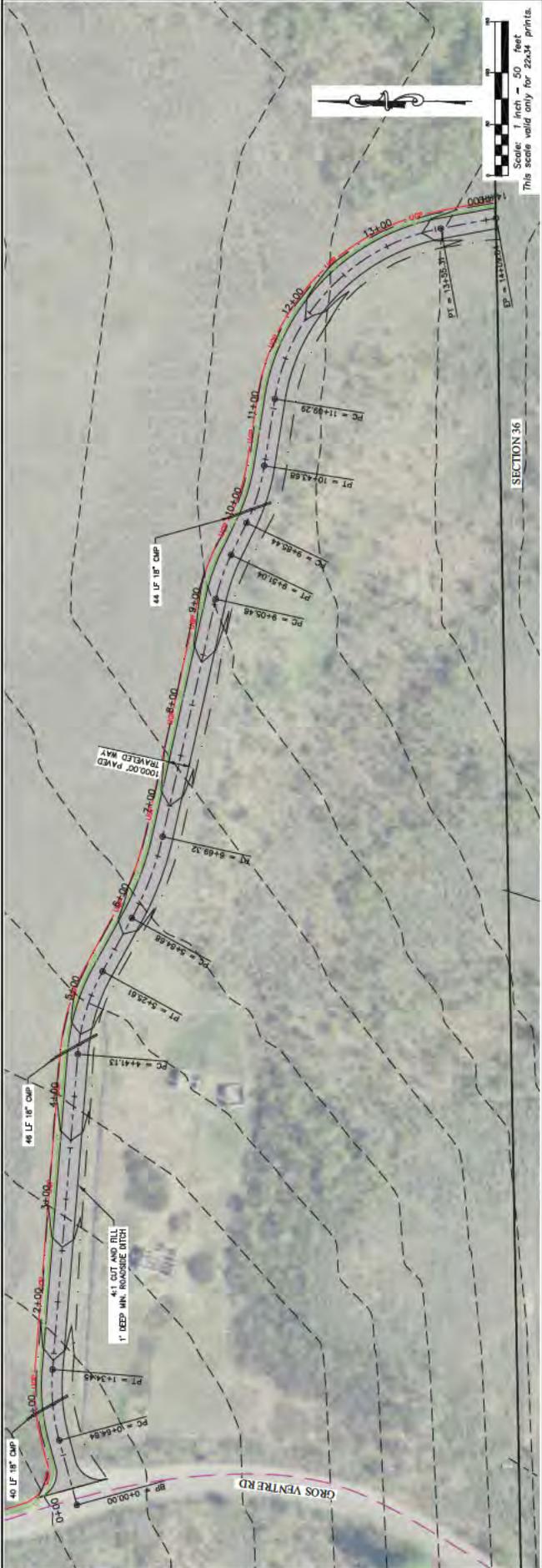
REVISION	DATE	BY	APPROVED

SECTION 36 ACCESS
 PLAN AND PROFILE
 STA: 0+00 TO STA: 14+10

GNTF State Land Parcels
 Infrastructure Cost Option
 John Frome and Associates
 Teton County, Wyoming

JORGENSEN ASSOCIATES, PC
 713 N. 2nd St., Suite 200, Jackson, Wyoming 83202
 (307) 734-1200 FAX (307) 734-1899
 Email: info@jorgensenassociates.com

PROJECT TITLE:
 SHEET C2.3
 PRODUCT NUMBER:
 03026.01





United States Department of the Interior
OFFICE OF THE SECRETARY
Office of Valuation Services

OFFICE OF MINERALS EVALUATION

12136 W. Bayaud Avenue, Suite 120
Lakewood, Colorado 80228

August 18, 2014

Memorandum

To: Bureau of Land Management, Wyoming State Office

From: Ryan Z. Taylor, Geologist *RZT*

Through: *RD* Robert Davidoff, Chief OME
CHRISTINE SADLER, RPA

Subject: Mineral Potential Report for the State of Wyoming Land Exchange with the Grand Teton National Park

The attached mineral valuation report is in response to a request from the Chief, Office of Valuation Services for the BLM, Wyoming State Office, dated August 7, 2014, (also see attached SOW). This report estimates the mineralization and development potential of minerals associated with the following lands:

Legal Description:

Tract 05-121, Section 16 (Antelope Tract), T. 43 N., R. 115 W., 6th PM; and
Tract 06-102, Section 36 (Kelly on Gros Ventre Road Tract), T. 43 N., R. 115 W., 6th PM,
Teton County, Wyoming.

If you have any questions, you may contact Robert Davidoff at (303) 969-5937.

Attachments

CC Tim Hansen

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**U.S. Department of the Interior
Office of Valuation Services**

**National Park Service,
Grand Teton National Park
IVIS Request: 65217 and 65218
State of Wyoming Land Exchange
Mineral Potential Evaluation**

August 2014

**Office of Minerals Evaluation
12136 West Bayaud Avenue
Suite 120
Lakewood, Colorado 80228
303-969-5944**

**BLM-2014-03
IVIS Request #65217 and #65218**

Office of Minerals Evaluation

Guiding Principle

The guiding principle of the Office of Minerals Evaluation is to provide unbiased information through mineral assessments and market analyses as it pertains to the role of minerals on Federally managed and entrusted lands. This information and these methodologies stand alone or are used to support the appraisal process to estimate fair market value.

Goals

The goals of the Office of Minerals Evaluation are to:

- Provide the Department of the Interior with the minerals expertise to make the final estimation on the minerals contribution to resource issues.
- Support the Indian Land Consolidation Act (ILCA), American Indian Probate Reform Act (AIPRA), and other relevant directives by providing expert analysis of minerals information.
- Establish and maintain a system of records in accordance with trust responsibilities.
- Employ the appropriate level of analysis that considers economies of scale and the use of the best available minerals information to support fair market value estimation.
- Operate under good business principles by providing high-quality services in a cost effective and timely manner.
- Support the Buy-Back Program (BBP).

NOTICE!



1. ACCESS TO THESE RECORDS IS LIMITED TO ***AUTHORIZED PERSONS ONLY.***
2. INFORMATION MAY NOT BE DISCLOSED FROM THIS FILE UNLESS PERMITTED PURSUANT TO 43 CFR 2.56.
3. THESE RECORDS MAY NOT BE ALTERED OR DESTROYED EXCEPT AS AUTHORIZED BY 43 CFR 2.52.
4. THE PRIVACY ACT CONTAINS PROVISIONS FOR CRIMINAL PENALTIES FOR KNOWINGLY AND WILLFULLY DISCLOSING INFORMATION FROM THIS FILE UNLESS PROPERLY AUTHORIZED.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF VALUATION SERVICES
OFFICE OF MINERALS EVALUATION

MINERAL POTENTIAL REPORT

REQUESTING AGENCY: Bureau of Land Management, for the Grand Teton National Park, National Park Service
PURPOSE OF VALUATION: IVIS CASE # 65217 and #65218
SUBJECT: Mineral Potential Evaluation for the State of Wyoming Land Exchange
REQUEST DATE: August 7, 2014
AREA: Teton County, Wyoming

PROPERTY REVIEWED: State of Wyoming; Tracts 05-121 (Antelope Flats), and Tract 06-102 (Kelly on Gros Ventre Rd), Teton County, Wyoming.

LEGAL DESCRIPTION: Section 16 and 36, T. 43 N., R. 115 W., 6th PM, Teton County, Wyoming.

ACRES: 1280 ± Total Acres

IS PROPERTY IN PRODUCTION.....No

SUMMARY:

<u>Commodity</u>	<u>Potential of Occurrence</u>	<u>Potential for development</u>
Oil and Gas	No currently recognized potential	No currently recognized potential
Sand, Gravel, Aggregates	Low	No currently recognized potential
Geothermal	Moderate	Low

REPORT AND CONCLUSIONS

PURPOSE

The purpose of this mineral potential report is to estimate the occurrence and development potential of any valuable mineral deposit associated with the Subject Tracts. The Subject Tracts described herein are currently owned by the State of Wyoming (see **Figure 1**):

Legal Description:

Tract 05-121, Section 16 (Antelope Tract), T. 43 N., R. 115 W., 6th PM; and
Tract 06-102, Section 36 (Kelly on Gros Ventre Road Tract), T. 43 N., R. 115 W., 6th PM,
Teton County, Wyoming.

GEOLOGY

According to the Geologic Map of Wyoming¹, Tract 05-121 is located in Quaternary gravels, and alluvial fan deposits. The bedrock geology of that parcel is not known. Tract 06-102 also contains Quaternary alluvial and colluvial deposits as well the Miocene Teewinot Formation, which is a lacustrine clay, tuff, and limestone. See **Figure 2** for the geology of the Subject Tracts.

SUBJECT'S LOCATION RELATED TO OIL AND GAS FIELDS / FORMATIONS / DEVELOPMENT OR CONSERVATION AREAS

The subject tracts are not located within any know oil or gas field or development area. In fact, according to *IHS Enerdeq*, there are no oil and gas wells with reported production in Teton County.

LEASING

BLM LR2000 as well as the Wyoming Office of State Land and Investments websites were searched for the presence of leases. None were found in the vicinity of the Subject Tracts.

OIL AND GAS POTENTIAL

Within 6 miles of the Subject Tracts, *IHS Enerdeq* has record of 5 wells being drilled. Two of these wells were drilled in the 1940s, two in the 1950s, and one in 1976. All five wells are abandoned, and have never produced any hydrocarbons.

There are no indications that the Tracts contain any geologic formation capable of oil and gas in economic qualities.

At the time of this report there is no currently recognized potential for the presence of oil and gas in economic quantities within the Subject Tracts. **Therefore there is no currently recognized potential for the development of oil and gas on the subject tracts.**

¹ Love, J.D., and Christiansen, A.C., 1985, Geologic map of Wyoming: U.S. Geological Survey Geologic Investigations Series; 1:500k.

SAND / GRAVEL / AGGREGATE MINERALIZATION

As mentioned previously, the subject tracts are mapped to contain gravel and alluvial deposits². However, detailed geologic mapping, drilling, sampling, and engineering testing would be required to determine the quality and quantity of the underlying mineral material (sand, gravel, building stone, and other aggregate) resources.

Based on inspection of aerial photography and information from soil survey data from the NRCS, a better picture of the on the ground conditions can be estimated.

Data points from the Gridded Soil Survey Geographic Database, and soil survey WY666³, indicate that the Subject Tracts have areas rated both “Fair” and “Poor” for sand and gravel resources (see **Figure 3**). There are no current operations near the Subject Tracts, however the soil database does show minor historic reclaimed gravel pits near them, most likely associated with initial development of county infrastructure in the area.

In 2009, Teton County updated a previous county-wide study on gravel supply and demand within the county⁴. In that study, they determined that through 2014, the current gravel supply is likely to meet the demand. Teton County has very restricted zoning and permitting conditions. The 2009 report also examined potential gravel extraction and processing sites for the entire county. The subject tracts were not identified near any potential extraction or processing sites.

In speaking with the Teton County Road and Levee Department, it was their assessment that county needs are currently being met with existing operations.

The Wyoming Department of Transportation website was checked for planned highway / state work within the vicinity of the Subject Tracts; no projects were identified.

In looking at the development potential of any gravel resources, the Wyoming Game and Fish Department has designated the area around the Subject Tracts as a crucial habitat priority area⁵. Viewing the Wyoming Interagency Spatial Database and Online Management System report for the lands involved show that the tracts are within 0.6 miles of a sage-grouse lek, and is within crucial habitat of bighorn sheep, elk, moose, and mule deer. It also overlaps with critical habitat of the Canada Lynx.

These wildlife concerns would make any attempt for surface disturbing operations associated with mining operations very unlikely due to costly environmental analysis and mitigation measures.

² Love, J.D., and Christiansen, A.C., 1985, Geologic map of Wyoming: U.S. Geological Survey Geologic Investigations Series; 1:500k.

³ Soil Survey Staff, Survey WY666, and WYgSSURGO, Natural Resources Conservation Service, United States Department of Agriculture. Web Soil Survey. Available online at <http://websoilsurvey.nrcs.usda.gov/>. Accessed 08/2014.

⁴ <http://www.tetonwyo.org/plan/docs/staffreports/2009/mfs/gravelstudy10-15-9.pdf>

⁵ <http://gf.state.wy.us/habitat/portal/index.asp>

SAND / GRAVEL / AGGREGATE POTENTIAL

The Subject Tracts are located in a rural, undeveloped area, where market demand for aggregate (sand and gravel) commodities is generally low, or expected to remain the same for the foreseeable future. Urban areas within 30 miles of the Subject Tracts, where demand may be higher include the town of Jackson (pop. 9,577) and Victor (pop. 1,928), with and the unincorporated Moose (pop. 1,812), and Teton Village (pop. 333).

There are 6 permitted sand and gravel mines already in production that are serving the Jackson market, which is the largest in the area (see **Figure 4**).

It is highly unlikely a new aggregate operation on or near the Subject Tracts would be economic, or even permitted given: 1) the potentially unfavorable geology of the area; 2) initial start-up capital costs; 3) competition from established operations; 4) restriction zoning within the county; 5) environmental concerns associated with the area for wildlife (elk, sage grouse, and others).

Therefore at the time of this report, the potential for gravel and aggregate resources to be present on the Subject Tracts is low, however for the reason listed above there is no currently recognized potential for those resources to be developed.

GEOHERMAL OCCURENCE

Wyoming is certainly known for some of its geothermal hotspots; Yellowstone National Park, Hot Spring State Park in Thermopolis, and Satatoga Springs, are well known for its thermal springs. The area around the Subject Tracts contain some potential for thermal resources.

Within 1.5 miles of the Tract 06-102, the existence of two thermal springs has been identified. Both in T. 42 N., R. 115W, one named Teton Valley Warm Springs has reported temperatures are in the 17-21°C range⁶, and the other named Kelly Warm Springs has temperatures in the 25-27°C range⁷ (see **Figure 5**).

There have been no thermal waters identified on the Subject Tracts.

GEOHERMAL POTENTIAL

The Relative potential for Enhanced Geothermal System development was estimated by the National Renewable Energy Laboratory (NREL)⁸. The dataset they produced is a qualitative assessment of geothermal potential for the US based on levelized Cost of Electricity, with CLASS 1 being most favorable, and CLASS 5 being least favorable. The area around the Subject Tracts was given a rating of CLASS 3, which is more toward the less favorable side of the spectrum.

⁶ Breckenridge, R.M., Hinckley, B.S., 1978, Thermal Springs of Wyoming: Wyoming Geological Survey Bulletin 60, 104 p.

⁷ http://waterdata.usgs.gov/nwis/inventory/?site_no=13013570&agency_cd=USGS&

⁸ http://www.nrel.gov/gis/data_geothermal.html

The temperature of both nearby thermal springs is within the range for direct use⁹. However, neither spring is currently being used for any commercial purposes.

Kelly Warm Springs is owned by the Grand Teton National Park, and is therefore unlikely to be developed. Teton is privately owned by Gros Ventre Warm Springs Holdings, LLC, the extent of any geothermal development on this land is unknown, however other than holding title to the property no commercial activities appear to be taking place.

There are geothermal resources relatively near Tract 06-102, however due to the fact that no thermal water exists on the subject tracts, the potential for geothermal resources to occur is moderate.

Discovering and utilizing geothermal resources on the subject tracts would require exploration drilling and extensive testing. It is highly unlikely a commercial geothermal operation on the Subject Tracts would be economic, given: 1) currently lack of identified geothermal waters on the Tracts; 2) initial costs of exploration and testing; 3) distance to markets, and lack of nearby commercial facilities (for direct use); 5) environmental concerns associated with the area for wildlife (elk, sage grouse, and others; see above). **Therefore the development potential of geothermal resources on the Subject Tracts is low.**

OTHER MINERALIZATION / POTENTIAL

Other than the commodities listed above, there is no currently recognize potential for any other metal or nonmetal mineral commodity on the Subject Tracts.

⁹ <http://www.nrel.gov/docs/fy04osti/36316.pdf>

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Management for the Grand Teton National Park

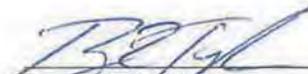
A site visit was not conducted by this office, nor was a site visit review of the Subject Tracts available at the time of this report.

SUMMARY

Based on the best available data there is limited potential for minerals of current economic value occurring on or adjacent to the Subject Tracts. The findings of the Office of Minerals Evaluation are summarized as:

<u>Commodity</u>	<u>Potential of Occurrence</u>	<u>Potential for development</u>
Oil and Gas	No currently recognized potential	No currently recognized potential
Sand, Gravel, Aggregates	Low	No currently recognized potential
Geothermal	Moderate	Low

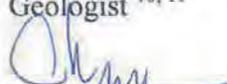
Author:



Ryan Z. Taylor
Geologist^{10, 11}

8/18/2014
Date

Technical Reviewer:



Robert L. Davidoff
OME Chief¹⁰
for 

8/18/14
Date

¹⁰ Certifications, Assumptions, and Limiting Conditions

- 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 and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest or bias in the property(ies) that is(are) the subject of this report, and I have no personal interest with respect to the parties involved.
- My engagement and compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this evaluation. No one provided significant business and/or intangible asset evaluation assistance to the person signing this certification.
- The information, estimates, and opinions furnished by the author and contained in this report were obtained from sources considered reliable and are believed to be true and accurate.
- The legal descriptions for the parcel requiring analysis assumed to be correct.
- The analysis also assumes that this parcel has been plotted correctly within the township, range, and section identified by the Tulsa Solicitor Field Office.
- This report is to be used in its entirety and only for the purpose of providing an opinion of fair market value for mineral resources on the subject lands for the owners of the estate and other governmental entities with a need for such information.
- This report is considered Federal Records and therefore the data collected and reports and conclusions supplied within this report are for the exclusive use of the U.S. Government. No disclosure is allowed of any conclusions, in whole or in part to any persons other than representatives of the U.S. Government and / or the property owner.

¹¹ Author's Statement of Qualifications, resume and signatures (where required) are on-file at the Office of Minerals Evaluation, 12136 W. Bayaud Ave., Suite 120, Lakewood, CO 80228

IVIS Request #65217 and #65218, State of Wyoming Land Exchange, Bureau of Land
Management for the Grand Teton National Park

DEFINITIONS, ASSUMPTIONS, AND LIMITING CONDITIONS:

A. DEFINITIONS:

1. Abandoned Well is a well no longer in use because it was either a dry hole, ceased to produce, or cannot be operated.
2. Barrel shall mean 42 (U.S.) gallons at 60° F at atmospheric pressure.
3. Barrel of Oil Equivalent or BOE, gross recoverable barrels in the ground of both oil and oil-equivalent gas.
4. Bonus is the amount paid for the right to lease property for oil and gas, and mineral exploration.
5. Condensate, liquid hydrocarbon recovered from natural gas.
6. Division Order, instrument showing percentage of royalty or rental divisions among royalty owners.
7. Flowing Well shall mean any well from which oil or gas is produced naturally and without artificial lifting equipment.
8. Force Pooling is the bringing together, as required by law or a valid order or regulation, of separately owned or separate interest in small tracts sufficient for the granting of a well permit under applicable spacing rules.
9. Gas shall mean any petroleum hydrocarbon existing in the gaseous phase.
10. Lease Term is the primary terms of the lease contract agreed upon by the lessor and lessee.
11. Lessee, the person who is getting the oil and gas leasehold.
12. Lessor, the mineral owner giving leasing rights.
13. Market Value is the most probable price in terms of money which a property should bring in competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
14. Mcf of Gas, 1,000 cubic feet of gas.
15. Mineral Deed, conveys ownership of ALL interest in and to all oil, gas and other minerals in and under the real property, together with the right of ingress and egress for the purposes of exploring, drilling, operating and developing said lands for oil, gas and other minerals. May be held separately from surface ownership and surface minerals.
16. Non-producing Status, a lease without producing wells or a lease with wells that have been temporarily shut-in.

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Management for the Grand Teton National Park

17. Oil or Crude Oil, any petroleum hydrocarbon, except condensate, produced from a well in liquid form by ordinary production methods.
18. Operator, the person who is duly authorized and in charge of the development of a lease or the operation of a producing property.
19. Paid Up Lease, all future rentals paid with the cash bonus at the time lease is first acquired.
20. Royalty Rate is the percentage of the proceeds paid to the lessor for the exploration of specified natural resources.
21. Surface Warranty Deed conveys ownership of the surface only, including surface mineral deposits such as sand and gravel. Does not convey subsurface values of a mineral deed. May be specified as: Less and except all of the oil, gas and other minerals lying therein and thereunder.
22. Spacing Unit, area allocated to a well by a spacing order.
23. Tight Hole, well information restricted at the order of the operator.
24. Unitization, joint operation of all or some parts of a producing reservoir.
25. Working Interest, operating interest under oil and gas lease bearing all costs of exploration and development.

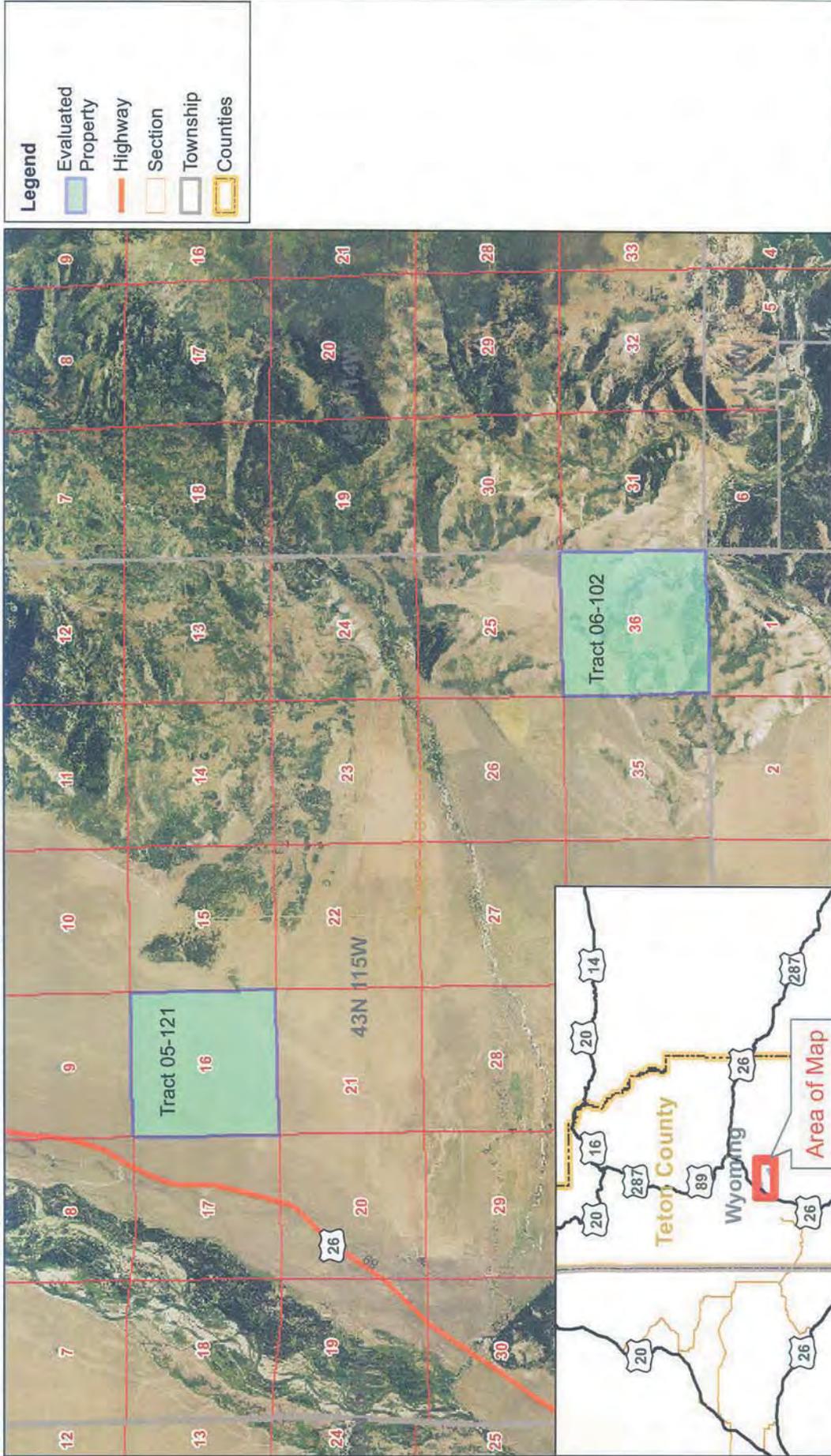
B. ASSUMPTIONS:

1. No responsibility is assumed for the legal descriptions or for other matters including legal or title considerations.

C. LIMITING CONDITIONS:

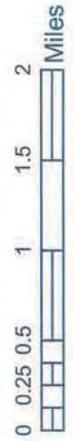
1. The information, estimates, and opinions furnished by the author and contained in this report were obtained from sources considered reliable and are believed to be true and accurate. However, the author assumes no responsibility for the accuracy of the information obtained.
2. This report is to be used in its entirety and only for the purpose of advising individual Indian petitioners involved in the reference case, the court having jurisdiction in the reference case, authorized Bureau of Indian Affairs personnel, and personnel of the Regional Office of the Solicitor.
3. This report is based in part upon material which is copyrighted under the statutes of the United States and reproduction without the express written permission of the copyright owner is prohibited.
4. SCOPE OF VALUATION: This valuation was completed after analysis of the subject area and surrounding area, and a collection of comparable sales, cost data, income data, bonuses, royalty rates, terms of lease, and other information in relationship to the subject property.

Figure 1. General location map of Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



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Office of the Secretary

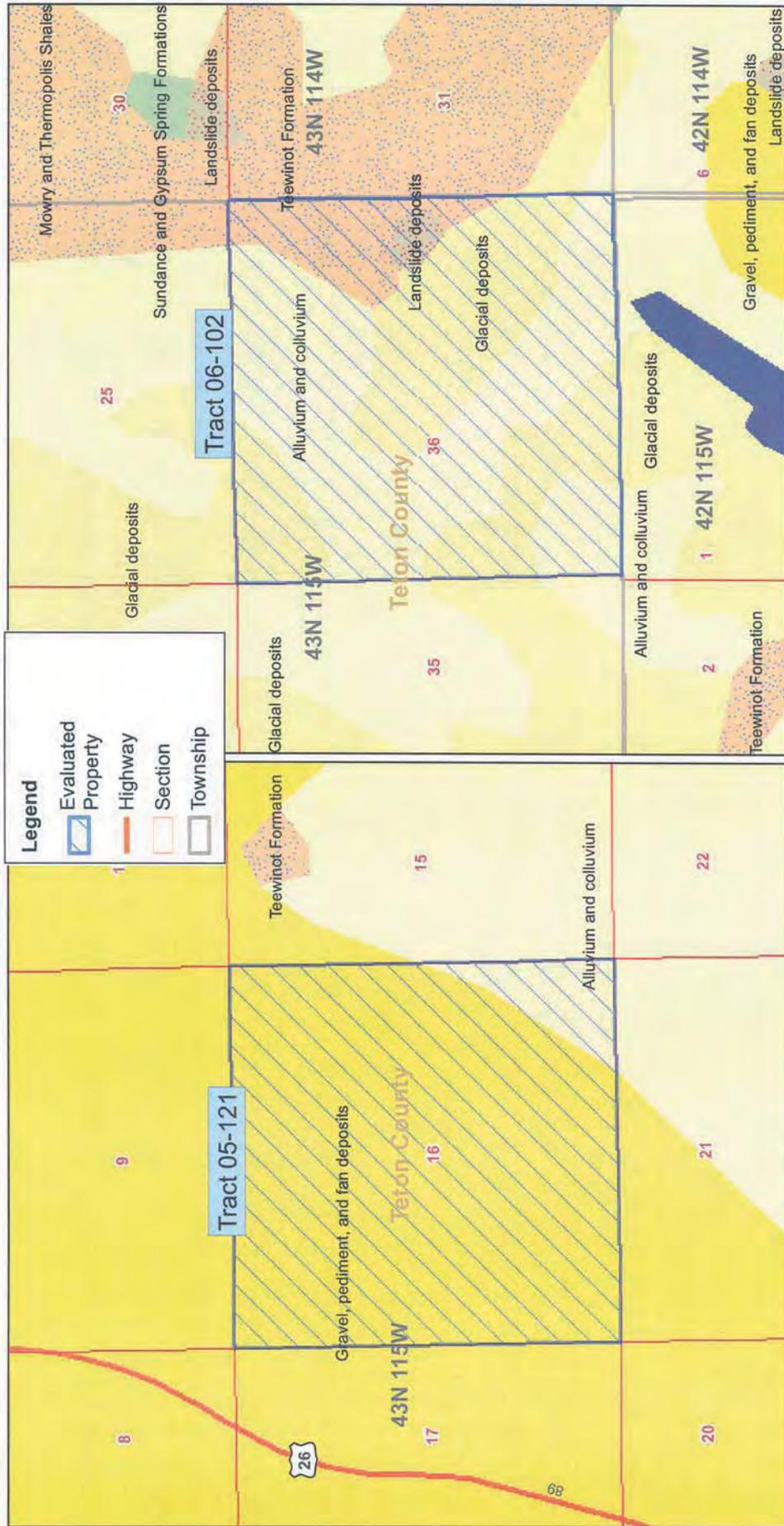
Office of Minerals Evaluation
MIS Case #65217 and #65218
August, 2014



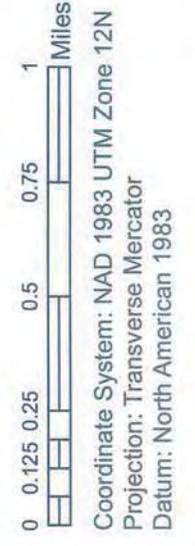
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Projection: Transverse Mercator
Datum: North American 1983

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Figure 2. General Geology of Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



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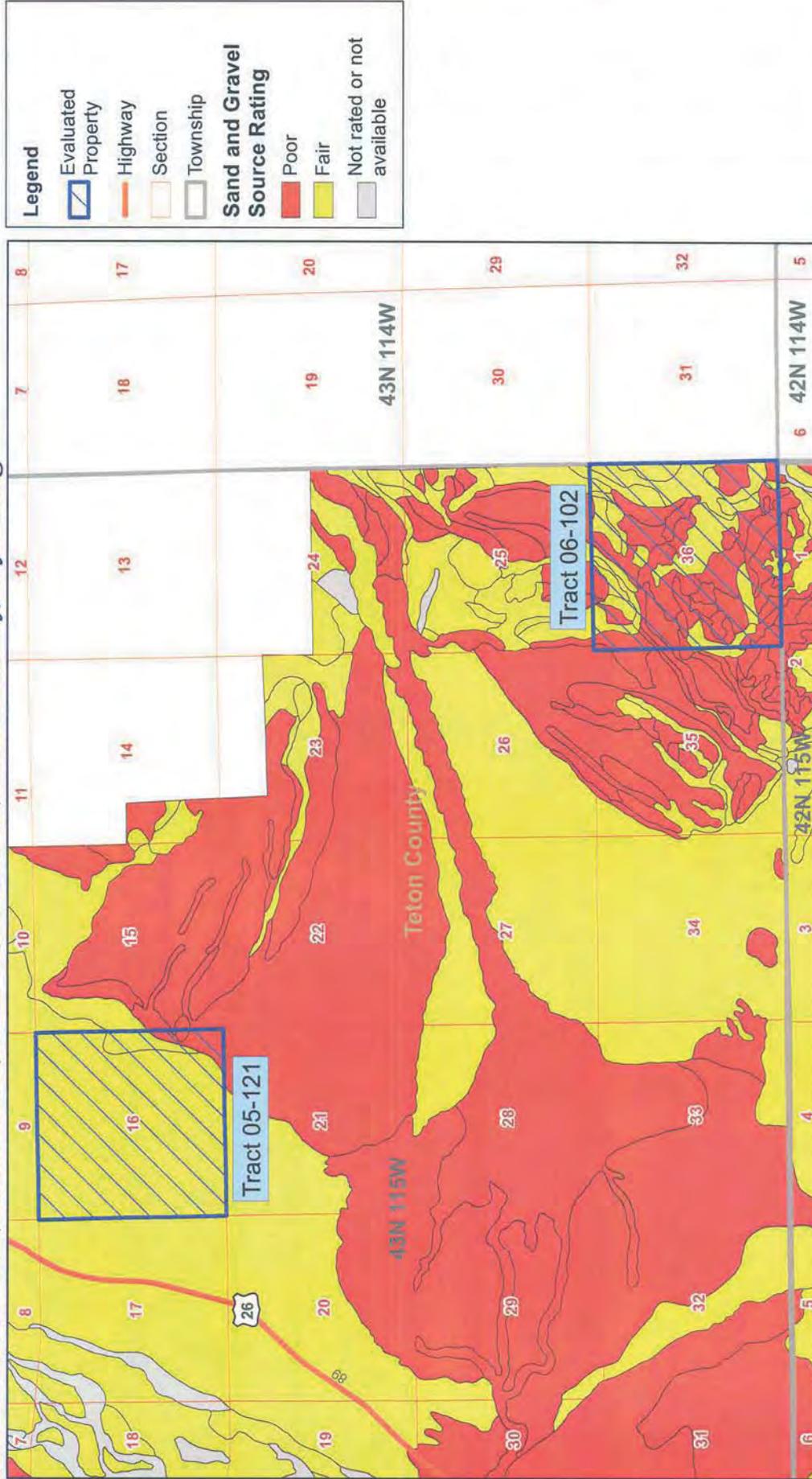


Coordinate System: NAD 1983 UTM Zone 12N
 Projection: Transverse Mercator
 Datum: North American 1983

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 IVIS Case #65217 and #65218
 August, 2014

Figure 3. Sand and Gravel Source Rating of Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



Legend

- Evaluated Property
- Highway
- Section
- Township

Sand and Gravel Source Rating

- Poor
- Fair
- Not rated or not available

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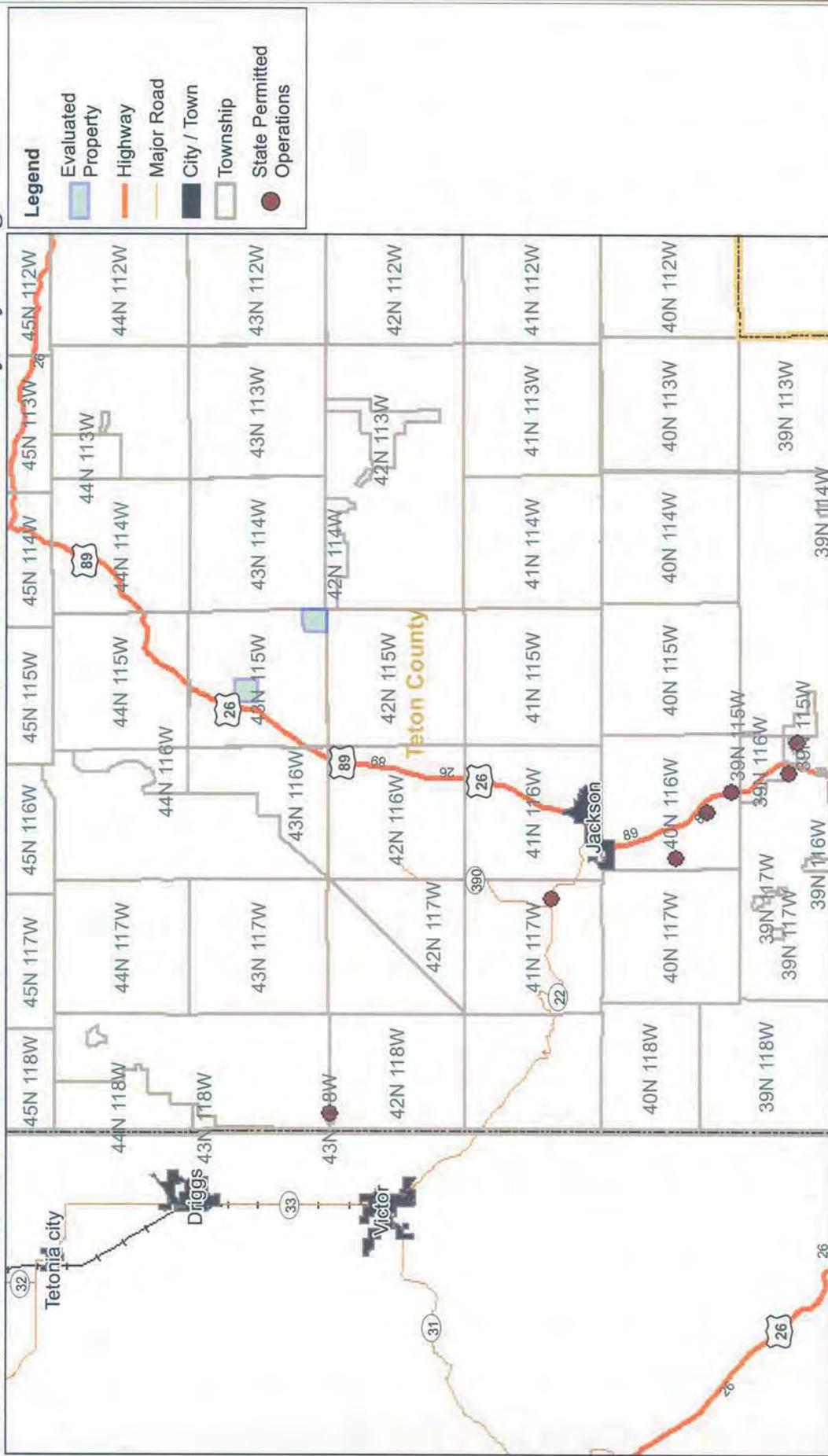
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 Datum: North American 1983

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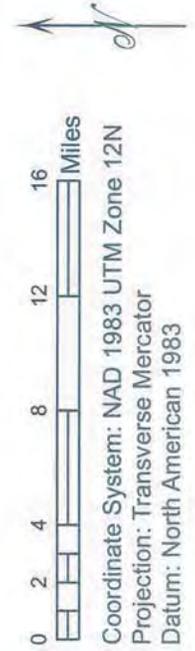
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 August, 2014

Figure 4. Permitted Aggregate Operations Proximate to Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



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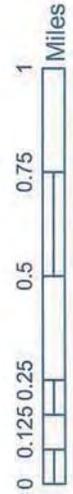
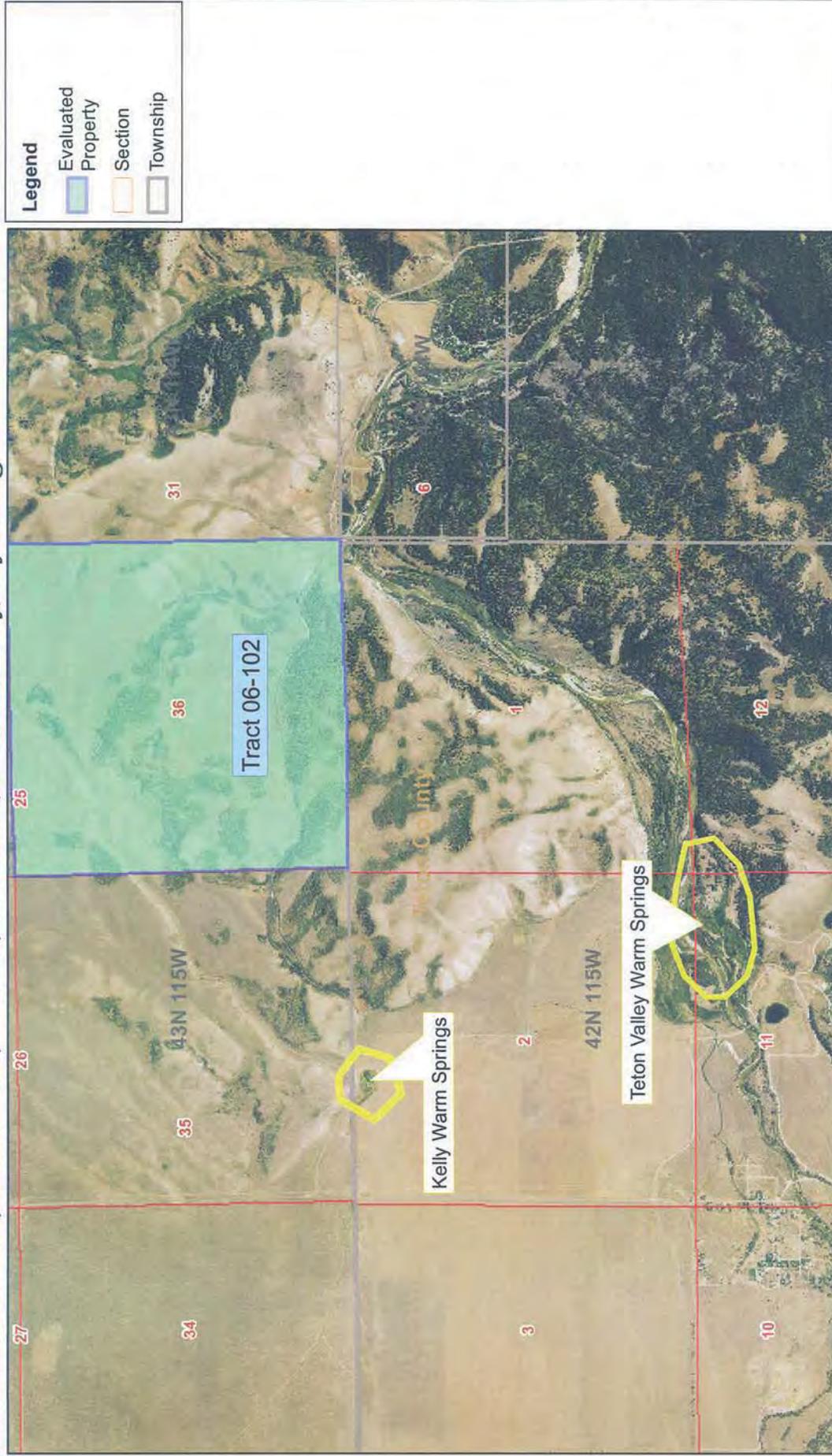
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August, 2014



Coordinate System: NAD 1983 UTM Zone 12N
Projection: Transverse Mercator
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Figure 5. Thermal Springs Proximate to Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



Coordinate System: NAD 1983 UTM Zone 12N
 Projection: Transverse Mercator
 Datum: North American 1983

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Office of Minerals Evaluation
 IVIS Case #65217 and #65218
 August, 2014

Appraisal Report

Volume I

**Grand Teton National Park
State Land
Section 16
NPS Tract 05-121
Teton County, WY**

As of November 26, 2014

Prepared for:

Gary L. Lay, ARA
Department of Interior
Office of Valuation Services
P.O. Box 2395
Billings, MT 59103

Prepared by:

John Frome, MAI, ARA
Kim Frome, ARA
John Frome & Associates
P.O. Box 128
Grover, WY 83122

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JOHN FROME & ASSOCIATES

REAL ESTATE APPRAISERS • CONSULTANTS

P.O. BOX 128, GROVER, WY 83122

TEL. (307) 885-9254 • FAX (307) 885-1385

January 15, 2015

Department of Interior
Office of Valuation Services
Attn: Gary L. Lay, ARA
P.O. Box 2395
Billings, MT 59103

Re: IVIS #65217, Appraisal of NPS Tract 05-121 located about 15 airmiles northeast of the town of Jackson, Wyoming

Dear Mr. Lay:

As requested, we have appraised the above referenced property located northeast of Jackson in Teton County, Wyoming. The property is legally described and discussed in the attached report. The purpose of this appraisal is to provide an opinion of the cash market value of the subject property as of the date of our last inspection thereof. The U. S. Department of Interior, Office of Valuation Services (OSV) is the client for the appraisal. The intended users of the appraisal are the National Park Service and the Bureau of Land Management on behalf of the United States of America, and State of Wyoming Board of Land Commissioners by and through the Office of State Lands and Investments. The intended use is for a proposed land exchange of the identified property. It is not intended for any other use.

The subject property was inspected on October 7, 2014 and again on November 26, 2014, which is the date of value. We made a careful study of the subject property and all accompanying information and data. All data and information used in the compilation of this report was gathered by us and our associates and is assumed to be correct and true. The appraisal report consists of two volumes. Volume I is this portion of the report that includes the information on the subject property and the analyses and opinion of value. Volume II is the sales data book that includes details of the sales and maps and photographs. Volumes I and II are integral to one another and together they provide the entire appraisal report.

Our opinion of the market value of the subject property as of November 26, 2014 is:

NPS Tract 05-121 – Forty-six Million Dollars (\$46,000,000) cash

The Uniform Standards of Professional Appraisal Practice states that the appraiser must estimate exposure time linked to the value opinion¹. However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time, thus no development of exposure time was completed. **This is a jurisdictional exception to USPAP Standards Rule 1-2(c)(iv).**

¹ USPAP, S.R.1-2(c)(iv)

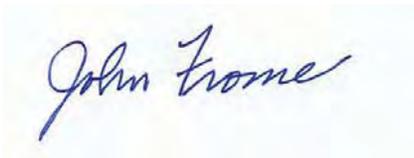
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January 15, 2015
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The subject property is surrounded by National Park Service land and does not have road access or utilities extended thereto, nor are there easements allowing for roads and utilities. In an e-mail following the pre-work meeting (received by us October 16, 2014), Gary Pollock, Management Assistant, Grand Teton National Park, stated the following: "As we discussed, in regard to access for the Antelope Flats parcel, for the purposes of the appraisal you should assume that a ROW for access would be provided from U.S. Highway 89, most likely somewhere on the stretch extending about a half mile north of Glacier View Turnout. Exact location would be determined based on line of sight and other factors." Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: "I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 05-121. It is assumed that the proposed access as stated would not hinder or limit the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing National Park Service lands by the most convenient and least invasive means possible."

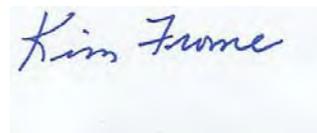
The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

The supporting analysis and conclusions upon which the opinion of value is based are contained in the accompanying report and Volume II, the sales data book. We trust you will find it complete and to your satisfaction.

Respectfully submitted,

A handwritten signature in blue ink that reads "John Frome". The signature is written in a cursive style and is positioned above a light blue rectangular background.

John Frome, MAI, ARA
WY Certified General Appraiser #31

A handwritten signature in blue ink that reads "Kim Frome". The signature is written in a cursive style and is positioned above a light blue rectangular background.

Kim Frome, ARA
WY Certified General Appraiser #423

Summary of Salient Facts

Apparent Owner of Record: State of Wyoming

Location: About 15 airmiles northeast of the town of Jackson, Teton County, Wyoming

Legal Description: T43N, R115W, 6th PM, Section 16: All

Property Interest Appraised: Fee simple estate, subject to all reservations of record

Purpose of Appraisal: The purpose of this appraisal is to provide an opinion of the market value of the subject property as of the date of the last inspection, November 26, 2014.

Land Area: 640 acres

Property Description: The subject is a full section of land—one square mile, located within Grand Teton National Park. It is located on Antelope Flats, and is nearly level with sagebrush/grass vegetative cover.

Improvements: None

Personal Property: None

Current Use: No evident use as of the dates of inspection

Highest and Best Use and Use Reflected in Appraisal: Residential subdivision

Date of Value: November 26, 2014

Opinion of Market Value: \$46,000,000—cash

Jurisdictional Exception: The Uniform Standards of Professional Appraisal Practice states that the appraiser must estimate exposure time linked to the value opinion². However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time, thus no development of exposure time was completed. This is a jurisdictional exception to USPAP Standards Rule 1-2(c)(iv).

Extraordinary Assumption: The subject property is surrounded by National Park Service land and does not have road access or utilities extended to the tract, nor are there easements allowing for roads and utilities. In an e-mail following the pre-work meeting (received by us October 16, 2014), Gary Pollock, Management Assistant, Grand Teton National Park, stated the following: "As we discussed, in regard to access for the Antelope Flats parcel, for the purposes of the appraisal you should assume that a ROW for access would be provided from U.S. Highway 89, most likely somewhere on the stretch extending about a half mile north of Glacier View Turnout. Exact location would be determined based on line of sight and other factors." Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: "I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 05-121. It is assumed that the proposed access as stated would not hinder or limit the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing National Park Service lands by the most convenient and least invasive means possible." The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

Appraisers: John Frome, MAI, ARA
Kim Frome, ARA
John Frome & Associates
P. O. Box 128
Grover, WY 83122

² USPAP, S.R.1-2(c)(iv)



#1- Viewing west over subject from near mid-point on east property boundary with Tetons in background. Subject extends for one mile west. Taken by John Frome on October 7, 2014.



#2- Viewing south from near mid-point on east property boundary. A few of the small trees on point to left of photo appear to be on the property appraised. Taken by John Frome on October 7, 2014.



#3- Northerly view from near mid-point on east property boundary with eastern boundary roughly matching with end of steep slope to left of photo. Taken by John Frome on October 7, 2014.



#4- Viewing northeasterly along old road that bisects the property diagonally. Photo taken from near center of subject property by John Frome on October 7, 2014.



#5- Southerly view from near center of subject towards Mormon Row. Taken by John Frome on October 7, 2014.



#6- Viewing southwest over subject from near center of property appraised. Taken by John Frome on October 7, 2014.



#7- Northeasterly view over subject from near the midpoint on west property boundary. East line of property appraised is this side of tree-line at right of photo. Taken by John Frome on October 7, 2014.



#8- Northerly view along western property boundary from near the center of boundary. Taken by John Frome on October 7, 2014.



#9- Northwesterly view from west boundary of subject. Highway 26 is roughly 3/8ths mile west of where photo was taken. Taken by John Frome on October 7, 2014.



#10- Viewing east over subject from Highway 26. Subject begins roughly 3/8's mile east from where photo was taken and extends easterly to near low timbered ridge in background. Taken by John Frome on November 26, 2014.



#11- Southeasterly view from Highway 26 over area of proposed access easement to subject property. Taken by John Frome on November 26, 2104.

Assumptions and Limiting Conditions

1. LIMIT OF LIABILITY: The liability of the appraiser and employees is limited to the client and to the fee collected. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and legally.

2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT: Possession of this report or any copy thereof does not carry with the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers require each Member or Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of appraiser. (See last item in following list for client agreement/consent).

3. CONFIDENTIALITY: This appraisal is to be used only in its entirety and no part is to be used without the entire report. All conclusions and opinions concerning the analysis set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser. The Appraiser shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute or the American Society of Farm Managers and Rural Appraisers as they may request in confidence of ethics enforcement, or by court of law or body with the power of subpoena.

4. TRADE SECRETS: This appraisal was obtained from John Frome, MAI, ARA, Appraiser and Consultant, or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Notify the appraiser(s) signing the report of any request to reproduce this appraisal in whole or part.

5. INFORMATION USED: No responsibility is assumed for accuracy of the information furnished by work of others, the client, his designee, or public records. I am not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with the Appraiser and possibly signing the report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for the subject property.

6. TESTIMONY AND COMPLETION OF CONTRACT FOR APPRAISAL SERVICES: The contract for appraisal, consultation or analytical service are fulfilled and the total fee payable upon completion of the report. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

7. EXHIBITS: The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if included, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from a separate surveyor.

8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL, HIDDEN COMPONENTS, SOIL: No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to correct as used in this report as furnished by the client, his designee, or as derived by the appraiser.

Please note that no advice is given regarding soils and potential for settlement, drainage (seek assistance from qualified architect and/or engineer); nor matters concerning liens, title status, and legal marketability (seek legal assistance). The client should inspect the property before any disbursement of funds.

The appraiser has inspected as far as possible by observation the land and improvements; however it was not possible to personally observe conditions beneath the soil or hidden structural components.

The land or the soil of the area being appraised appears firm; however subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.

The Appraiser assumes no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

9. LEGALITY OF USE: The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been compiled with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other legislative or administrative authority by local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

10. VALUE CHANGE, MARKET INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER(S): The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

The "Estimate of Fair Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

11. CHANGE: Appraisal report and value estimate are subject to change if physical, legal entity, or financing different than that envisioned at the time of writing this report becomes apparent at a later date.

12. MANAGEMENT OF THE PROPERTY: It is assumed that the property that is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor superefficient.

13. CONTINUING EDUCATION: The Appraisal Institute and the American Society of Farm Managers and Rural Appraisers conduct a voluntary program of continuing education for its designated members; MAI's and ARA's who meet the minimum standards of this program are awarded periodic educational certification; and, MAI's and ARA's signing the report are currently certified under this program.

14. FEE: The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. The compensation (fee) for the preparation of this appraisal report has no relation to the final values reported.

15. CHANGES, MODIFICATIONS: The appraiser(s) reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us at the time of the report preparation.

16. MINERAL RIGHTS, NOISE, AND ENVIRONMENTAL CONCERNS: Mineral rights, noise, and environmental factors have not been given segregated consideration except as noted; they have been treated with the whole.

17. HAZARDOUS MATERIALS: Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraisers inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to detect such substances or conditions. If the presence of such substances such as asbestos, urea-formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimate is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

18. AMERICAN WITH DISABILITIES ACT: The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

19. JURISDICTIONAL EXCEPTION: The Uniform Standards of Professional Appraisal Practice states that the appraiser must estimate exposure time linked to the value opinion³. However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time, thus no development of exposure time was completed. This is a jurisdictional exception to USPAP Standards Rule 1-2(c)(iv).

20. EXTRAORDINARY ASSUMPTION: The subject property is surrounded by National Park Service land and does not have road access or utilities extended to the tract, nor are there easements allowing for roads and utilities. In an e-mail following the pre-work meeting (received by us October 16, 2014), Gary Pollock, Management Assistant, Grand Teton National Park, stated the following: "As we discussed, in regard to access for the Antelope Flats parcel, for the purposes of the appraisal you should assume that a ROW for access would be provided from U.S. Highway 89, most likely somewhere on the stretch extending about a half mile north of Glacier View Turnout. Exact location would be determined based on line of sight and other factors." Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: "I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 05-121. It is assumed that the proposed access as stated would not hinder or limit the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing National Park Service lands by the most convenient and least invasive means possible." The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

21. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

³ USPAP, S.R.1 2(c)(iv)

Qualifications of Appraisers

John Frome, MAI, ARA

BUSINESS EXPERIENCE:

December 1985, Owner of John Frome and Associates, a Real Estate Appraisal and Consulting firm. Appraisals, appraisal reviews and consulting assignments have been completed in Wyoming, Idaho, Montana, Nevada, Colorado, Utah, Arizona, New Mexico, Alaska, California and South Dakota. Office is in Grover, Wyoming.

June 1979 - December 1985, Associated with Hoffman and Associates, Appraisers, in Jackson, Wyoming, appraising all types of property. Specialization in ranch and recreational properties.

September 1974 - May 1979, Attended Utah State University, Logan, Utah, graduating with a BS degree in Business Administration, with major course of study in Real Estate Appraisal.

TYPES OF ASSIGNMENTS:

Appraisal work involves market value estimates for Mountain and Great Plains livestock ranches, irrigated and dry-land farms, recreational land, commercial, residential and special purpose properties. Recreational assignments have included proposed/existing PUD's and commercial type properties in/near National Parks/Forests. Other assignments include market value estimates for scenic and conservation easements and easements for rights-of-way. Management work is ongoing with family ranches involving commercial cow herd and yearling operations in Idaho and Wyoming. Consulting is done for a variety of purposes including property purchases and sales, negotiating leases and depreciation schedules for income properties. Appraisal reviews have been completed for Federal and State Agencies, and private individuals on a variety of properties including agricultural enterprises, recreational properties, industrial, commercial and single-family residences.

REPRESENTATIVE CLIENTS:

Farm Credit System, CO, ID & WY	Rabo AgriFinance, St. Louis, MO
U. S. Department of Justice, Washington, DC, Boise, ID	Simplot Mining, Boise, ID
Bureau of Land Management, WY, NV, ID & AZ	Jackson Hole Land Trust, Jackson, WY
General Services Administration, Dallas, TX	U. S. Fish and Wildlife Service, Denver, CO
U.S. Postal Service, Denver, CO	Wyoming Dept. of Transportation, Cheyenne, WY
U.S.D.A. (Forest Service), AZ, NV, AK, UT, ID, MT & WY	F.A.A. (Federal Aviation Administration)
The Nature Conservancy, WY & ID	USDA/Natural Resources, Boise, ID
Appraisal Services Directorate (ASD)	Union Pacific Resources, Dallas, TX
John McKinley, Attorney at Law, Cheyenne, WY	High Plains Power, Riverton, WY
Hal Swenson, Attorney at Law, Salt Lake City, UT	Zions Bank, Salt Lake City, UT
Wyoming Game and Fish Dept., Cheyenne, WY	Dennis Lancaster, Attorney at Law, Afton, WY
Galen West, Attorney at Law, Rock Springs, WY	Internal Revenue Service, Dallas, TX
Teton Regional Land Trust, Driggs, ID	First Interstate Bank, Jackson, WY
Elizabeth Greenwood, Attorney at Law, Pinedale, WY	Lea Kuvinka, Attorney at Law, Jackson, WY
Trust For Public Lands, Bozeman, MT	Tom Keyse, Attorney at Law, Denver, CO
Joe Blumel, Attorney at Law, Kemmerer, WY	Office of Special Trustee (OST) WY, ID, MT, AK
Internal Revenue Service, Wyoming & Idaho	First American Title, Colorado
Wells Fargo Bank, Denver, CO	Office of Valuation Services (OVS)

Appraisal and review appraisals also done for several town, county & state governments as well as other federal agencies, numerous individuals & private corporations. Qualified as an expert witness in various District Courts, States of Wyoming and Colorado, Federal Bankruptcy Court, & Federal Court of Claims

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute, MAI Designation #7046
 Member, American Society of Farm Managers and Rural Appraisers, ARA Accreditation #731
 Wyoming General Certified Appraiser, Permit #31, expires June 16, 2015
 Utah General Certified Appraiser, #5478255-CG00, expires May 31, 2016
 Idaho General Certified Appraiser, #ICA-100, expires November 8, 2015
 Member, Lincoln County, Wyoming, Planning and Zoning Commission 1986 -94
 Chairman of Lincoln County, Wyoming, Planning and Zoning Commission 1991-94
 Chairman, National Education Committee, American Society of Farm Managers and Rural Appraisers, 1992
 National Accrediting Committee, American Society of Farm Managers and Rural Appraisers 1993-97
 Chairman, National Accrediting Committee, American Society of Farm Managers and Rural Appraisers 1994-6
 District VI Vice-President, ASFMRA, 1999-02

EDUCATION:

Professional training & education in cooperation with the American Society of Farm Managers & Rural Appraisers, American Institute of Real Estate Appraisers, International Right of Way, Urban Land Institute, Society of Real Estate Appraisers & Utah State University.

Appraising Single Family Residences, 1978
 Rangeland Appraisal, 1978
 Farm and Ranch Appraisal, 1979
 Single Family Appraisal, 1979
 Appraisal Princ. and Valuation Procedures, 1979
 Subdivision Analysis, 1980
 Capitalization Theory & Techniques, 1980
 Litigation Valuation, 1982
 Valuation and Report Writing, 1983
 Leasehold Analysis, 1983
 Case Studies in Real Est. Valuation, 1983
 Market Extraction, 1988
 Subdivision Analysis, 1984
 Introduction to Investment Analysis, 1985
 Federal Income Tax and Real Estate, 1985
 Principles of Rural Appraising, 1985
 Ranch Appraisal Seminar, 1995
 Fair Lending and the Appraiser, 1995
 Highest and Best Use, 1986
 Evaluating Commercial Construction, 1986
 USPAP- 82, 88, 92, 96, 98, 03, 05, 06, 08, 09, 11, 12, 14
 Separating Real and Personal Property from Intangibles, 2002
 Business Practices and Ethics, 2012, 2014
 Analyzing Distressed Real Estate, 2011
 Cost and Income Seminars, 2009
 Cost Approach Seminar, 2010
 Analyzing Distressed Real Estate, 2011
 Appraisal Curriculum Overview- General, 2012
 Appraisal Curriculum Overview- Residential, 2012
 Valuation of Conservation Easements & Other Partial Interests in Real Property, 2013
 Advanced Rural Appraisal, 1987
 Easement Valuation, 1987
 Soils and Weeds, 1987
 Valuation of CRP Contracts, 1988
 Cost Approach, 1988
 Income Approach, 1988
 Sales Analysis, 1988
 Report Writing, 1989
 Case Studies in Rural Appraisal, 1990
 Advanced Appraisal Review, 1991
 Reviewing Appraisals, 1992
 Americans with Disabilities Act, 1992
 Understanding Limited Appraisals, 1994
 SPP- Ethics, ASFMRA, 1995, 03, 09
 Ranch Appraisal Seminar, 1995
 Fair Lending and the Appraiser, 1995
 Nevada Real Estate Appraisal Statutes, 1996
 Developing MP Resort Communities, 1997
 Eminent Domain and Condemnation, 1997
 Litigation Skills for Appraisers, 1998
 Conservation Easements Seminar, 1998, 2000
 Highest and Best Use, 2006
 Yellow Book (UASFLA), 2001
 Tax Deferred Exchanges, 2008
 Sales Comparison Seminar, 2010
 Appraisal Institute Ethics, 2007, 11, 14
 Economic Update Seminar, 2012
 Realtors Ethics, 2012
 Valuation of Intangible & Non Financial Assets, 2013

INSTRUCTOR:

Certified instructor for the American Society of Farm Managers and Rural Appraisers and the Appraisal Institute with teaching assignments nation-wide. Courses taught include Principles of Rural Appraisal (A-20), Advanced Rural Appraisal (A-30), Advanced Appraisal Review (A-35) and Rural Case Studies (A-40). Seminars taught include UAAR Form Seminar, Leases, Discounting, Cost, Highest and Best Use, Ranch and Sales Comparison Approach.

Advanced Rural Appraisal (A-30): St. Louis, MO, Oct. 2005; Sioux Falls, SD, June 2004; Oklahoma City, OK, Mar. 2002; Sacramento, CA, Oct. 2001; Denver, CO, Mar. 1999; Spokane, WA, June 1998; Denver, CO, June 1997; Memphis, TN, Feb. 1996; Kansas City, KN, Oct. 1994; Billings, MT, Apr. 1993; Memphis, TN, Dec. 1991; Wichita, KN, Feb. 1991; Denver, CO, Jun. 1990; Columbia, SC, Dec. 1989; Fresno, CA, Jul. 1989; Champagne, IL, Feb. 1989; Sacramento, CA, Dec. 1988;

Advanced Appraisal Review: (A-35): Denver, CO, Apr. 1991;

Appraisal Review Under USPAP (A-370): Salt Lake City, UT, April 2006; Albuquerque, NM, January 2007

Appraisal Review Under UASFLA (A-380): Albuquerque, NM, March 2007

Advanced Appraisal Review Case Studies: Albuquerque, NM, March 2007

Basic Appraisal Concepts: Boise, ID, Jun. 1995;

Cost Approach Seminar: Salem, OR, Jan. 1999; Casper, WY, Nov. 1998; Kansas City, MO, May 1996;

Federal Land Exchange and Acquisitions: Salt Lake City, UT, April 2003; Jackpot, NV, May 2001; Nashville, TN, Nov. 2000; Portland, OR, Oct. 2000; Denver, CO, Sept. 2000; Sacramento, CA, June 2000; Portland, OR, May 2000; Phoenix, AZ Apr. 2000

Foundations of Appraisal Review (A-360): Salt Lake City, UT, April 2006; Portland, OR, Oct. 2006; Albuquerque, NM, January 2007; Jackpot, NV, May 2009

Highest and Best Use: Lansing, MI, Apr. 2002; Billings, MT, Jan. 2002; Salt Lake City, UT, Apr. 1995; Kansas City, KN, Oct. 1994; Phoenix, AZ, Mar. 1994; Denver, CO, Feb. 1994; Milwaukee, WI, Dec. 1993; Casper, WY, Aug. 1993; Boise, ID, Jan. 1993;

Principles of Rural Appraising (A-20): Salt Lake City, UT, Feb. 1996; Boise, ID, Jan. 1994; Austin, TX, Feb. 1993; Bozeman, MT, May 1992; Jackson, MS, Jun. 1991; Dallas, TX, Apr. 1989; Denver, CO, Mar. 1989; Columbia, SC, Oct. 1988;

Ranch Appraisal Seminar: Riverton, WY, Feb. 2000; Albuquerque, NM, May 1998; Phoenix, AZ, May 1996; Boise, ID, Jan. 1996;

Rural Case Studies (A-40): Kansas City, KN, Oct. 1990;

Sales Comparison/Discounting Seminar: Wichita, KN, Sep. 1991; Wichita, KN, Jun. 1991;

UAAR Form Seminar: Dayton, OH, Apr. 1990;

Uniform Standards of Professional Appraisal Practice: Billings, MT, Jan. 2000

TESTIMONY/DEPOSITIONS:

Since 2003, I have given the following depositions and testified in the following courts:

Depositions

The Sweetwater, A Wilderness Lodge LLC v. The United States

Case No. 02-1795C

United States Court of Federal Claims

June 20, 2005

Jackson Hole Land Trust v. John R. Tozzi

Civil Action 11303

Ninth Judicial District

Jackson, Wyoming

March 17, 2003

Trials

Heely, et al. v. Lend Lease Agribusiness, Inc., et al.

Civil Action 01-CV-2263

Arapahoe County, Colorado

October 27, 2004

McNeel v. McNeel

Civil Action 6422

Ninth Judicial District

Sublette County, Wyoming

October 29, 2004

The Sweetwater, A Wilderness Lodge LLC v. The United States

Case No. 02-1795C

United States Court of Federal Claims

September 29, 2005

PUBLICATIONS:

Publications have included the following:

1. Developer and course "guru" of Appraisal Review Under USPAP (A-370), ASFMRA, 2006 to date.
2. Contributor to The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute, 2002.
3. Developer of Data Analysis Seminar, ASFMRA, 2001.
4. Co-development team leader and contributor to The Appraisal of Rural Properties, 2nd Edition, Appraisal Institute, 2000.
5. Course "guru" and co-author of Advanced Rural Appraisal (A-30), ASFMRA, last revision in 1999.

Kim Frome, ARA**BUSINESS EXPERIENCE:**

2007-current: Real estate appraiser with John Frome & Associates, a real estate appraisal and consulting firm. Appraisals, appraisal reviews and consulting assignments have been completed in Wyoming, Idaho, Montana, Nevada, Colorado, Utah, Arizona, New Mexico, Alaska, California and South Dakota. Offices are in Grover, Wyoming.

1995 -2007: Real estate appraiser associated with Headquarters West, Ltd., Phoenix, Arizona, a real estate and appraisal company. Appraisals, appraisal reviews, rent studies and consulting assignments have been completed in Arizona, California, Utah, Colorado, Montana, Nevada, Wyoming and New Mexico.

1991 - 1995: Real estate appraiser, USDA Forest Service, Arizona Zone Office, Phoenix, Arizona. Appraisals, appraisal reviews, trainee supervision for assignments in AZ for land exchanges, federal purchases, special use permit fees (land rent).

1991: Real estate appraiser, Arizona Agricultural Credit Association, Tempe, Arizona. Appraisals of property used as collateral for agricultural loans.

1986 - 1990: Real estate appraiser, Farm Credit Services, Seventh District Farm Credit Bank and Minnesota Valley Association, Madison, Minnesota. Appraisals of improved farms and vacant farmland for new loans, collateral monitoring, special assets and acquired properties.

TYPES OF ASSIGNMENTS:

Appraisal work has involved market value opinions for farms, ranches, transitional—from metropolitan areas to small communities, rural recreational/residential, high value recreation properties, conservation easements, partial acquisitions, isolated tracts, urban fringe and special use properties. Appraisal work has also included opinions of market rent specific properties.

Review work has been completed for county, state, federal agencies and non-profit organizations for a variety of property types including urban development properties, ranches, recreational properties, partial acquisitions and isolated tracts.

Consulting work has included rent and sales studies for rural properties.

REPRESENTATIVE CLIENTS:**Appraisals:**

Farm Credit Services Southwest, Tempe, Arizona
 Arizona Attorney General, Phoenix, Arizona
 USDA Forest Service, Arizona, California, Montana, Colorado, Utah, Idaho, Nevada
 US Department of Interior (US Fish and Wildlife Service, BLM, National Park Service)/Appraisal Services Directorate/Office of Valuation Services, Arizona, New Mexico, Utah, Nevada, Montana, California, Idaho, Colorado
 The Trust for Public Land, Santa Fe, New Mexico
 Yavapai County, Prescott, Arizona
 Arizona State Land Department, Phoenix, Arizona
 Arizona Game and Fish Department, Phoenix, Arizona
 Arizona State Parks, Phoenix, Arizona
 Union Pacific Resources, Dallas, Texas
 Citigroup Investments, Fresno, California
 National Park Foundation, Banning, California
 Genesis Real Estate, Tucson, Arizona
 Federal Land Exchange, Inc., Scottsdale, Arizona
 H. C. Rudy Stadelman, Attorney at Law, Cottonwood, Arizona
 Michael Mongini, Attorney at Law, Flagstaff, Arizona
 Moenkopi Developers Corporation (Hope Tribe), Moenkopi, Arizona
 Boise Parks and Recreation, Boise Idaho
 Salt River Pima-Maricopa Indian Community, Scottsdale, Arizona
 Wilderness Land Trust, Carbondale, Colorado
 The Nature Conservancy, Tucson, Arizona and Idaho Falls, Idaho
 United States Department of Justice, Assistant US Attorney, Phoenix, Arizona
 Maricopa County Attorney, Phoenix, Arizona
 Zions First National Bank, Salt Lake City, Utah
 1st Bank, Afton, Wyoming
 Greg VonKrosigk, Attorney at Law, Sheridan, Wyoming
 1st Bank North Side Branch, Rock Springs, Wyoming
 Farm Credit Services of America, Hiawatha, Iowa
 Wells Fargo Bank, Denver, Colorado
 Bridge Bank, San Jose, California
 Teton Regional Land Trust, Driggs, Idaho
 Bank of Star Valley, Afton, Wyoming
 Wells Fargo, Denver, Colorado

Bank of the West, Denver, Colorado
 Iberia Bank, Lafayette, Louisiana
 Western Land Group, Denver, Colorado
 Bank of Idaho, Idaho Falls, Idaho
 BB&T Wealth Management, Charlotte, North Carolina
 US Department of Treasury, Internal Revenue Service, Denver, Colorado
 US Department of Treasury, Internal Revenue Service, Salt Lake City, Utah
 US Department of Treasury, Internal Revenue Service, Phoenix, Arizona
 Rock Springs National Bank, Trust Department, Rock Spring, Wyoming
 JP Morgan Chase, New York, New York
 Rabo AgriFinance, Kearney, Nebraska

Reviews:

Arizona Attorney General, Phoenix, Arizona
 Travis County Transportation and Natural Resources, Austin, Texas
 Arizona Department of Transportation, Phoenix, Arizona
 USDA Forest Service, Arizona, California
 Bureau of Land Management, Arizona, Nevada, Montana
 Arizona Game and Fish, Phoenix, Arizona
 Mountain States Legal Foundation, Lakewood, Colorado
 The Nature Conservancy, Tucson, Arizona
 Bureau of Indian Affairs, Phoenix, Arizona
 State of Wyoming, Wyoming Certified Real Estate Appraiser Board, Cheyenne, Wyoming
 State of California, Wildlife Conservation Board, Sacramento, California
 City of Surprise, Arizona
 Agri-Affiliates, North Platte, Nebraska
 UBS Agri-Vest, Hartford, Connecticut
 Dan Lindstrom, Attorney-at-law, Kearney, Nebraska

Appraisal work also done for individual property owners.

Testified as expert witness in Federal Bankruptcy Court, Superior Court and Federal Tax Court.

PROFESSIONAL AFFILIATIONS:

Wyoming Certified General Appraiser #423
 Arizona Certified General Real Estate Appraiser #30170
 Colorado Certified General Appraiser #CG40005354
 Idaho Certified General Appraiser #CGA-2228
 Formerly general certified in Montana, Utah, California and Nevada—not renewed
 Temporary certifications for specific projects in New Mexico, Texas, Missouri, Nebraska and Utah
 American Society of Farm Managers and Rural Appraisers (ASFMRA), Member 1986, Accredited 1990
 Former member and chair National Education Committee, ASFMRA
 Former member and chair National Accreditation Committee, ASFMRA
 Former District VII Vice-President, ASFMRA

EDUCATION:

Valuation of Conservation Easements and Other Partial Interests in Real Estate, ASFMRA, Ketchum, ID, May 2013
 National USPAP Course (7 Hour), ASFMRA, Casper, WY, January 2014, most recent
 Appraisal Procedures & Economic Update, ASFRMA, Logan, UT, January 2012
 Construction Details and Trends, McKissock, On-line, May 2011
 Cost Approach Applications, ASFMRA, Jackpot, NV, May 2010
 Sales Comparison Approach, ASFMRA, Jackpot, NV, May 2010
 2010 USPAP Instructor Recertification Course, The Appraisal Foundation, March 2010
 2010 Spring Ag Forum, ASFMRA, Tempe, AZ, February 2010
 Introduction to Appraisal Review (A-360) ASFMRA, Jackpot, NV May 2009, instructor
 Cost and Income seminar, ID/UT Chapter ASFMRA, Idaho Falls, ID, January 2009
 Tax Deferred 1031 Exchanges; Appraisal Process Independence and FIRREA, ID/UT Chapter ASFMRA, Salt Lake City, UT, January 2008
 Advanced Approaches to Value of Rural Appraisal (A-300), ASFMRA, Overland Park, KS (Instructor)
 Code of Ethics, ASFMRA, Phoenix, AZ, April 2007, most recent (instructor)
 7-hour USPAP Update for Instructors, The Appraisal Foundation, Denver, CO, March 2007
 ASFMRA Review series courses (A-360, 370, 380, 390) Albuquerque, NM, January and March 2007, (Instructor)
 Yellow Book-Uniform Appraisal Standards for Federal Land Acquisition, ASFMRA, Lansing, MI, June 2006, most recent, (Instructor)
 7-hour USPAP Update for Instructors, The Appraisal Foundation, Tucson, AZ, December 2004
 Conservation Easements Seminar, ASFMRA, Tempe, AZ, July 2004
 Arizona Spring Ag Forum, AZ Chapter, ASFMRA, Phoenix/Scottsdale, AZ 1997 through 2005
 Advanced Rural Appraisal (A-30), ASFMRA, Sioux Falls, SD, June 2004
 Agricultural Technologies and Economics, ID/UT Chapter ASFMRA, Logan, UT, January 2004
 Appraisal Law in Nevada, The Chicopee Group, Las Vegas, NV, June 2003
 Advanced Sales Confirmation and Analysis, ASFMRA, Phoenix, AZ, August 2002

Mark to Market, the Next FIRREA, Appraisal Institute (AI), Scottsdale, AZ, May 2002
Real Estate Statistics, ASFMRA, Phoenix, AZ, August 2001
Market Analysis in Contemporary Spreadsheets, ASFMRA, Phoenix, AZ, August 2001
Real Estate Appraisal Review Workshop, ADOT, Phoenix, AZ, September 2000
Conservation Easements Seminar, ASFMRA, Athens, Georgia, January 2000
Permanent Plantings Seminar, ASFMRA Tempe, AZ, November 1996
Ranch Appraisal Seminar, ASFMRA, May 1996
Uniform Standards of Professional Appraisal Practice, ASFMRA, Tempe, AZ, September 1995
Valuation and Landownership Adjustments, Colorado State University, Fort Collins, CO, July 1994
Highest and Best Use, ASFMRA, Tempe, AZ, March 1994
Advanced Rural Appraisal, ASFMRA, Tempe, AZ, October 1993
Mineral Material Management and Appraisal, National Minerals Training Office, Phoenix, AZ, January 1993
Advanced Appraisal Review, ASFMRA, Fresno, CA, April 1992
Eminent Domain, ASFMRA, Memphis, TN, December 1991
Capitalization Theory and Techniques, Part A, AI, Austin, TX, September 1991
Appraisal Certification School, ASFMRA, Tempe, AZ, February 1991
Code of Ethics/Uniform Standards of Professional Appraisal Practice, ASFMRA, Tempe, AZ, February 1991
Narrative Report Writing, ASFMRA, St. Paul, MN, April 1988
Sales Analysis, ASFMRA, Pierre, SD, April 1988
Advanced Rural Appraisal, ASFMRA, St. Paul, MN, February 1988
Real Estate Appraisal, Farm Credit Services, Willmar, MN, April 1988
Principles of Rural Appraisal, ASFMRA, Athens, GA, June 1986
Real Estate I, South Dakota Real Estate School, Sioux Falls, SD, June 1986
Basic Real Estate, Dunham Company Real Estate, Sioux Falls, SD, October 1979

PUBLICATIONS:

Co-development team leader and contributor The Appraisal of Rural Properties, 2nd Edition, AI and ASFMRA
Co-developer for seminar "Federal Land Exchanges and Acquisitions", AI and ASFMRA
Co-developer for seminar "Yellow Book – Uniform Appraisal Standards for Federal Land Acquisitions", ASFMRA

INSTRUCTOR:

Former instructor for ASFMRA and AI.

ASFMRA Courses and seminars taught include: Fundamentals of Rural Appraisal, Principles of Rural Appraisal, Advanced Rural Appraisal, Code of Ethics, Eminent Domain, Highest and Best Use, Appraisal Review series of courses, Cost Approach, Federal Land Exchanges and Acquisitions, Yellow Book and USPAP.

AI taught seminars include: Federal Land Exchanges and Acquisitions, and Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications for Fee Appraisers.

Scope of the Appraisal

The Statement of Work (SOW) supplied to us included the legal description, general maps of the property, and the title report and its associated documents. The original SOW was revised and the SOW relied upon in this report is dated September 8, 2014. A mineral report was also supplied. A pre-work meeting was conducted on October 7, 2014. In attendance were: Gary Lay, ARA, OVS Review Appraiser; Gary Pollock, Management Assistant, Grand Teton National Park; Robert Moulton, Wyoming State Lands Appraiser; and contract appraisers John Frome, MAI, ARA and Kim Frome, ARA. During the meeting some of the provisions of the Statement of Work and characteristics of the property were addressed. Considerable time was spent discussing the aspect of the legal and physical access situation relative to the subject. We also requested information on sales from Mr. Moulton and Mr. Pollock. (We had previously discussed sales with Mr. Lay.)

Following the meeting, the subject property was inspected, with all those attending the meeting also participating in the inspection. The subject was inspected on foot, walking from the east approximately ½ mile to the subject's east boundary, just south of the mid-section of the property, then crossing through the property to the west boundary.

On November 26, 2014, John Frome and Kim Frome conducted the final inspection of the subject property. This inspection was done by vehicle, viewing the property from Highway 26. Mr. Lay and Mr. Moulton were invited to participate in the inspection, but declined the invitation.

Subject property data was gathered from several sources, including Teton County, via their website which includes aerial maps, information on zoning, floodzones, and elevation. We also contacted the county's zoning office to obtain additional information on zoning requirements. Wetlands were researched via the US Fish and Wildlife Service (FWS) national wetlands mapper. Information on potential impacts of sage grouse habitat on use of the subject was obtained from Wyoming Game and Fish personnel. Data on domestic wells in this area was obtained from the State of Wyoming. We subcontracted engineering work with Jorgensen Associates, PC to provide cost information on construction of a road from the highway to the property plus extension of utilities to the property.

The search for sales for this project had significant challenges because of the subject's large size and location in close proximity to Jackson and within Grand Teton National Park. When we began the sales research we felt that we needed to investigate the local market for large acreage land sales. Anticipating data would not be plentiful, we also decided to conduct a broader geographic search for sales within or in close proximity to other prominent National Parks. The search areas included: Glacier National Park—Montana, Yellowstone National Park—Wyoming and Montana, Zion and Bryce National Parks—Utah, Yosemite National Park—California, Rocky Mountain National Park—Colorado, and Grand Canyon National Park--Arizona.

We found a few sales adjacent to Glacier National Park or in close proximity to Glacier. The sales ranged in size from about 80 to 138 acres and in price from \$6,505 to \$15,973 per acre. We found two sales in close proximity to the north side of Yellowstone National Park that were about 35 to 690 acres with prices from \$7,953 to \$8,713 per acre. There is a recent sale adjacent to Zion National Park. The sale price is not disclosed, but the listing price was about \$12,000 per acre for 2,066 acres. We found a few sales in the Yosemite area, but did not find any sales in or adjacent to the park. We did not find

any sales in Rocky Mountain National Park. We found two sales near Grand Canyon National Park. One is a 135-acre inholding in the National Forest about 1½ mile from the park that sold for \$3,304 per acre. The other is a parcel of about 20-acres that sold for \$99,850 per acre to the town of Tusayan. Upon further investigation, this land is part of a large development agreement between the town of Tusayan and a development group that owns two tracts of land that are included in the development agreement. Because of the conditions of the sale, it was not included in the analysis.

As part of our networking for sales, one appraiser provided us information on several sales by Lake Tahoe. This area is not within a National Park, but is another upscale area. The sales are dated and all but one of the sales were purchased either by the federal government or by conservation groups for subsequent transfer to the government.

As previously discussed, the sales located near or at the other National Parks are at lower, to much lower, price levels than the area around Jackson and Grand Teton National Park. Obviously, there is much more at play than simply proximity to a prominent National Park. For example, Grand Canyon National Park had visitation of over 4.5 million in 2013. On a percentage basis, the 2013 visitor count to Grand Canyon National Park was 70% greater than Grand Teton National Park. In addition, the availability of private land within close proximity to Grand Canyon is much less than in the Grand Teton National Park area. Yet a 135-acre National Forest inholding within about 1½ airmiles of Grand Canyon National Park and a little over four road miles to East Rim Drive, the loop road for those driving from the east to south (or vice versa) entrances to the park sold for \$3,303 per acre. Such a price is unimaginable in the environs of Grand Teton National Park. Admittedly, the 20-acre parcel that was purchased by the town of Tusayan had a reported price of nearly \$100,000 per acre. However, this is certainly not a typical, arms length transaction. Prices of the sales researched at Glacier National Park ranged from \$6,505 to \$15,973 per acre on properties ranging in size from about 112 to 138 acres. The amount of private land in the Glacier area is more similar to that of the subject area. Again, the price levels of the Glacier area sales are far below that of the subject's area. For these reasons, we did not use sales at or near other National Parks in the appraisal.

We conducted research for sales in the Jackson Hole area in two categories—sales comprised of 100 acres or more, including both vacant and improved sales, and sales less than 100 acres down to 35 acres, which were mostly vacant land sales. We have gathered 42 sales of 100 acres or more, dating back to 2000. It is important to note that 18 of these sales are encumbered (either partially or completely) with conservation easements. We also gathered current listings, of which we tabulated 15, ranging in size from 105 to 1,848 acres. Six of the listings are either partially or completely under conservation easement. Tabulations of these sales and listings will be presented later in this report.

We also gathered about 80 sales that are less than 100 acres and more than 35 acres also going back to 2000, and more than 15 listings with acreages less than 100 and more than 35. Only a handful of these properties are encumbered with conservation easements.

All the sales used in direct comparison to the subject have been personally inspected by John and Kim Frome. In addition to the sales used in direct comparison to the subject, we have also done considerable supplemental sales analyses pertaining to various elements of comparison. Some of the sales used in the supplemental analyses were personally confirmed and inspected, but for some we have relied on MLS information and Teton County webmapping. In all cases, we are familiar with the areas where the sales are located.

Our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice; Statement of Work prepared by OVS; the Uniform Appraisal Standards for Federal Land Acquisitions, and the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

Purpose/Intended Use/Intended Users of the Appraisal

The purpose of the appraisal is to provide an opinion of the market value of the subject as of November 26, 2014. The intended use of the appraisal is for a proposed land exchange. The intended users of the appraisal are the National Park Service and the Bureau of Land Management on behalf of the United States of America, and State of Wyoming Board of Land Commissioners by and through the Office of State Lands and Investments.

Client

The client for this appraisal is U.S. Department of Interior, Office of Valuation Services (OVS).

Date of Value/Inspection/Report

The subject property was initially inspected on October 7, 2014. Because the SOW requires a date of value within 30 days of the date of the report, an inspection was also made on November 26, 2014, which is the date of value of the appraisal. The date of the report is January 15, 2015.

Extraordinary Assumption

The subject property is surrounded by National Park Service land and does not have road access nor utilities extended to the tract, nor are there easements allowing for roads and utilities. In an e-mail following the pre-work meeting (received by us October 16, 2014), Gary Pollock, Management Assistant, Grand Teton National Park, stated the following: "As we discussed, in regard to access for the Antelope Flats parcel, for the purposes of the appraisal you should assume that a ROW for access would be provided from U.S. Highway 89, most likely somewhere on the stretch extending about a half mile north of Glacier View Turnout. Exact location would be determined based on line of sight and other factors." Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: "I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 05-121. It is assumed that the proposed access as stated would not hinder or limit the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing National Park Service lands by the most convenient and least invasive means possible."

The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

Hypothetical Conditions

No hypothetical conditions were made in the report.

Jurisdictional Exception

The Uniform Standards of Professional Appraisal Practice states that the appraiser must develop and report “exposure time linked to the value opinion.”⁴ However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time.⁵ Thus no development or reporting of exposure time was completed. This is a jurisdictional exception to USPAP Standard Rule 1-2(c)(iv).

Definition of Value

Market value is defined as:

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.⁶

Our opinion of value is reported as cash.

Summary of Appraisal Problems

The main problem associated with this assignment is the shortage of current, larger acreage sales located within the subject’s market area. This required use of older sales and an extensive, three-step market conditions adjustment. The lack of legal and physical access required additional research as all sales used had both legal and physical access.

⁴ “The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. (Line 2892); and “When an opinion of reasonable exposure time has been developed in compliance with Standard Rule 1-2(c), the opinion must be stated in the report.” (Line 2843). *USPAP 2012-2013 Edition*, Statement 6, Pages U90-91

⁵ Contrary to USPAP Standards Rule 1-2(c), this definition of market value does not call for the estimate of value to be linked to a specific exposure time estimate, but merely that the property be exposed on the open market for a reasonable length of time, given the character of the property and its market. Therefore, the appraiser’s estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisition purposes under these Standards. *Uniform Appraisal Standards for Federal Land Acquisitions*, 2000 Edition, Page 13.

⁶ 43 CFR 2200.0-5 - Definitions

Factual Data

Legal Description

According to the Statement of Work, the legal description of the property is:

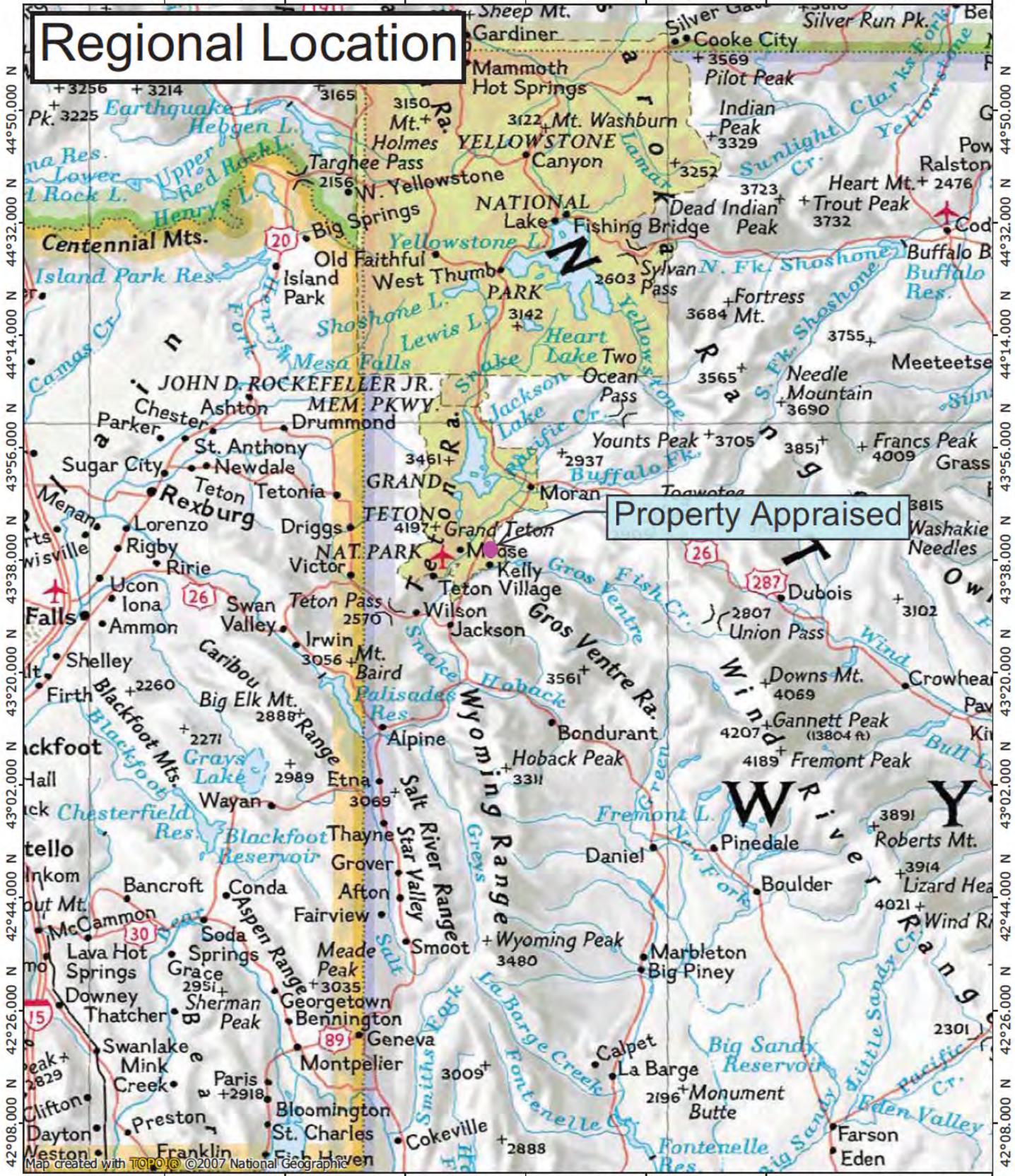
Township 43 North, Range 115 West, 6th Principal Meridian
Section 16: All

Property Rights Appraised

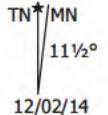
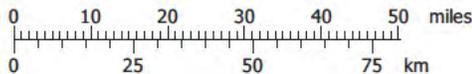
The Statement of Work lists the property interest as: "Fee Simple Estate subject to all reservations of record." The SOW also states that the outstanding rights of record are included in the title commitment. The Schedule B exceptions in the title commitment for Section 16 are paraphrased following, along with a statement regarding the impact on value.

1. Any facts, rights, interests, claims not shown in public records but that could be ascertained by an inspection or making inquiry. *This is a standard exception and should not have an adverse impact on value.*
2. Easements, claims of easement or encumbrances not shown by the public records. *This is a standard exception and should not have an adverse impact on value.*
3. Encroachments, etc. including discrepancies, conflicts of boundary lines, shortage of area, or other facts that a survey would disclose. *This is a standard exception and should not have an adverse impact on value.*
4. Any lien or right to a lien for services, labor or materials imposed by law on not shown in the public record. *This is a standard exception and should not have an adverse impact on value.*
5. Unpatented mining claims, patent reservations or exceptions, water rights, whether or not shown by public records. *This is a standard exception and should not have an adverse impact on value.*
6. Ownership or title to any mineral interest, and the effect on the surface. *According to the SOW, the subjects' property rights include the mineral estate. Mineral rights will be analyzed as part of the property rights element of comparison.*
7. Real estate taxes or assessments not shown as existing liens and real estate taxes for 2010. *Exceptions for real estate taxes are typical for all properties and do not have an adverse impact on value.*
8. Lack of a right of access to and from the land. *According to the SOW, Section 16 does not have legal, insurable access. However, the SOW states: "Public Law 81-787, which established Grand Teton National Park, specifically directs the Secretary of the Interior to designate rights-of-way over and across Federal lands within park boundaries to and from State and private land inholdings. Therefore, the appraiser will be instructed to appraise both parcels (#06-102 and #05-121) as having legal access." The access to Section 16 is one of the elements of comparison that are considered in the analysis and as previously discussed, an extraordinary assumption was employed regarding the access and utilities across Grand Teton National Park.*

Regional Location



Property Appraised

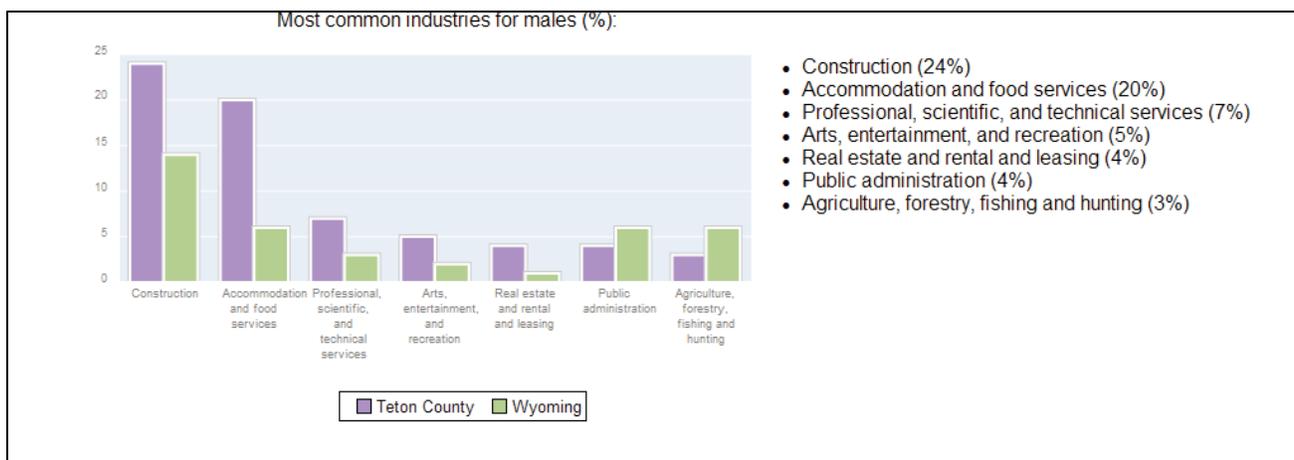


Area Data

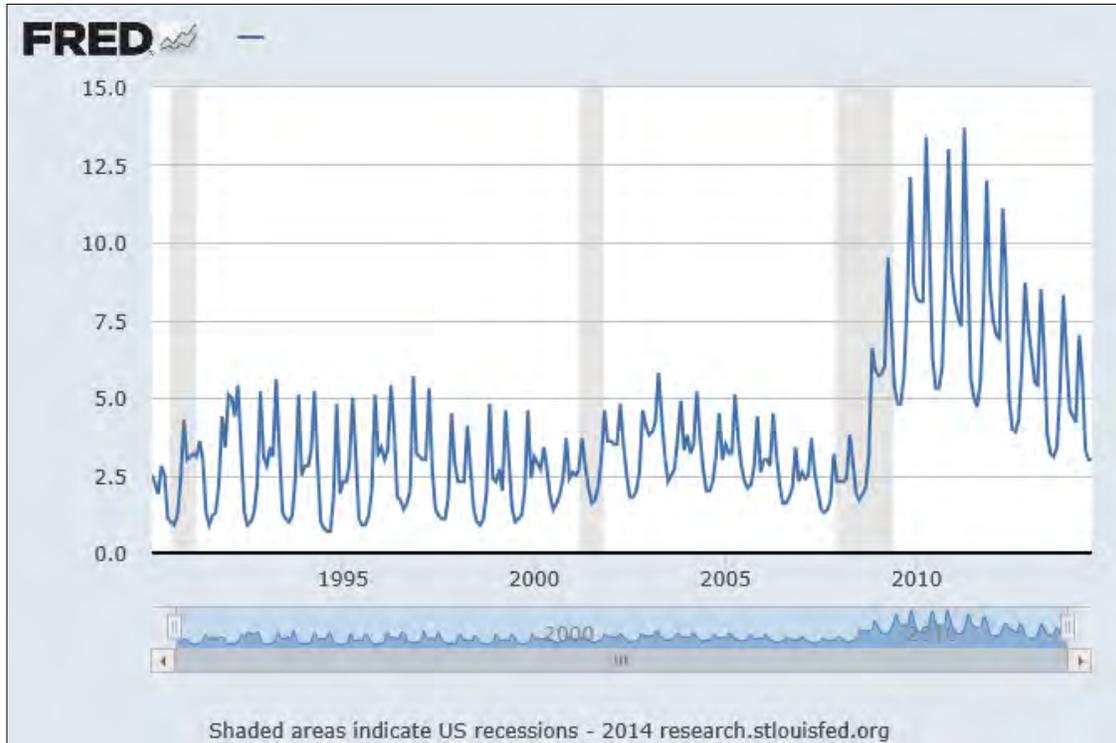
Teton County is in northwestern Wyoming, immediately adjacent to Yellowstone National Park and containing Grand Teton National Park. The only part of the county that is not mountainous is a narrow valley approximately 30 miles wide and 90 miles long in which the town of Jackson is located, and a small part of the county on the west slope of the Teton Mountains. An estimated 78,528 acres or slightly over 2% of the land area of the county's total 3,826,407 acres is privately-owned, with the balance owned by the federal government and the State of Wyoming. Nearly 6,800 acres of the private land is located on the west slope of the Teton Mountains and out of the Jackson/Jackson Hole area, which further limits the amount of private land in Jackson Hole.

Access to the area is provided by state and federal highways. US Highway 191 enters the county in the south-central area, from the southeast, providing access from Interstate 80 at Rock Springs. The combination of US Highways 26 and 89 enter Teton County in the southwest part of the county. These highways converge at Alpine, Wyoming, which is along the Snake River, just east of the Wyoming-Idaho State line. US Highway 89 provides access through a short stretch of western Wyoming, southeast Idaho, and to Salt Lake City, Utah. From Alpine, US Highway 26 runs northwest and then west to Idaho Falls, Idaho, combining with Interstate 15. About 12 miles south of Jackson, US 191 and US 26/89 converge and run north through the town of Jackson, continuing northerly into Grand Teton National Park. Near the easternmost portion of the park, the highway intersects with US 287 at Moran Junction. From this point, US 287/26 runs east-southeast to Dubois, continuing easterly with US 287 continuing to Lander and Rawlins where it intersects with Interstate 80. US 26 runs easterly to Riverton and then Casper, where it joins Interstate 25. The combination of US 287/89/191 runs northerly from Moran Junction into Yellowstone National Park. The primary state highway in the area is Wyoming 22, which runs west from Jackson to the Idaho state line, where Idaho Highway 33 then continues, providing access to Victor and Driggs, Idaho. There are numerous county roads, town streets and private roads that provide access to the populated areas of Teton County. In addition, National Forest and National Park roads provide access within the public land.

Tourism is the major industry in Teton County. The economy is heavily dependent on retailing, construction and services. These three sectors account for over 90% of taxable sales in the county, and since all of these sectors rely heavily on tourist dollars, it is clear that the economy of the county is very dependent on tourism. Other important contributors to the economy include transportation/utilities/communication, and the public sector. The breakdown of industries in the county is shown below:



Teton County has historically had one of the lowest unemployment rates of any county in Wyoming. From 2000 through 2008 it ranged from 1.4% to 6.6%. However, in 2009 it jumped to a high of 9.5% in April. Unemployment continued at higher rates, peaking at 13.7% in April 2011. The rates have trended down since that time with a low of 3% in July 2014. The graph following shows the county's unemployment rates from 1990 through July 2014.



Both Teton County and the Town of Jackson experienced marked growth from 1990 to the 2010 census, as noted by the following population statistics.

Year	Teton County	Change	Jackson	Change
1980	9,355		4,511	
1990	11,172	+1817 or 19%	4,472	-39 or 1%
2000	18,251	+7079 or 63%	8,647	+4175 or 93%
2010	21,294	+3043 or 17%	9,577	+930 or 11%

The rate of growth from 2000 to 2010 slowed considerably in comparison to the change from 1990 to 2000. According to Census Bureau's 2013 estimates the population of Teton County was 22,268.

The primary attractions in the area for the major industry of tourism are Grand Teton National Park, Yellowstone National Park, and the ski areas at Teton Village, Snow King, and Targhee. Winter visitation was not significant until the advent of the Jackson Hole Ski Area. Visitation to Grand Teton and Yellowstone National Parks since 2005 is summarized following.

Year	Number Visitors Yellowstone	Number Visitors Grand Teton
2005	2,835,651	2,463,442
2006	2,870,295	2,406,476
2007	3,151,343	2,588,574
2008	3,066,580	2,485,987
2009	3,295,187	2,580,081
2010	3,640,185	2,669,374
2011	3,394,326	2,587,487
2012	3,447,729	2,705,256
2013	3,188,030	2,688,794

The number of visitors has remained relatively constant in the past few years, especially for Grand Teton which most closely mirrors economic activity in the Jackson Hole area. Skier days at Teton Village have ranged from 413,684 during the 2009-2010 ski season to 502,000 in the 2012-2013 ski season. Across the mountains to the west, Grand Targhee Resort averages 150,000 to 160,000 skier days per year. Visitations to the parks and skier days have varied from year to year, but have generally been stable during the past few years.

Jackson is the county seat of Teton County and is well known for its year-round recreational activities. Jackson is the only incorporated town in the county. As noted earlier, Jackson grew significantly from 1990 to 2000 (93%), but has shown much slower growth in population from 2000 to 2010 (11%). The growth of Jackson has occurred primarily from tourist-related activities and construction activity.

According to the US Census Bureau the median household income in Teton County for 2008 - 2012 was \$69,020, which compares to the state's \$56,573. Median family income was estimated at \$86,184 for Teton County and \$70,013 for the state. HUD estimates of median family income for 2014 were \$96,800 for Teton County and \$71,400 for the state. However, the statistic of median household income does not really present a true representation of the situation. There is a large divergency in income and/or wealth levels in the county. There are many wealthy individuals who call the Jackson area home, residing either year-round or seasonally in the area. For the most part, this wealth has been generated in other places and these people do not rely on the local area for their means of support.

According to US Census Bureau information for 2008 through 2012, 42.9% of the housing units in Teton County were vacant. For the same time period the figure statewide was 15.3% vacant. Included in the category of "vacant housing units" are properties that are for rent or for sale, but most pertinent to this analysis are those for "seasonal, recreational or occasional use". In Teton County the statistics reported 4,118 housing unit for seasonal, recreational or occasional use. This is 32% of the total 12,821 housing units in the county. For the state of Wyoming, there were 18,027 housing units for seasonal, recreational or occasional use, which represents 7% of the total housing units in the state. Nineteen of the state's counties are reported to have 10% or less of their housing units used for seasonal, recreational or occasional use. In addition to Teton, the other counties with rates over 10% are: Niobrara at 13%, Lincoln at 17% and Sublette at 25%. Lincoln and Sublette Counties adjoin Teton County and experience some "spill-over" from Teton County. This appears to be due to the fact that

some people who are attracted to Teton County simply cannot afford property in that area (or are unwilling to pay the higher prices commanded) and purchase property in Lincoln and Sublette Counties. There are a number of counties throughout the country that also have high percentages of housing units used only on a part-time basis. However, in many of the other areas, a large percentage of these housing units are modest cabins. That is not the case in Teton County. Certainly, there are modest cabins in the 4,118 part-time occupied housing units. However, a large percentage of the housing units are large, high-end homes.

Single-family home construction building permits in Teton County dropped significantly in 2009 and were relatively stable from that point through 2012. There was a noticeable increase in 2013, but the number of permits issued for new homes was still only about half of the 2006 to 2008 figures and about a third of the number in 2005. The annual comparisons follow.

- 2005: 208 buildings, average cost \$604,664
- 2006: 140 buildings, average cost \$883,103
- 2007: 143 buildings, average cost \$1,110,660
- 2008: 145 buildings, average cost \$1,089,439
- 2009: 50 buildings, average cost \$1,331,622
- 2010: 58 buildings, average cost \$1,584,607
- 2011: 40 buildings, average cost \$1,726,3081
- 2012: 43 buildings, average cost \$1,936,930
- 2013: 72 buildings, average cost \$2,030,250
- To November 15, 2014: 61 buildings, average cost \$1,304,049

The slowdown in the construction industry has had a significant adverse effect on the economy of Teton County, and has also contributed to the higher unemployment rate beginning in 2009.

Noted following are sales in the Jackson Hole area reported on the Jackson MLS between 2005 and 2014 that are categorized as building sites:

Year	Number Sales	Sales Volume	Median Price
2005	138	\$156,137,587	\$721,250
2006	122	\$154,888,750	\$912,500
2007	121	\$178,914,500	\$885,000
2008	42	\$79,149,000	\$1,297,500
2009	23	\$25,485,225	\$820,575
2010	29	\$50,840,000	\$800,000
2011	34	\$57,583,547	\$857,500
2012	76	\$153,030,273	\$865,000
2013	90	\$141,596,873	\$575,000
2014 to 12/1	88	\$125,768,500	\$745,000

For comparison purposes, year to date sales and volume as of December 1, 2013 were 85 and \$137,606,873, with a median price of \$610,000.

Note that total sales volume for these sales peaked in 2007 at nearly \$180,000,000. Due to the vast mix of sizes and locations of lots, the median price is not conducive to any reliable analysis. Overall, the data suggests that demand for building sites in 2008 through 2011 was very low. The number of sales increased considerably in 2012 with total sales volume similar to 2005 and 2006. In 2013, the number of sales increased slightly from 2012, with sales volume down slightly, but still considerably higher than 2008 through 2011. Year to date figures for 2014 (December 1) are similar to December 1, 2013.

Statistics for sales categorized as residential follow:

Year	Number Sales	Sales Volume	Median Price
2005	601	\$588,073,759	\$575,000
2006	528	\$565,228,939	\$676,000
2007	460	\$646,054,157	\$829,550
2008	240	\$407,863,383	\$953,750
2009	170	\$188,467,073	\$657,750
2010	226	\$327,821,575	\$750,000
2011	308	\$339,343,937	\$615,000
2012	351	\$461,091,352	\$575,000
2013	454	\$537,273,180	\$625,000
2014 to 12/1	349	\$399,018,297	\$625,000

For comparison purposes, as of December 1, 2013 the number of sales was 426 and the volume totaled \$510,279,381. Although the peak sale volume did not occur at the same time as was the case for building sites, the trend from 2008 to current tracks fairly closely with the trend for building sites.

From 2005 through December 1, 2014 there were 43 properties of all types with 40 acres or more that sold through the MLS. The number of sales by year are shown on the table following:

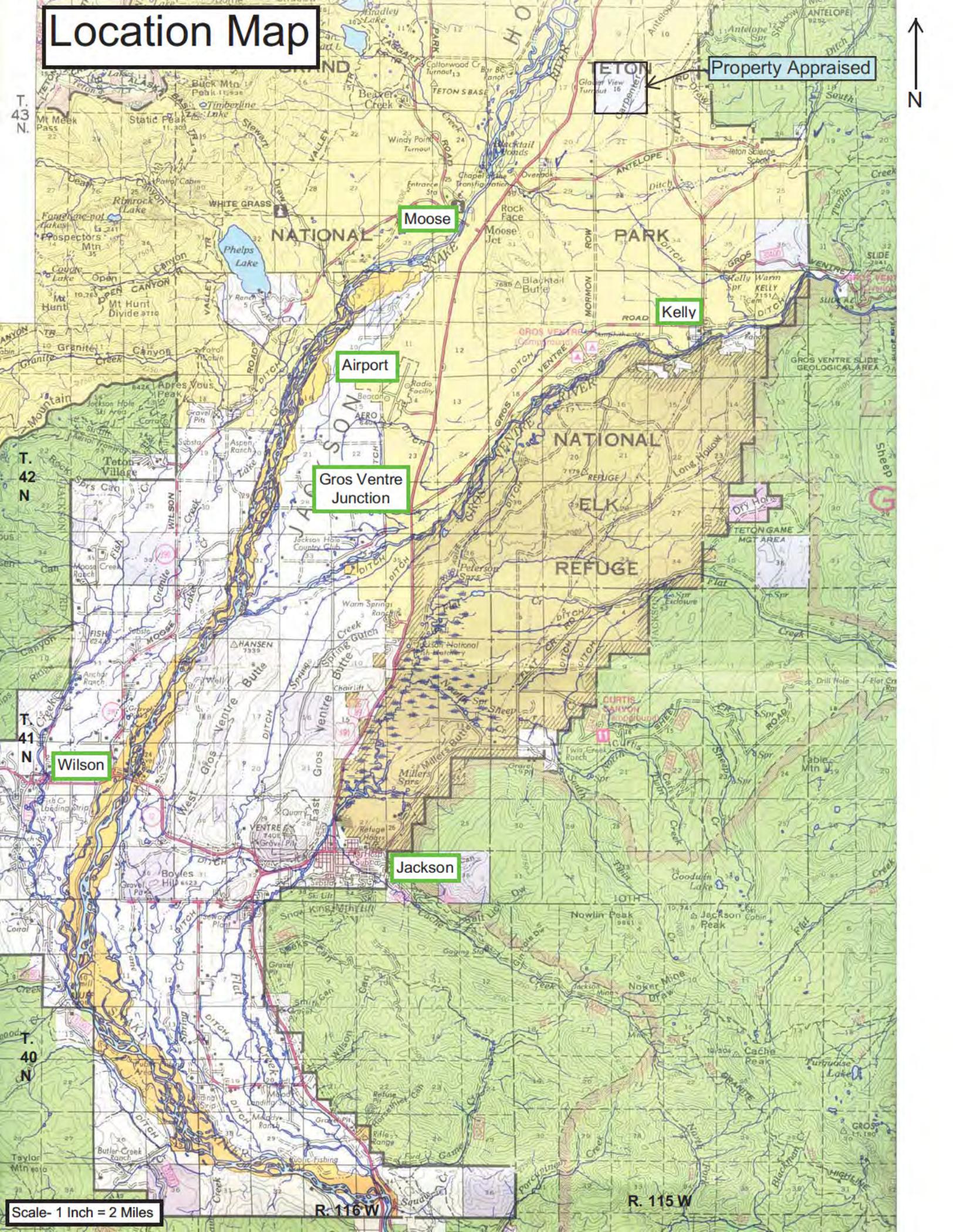
2005	2006	2007	2008	2009	2010	2011	2012	2013	12/1/2014
4	2	6	1	0	7	4	8	7	6

The size range of the sales is from 40 to 440 acres. About half the sales were vacant and half had buildings. With the small volume of sales, meaningful comparisons cannot be made.

There has been an increase in activity since 2009 and as of early 2014 some agents were reporting strengthening in prices.

Conclusion: The major sectors of the economy of the Jackson area are construction and tourism. The tourism segment is linked to the levels of visitation at the two nearby national parks and local ski areas. While the United States economy was strong, tourism was on an upward trend. However, with a tougher economy, tourism suffered. Property values in the local market are affected by the typical supply and demand factors that apply to any market, but are also subject to factors outside the area that influence discretionary spending for vacation travel and second home purchases. Historically, real estate values have increased during general inflation cycles and decreased when the national economy is in a recession. After a lengthy period of increasing prices and increasing construction activity, all segments of the construction and real estate market suffered since 2007 or 2008. Overall activity has picked up in the last few years, and as will be discussed in the time (market conditions) section later in this report, the market appears to have strengthened recently.

Location Map



Property Appraised

ETON

Moose

Kelly

Airport

Gros Ventre Junction

Wilson

Jackson

Scale- 1 Inch = 2 Miles

R. 116 W

R. 115 W

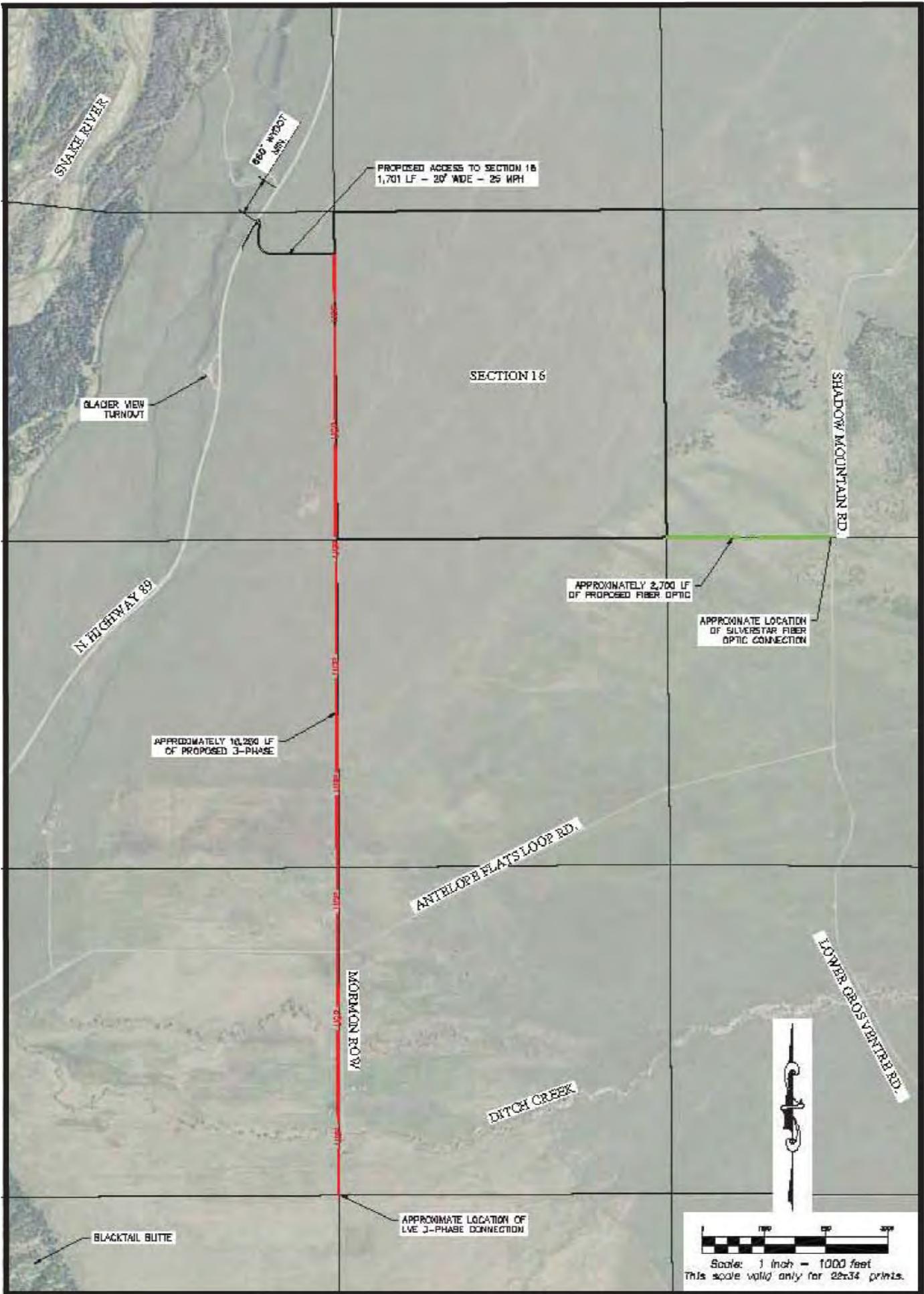
Neighborhood Data

The subject is located approximately 15 airmiles northeast of Jackson within Grand Teton National Park and four airmiles northwest of the small burg of Kelly. Kelly is located along the south side of Lower Gros Ventre Road and fronts the Gros Ventre River. Lower Gros Ventre Road is a county road that runs northeast and then east from US Highway 191/89/26 about six miles north of Jackson. The road turns north at Kelly and continues for about 3½ miles where it ends at Antelope Flat Road.

Kelly is not incorporated, but according to the US Census Bureau the population of Kelly CDP was 43 in 2000 and 138 in 2010. Kelly is simply a residential area with essentially no services other than a post office and a small café. Private land uses in the subject's neighborhood are primarily residential and recreational with some agricultural use. The subject's neighborhood is impacted by the same economic factors and cycles as the greater Jackson Hole area.

Lower Valley Energy provides electric service to the neighborhood and telephone service is provided by Qwest and Silverstar. Domestic water is typically from individual wells or springs and sewage disposable is via individual septic systems.

The subject is located within Grand Teton National Park and is an inholding completely surrounded by National Park land. The subject's neighborhood is part of the Jackson area and impacted by the market activity in the Jackson area. The location within the Grand Teton National Park is a locational factor that is considered in the appraisal and will be discussed in greater detail later in this report.



SNAKE RIVER

Prop. #17001

PROPOSED ACCESS TO SECTION 16
1,701 LF - 20' WIDE - 25 MPH

SECTION 16

GLACIER VIEW
TURNOUT

SHADOW MOUNTAIN RD.

N HIGHWAY 89

APPROXIMATELY 2,700 LF
OF PROPOSED FIBER OPTIC

APPROXIMATE LOCATION
OF SILVERSTAR FIBER
OPTIC CONNECTION

APPROXIMATELY 10,260 LF
OF PROPOSED 3-PHASE

ANTELOPE FLATS LOOP RD.

MORMON ROW

LOWER GROS VENTRE RD.

DITCH CREEK

BLACKTAIL BUTTE

APPROXIMATE LOCATION OF
LVE 3-PHASE CONNECTION



Scale: 1 inch = 1000 feet
This scale will only for 22x34 prints.

Property Data

Location

The subject tract is located about 15 airmiles northeast of the town of Jackson, east of US Highway 191/89/26 and within Grand Teton National Park.

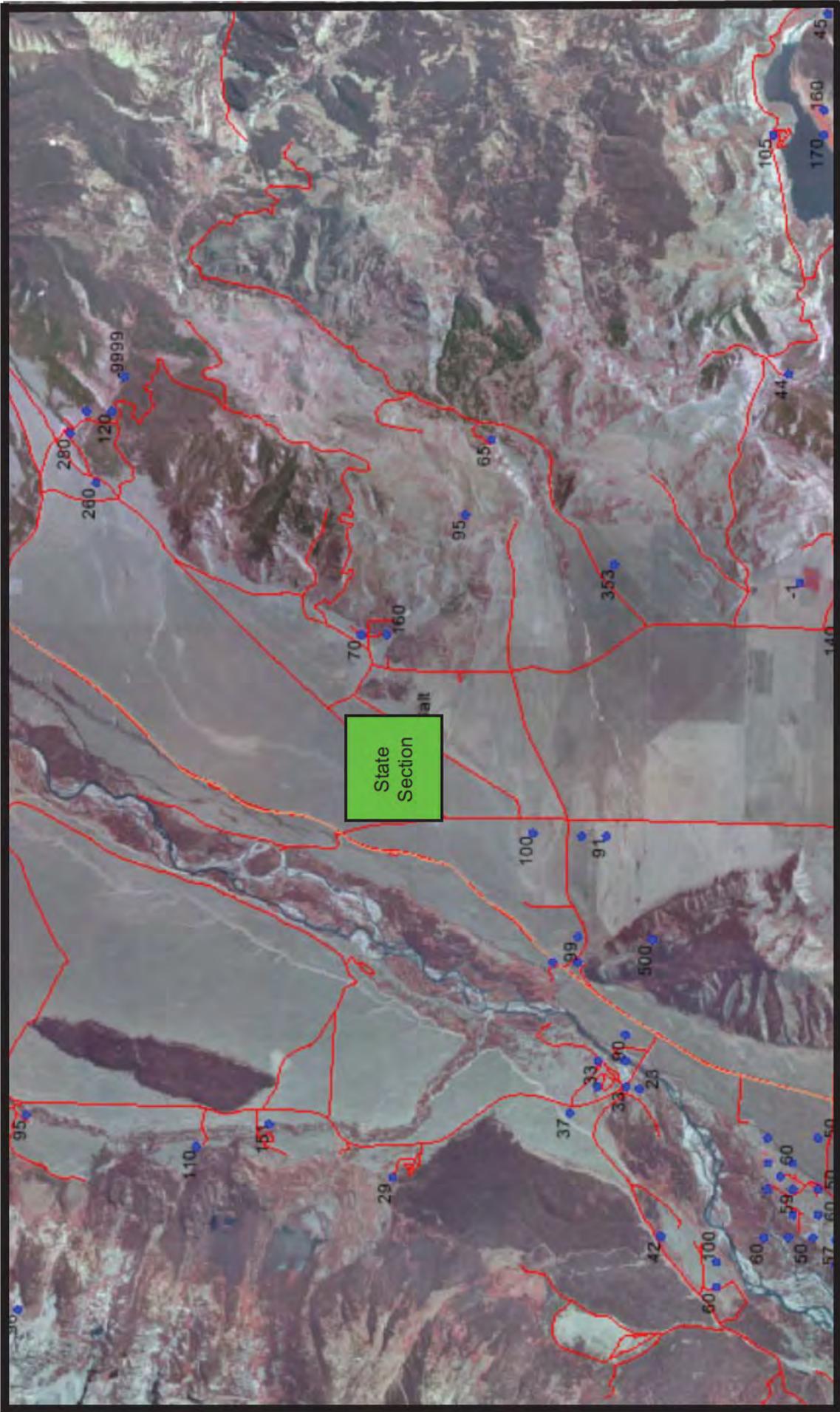
Physical Description

Size and Shape: This subject tract consists of 640 acres and is square in shape. It is one square mile—a full section of land.

Current Land Use: The property does not appear to be used by the current owner. There may be some passive recreation on the property by Grand Teton National Park users—hiking, walking, photographing wildlife and scenery.

Access: The subject does not have legal road access. The SOW states: “Public Law 81-787, which established Grand Teton National Park, specifically directs the Secretary of the Interior to designate rights-of-way over and across Federal lands within park boundaries to and from State and private land inholdings. Therefore, the appraiser will be instructed to appraise both parcels (#06-102 and #05-121) as having legal access.” Therefore, this subject tract has legal access. The appraisal is made under the extraordinary assumption that Grand Teton National Park will permit construction of an access road from Highway 191/89/26 to the “somewhere on the stretch extending about a half mile north of Glacier View Turnout”. The distance from the subject to the highway ranges from about 1,100 to 1,800 feet over the area where the access road will be permitted. We subcontracted engineering work with Jorgensen Associates, PC to provide cost information on construction of a road from the highway to the property. In their analyses, the engineers determined the most feasible location for the subject access road was at a starting point just south of the north line of Section 17, then south and then east for a total distance of 1,701 feet to the east line of the subject. The cost of constructing the access road is discussed in detail in the analyses of access/utilities in the sales comparison approach. The addenda of this report includes the Jorgensen Associates report. The aerial map on the facing page depicts the subject property and the access route (and utilities extensions) used in the Jorgensen Associates analyses.

Utilities: Power and telephone service are not at the subject property. According to information provided by Lower Valley Energy, power would need to be extended from the south. The distance from the power connection point to the access road is 15,250 feet. Silverstar’s fiber optic lines for telephone and internet service are 2,700 feet east of the subject’s east property boundary. The cost of the power and telephone line extensions are discussed in detail in the analyses of access/utilities in the sales comparison approach. The subject is appraised under the extraordinary assumption that extension of “typical service utilities”, (this would include power and telephone) will be allowed to the property crossing National Park Service lands.



Scale- 1" = 7,550'

Registered Wells- Antelope Flat Area

No water system or service is available and neither is there a sewer system in the area. Domestic water is typically provided by wells and sewage disposal is by individual septic systems. Records of the Wyoming State Engineer as compiled by the University of Wyoming were researched on existing domestic water wells in the area of the subject. A map of the registered water wells is shown on the facing page. The closest existing wells are in the Shadow Mountain area roughly one mile east of the property appraised. There are two wells shown varying in depth from 70 to 160 feet. This area would be at a slightly higher elevation than the subject. South of the subject along Mormon Row are two wells in the 91 to 100-foot depth range. South of Ditch Creek roughly two miles southeast of the property appraised is a well at a depth of 340 feet, and northeasterly 2.50 miles are several wells in the 120 to 280-foot depth range. It is apparent that ground water is available in this area, with wells ranging from 70 to 353 feet within a 2.50-mile radius. However, please note that we are not water experts and provide no opinion of the availability of potable ground water on the subject property.

Terrain and Elevation: Terrain is very gently sloping. The elevation ranges from about 6,625 feet in the southwest to 6,690 in the northeast and 6,700 feet on a small knoll along the east boundary about ¼ mile north of the southeast corner. Several very shallow draws traverse the subject property. As we walked across the subject from east to west, these draws were barely discernible, if at all. One of the draws is named on USGS topography maps—Carpenter Draw. These draws have only ephemeral water flow.

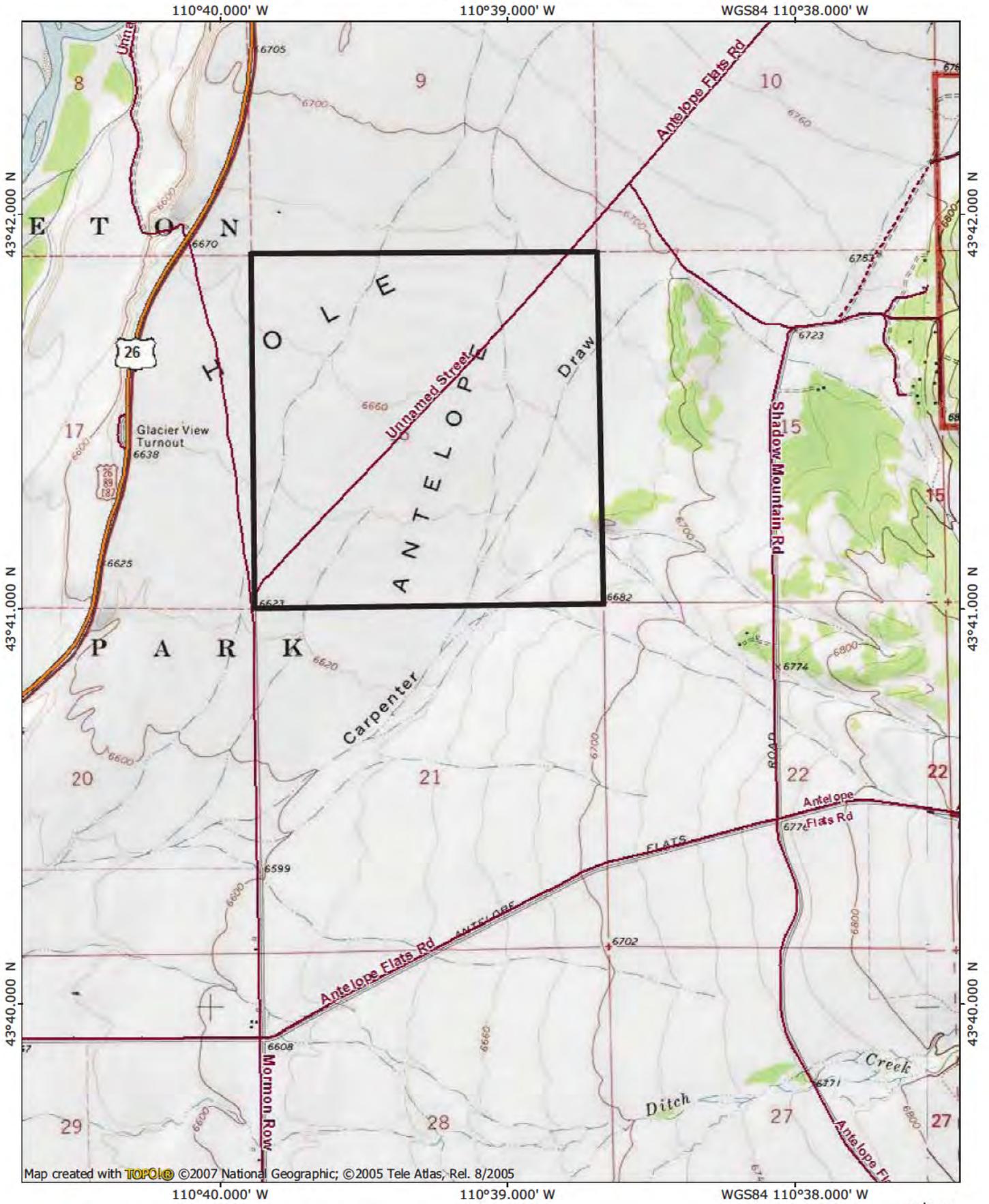
Vegetation: The vegetation is sagebrush and grasses with a very few aspen trees on the east property boundary, on the knoll about ¼ mile north of the southeast corner. We estimate the vegetative cover is about 75% sagebrush and 25% native grasses. There may be more grass in the draws that run through the property (in comparison to the rest of the property), but there is no evidence of riparian or water-loving plant growth. According to Teton County's on-line mapping the extreme southeast part of the subject—perhaps 10 acres—was burned in the 1994 in the Row Fire.

Wetlands: FWS maps delineating wetlands were reviewed. There are no designated wetlands on the subject tract.

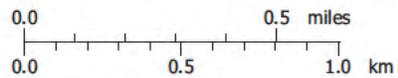
Amenities: The subject is about five miles east of the Teton Mountains and has nearly a full frontage view of the Tetons from the entire property, and views therefrom are above average for this area. In addition, the subject is surrounded by public land—Grand Teton National Park. Wildlife, including elk, deer, antelope, buffalo, moose, bear, wolves, grouse and other birds, are likely to be observed on the property at times.

Detriments: The subject is in rather close proximity to US Highway 26/89/181—within less than ¼ mile on the north and less than ½ mile on the south. This is the route from the town of Jackson through Grand Teton National Park and to the south entrance to Yellowstone National Park. Traffic noise is evident on the property. Because there is very little change in terrain and almost no tree cover, the subject has limited seclusion. The property is situated on Antelope Flats, where winds are common. In addition, the area receives significant snowfall so blowing snow and drifting is common in the winter.

Subject Tract 05-121, Section 16 Topography Map



Map created with **TOPO!** © 2007 National Geographic; © 2005 Tele Atlas; Rel. 8/2005



TN MN
11½°
10/01/14

The State of Wyoming manages sage grouse through an Executive Order signed by Governor Matt Mead in June 2011. In addition to reviewing the Executive Order, we also interviewed Doug Brimeyer, Wildlife Management Coordinator with the Wyoming Game and Fish in Jackson. Mr. Brimeyer indicated that 100% of Section 16 consists of core habitat for sage grouse. There is a lek just beyond the southwest corner of the section, and sage grouse use the subject for nesting purposes. The State as a matter of policy does not extend the use restrictions pertinent to sage grouse to privately owned lands in the state. Mr. Brimeyer stated "The State respects private property rights."⁷ The State will work with private landowners to minimize habitat disturbance/loss. However, if transferred to Federal ownership, the U.S. would be limited by a "five percent" disturbance factor, i.e. no more than 5% of the area in core habitat can be disturbed. The subject property is appraised under a definition of market value that includes the aspect of "a competitive and open market" and the ability to sell the property to anyone with the financial ability to buy the property. In other words, it is appraised under the presumption that it is privately owned and not subject to sage grouse restrictions that apply to state and federally-owned land.

Improvements: There are no buildings on the property and it is not fenced. An old roadway bed was the only site improvement noted during the inspection.

Personal Property: No personal property is included in the valuation.

Soils: Soil information was researched using USDA's web-based soil survey. About 90% of the tract has Tineman gravelly loam soil. Other soil types found on the property are Greyback gravelly loam, Tetonia-Lantonia and Turnerville silt loams, and Tetonia-Tineman complex. The soils are typical for the area.

Water Rights: According to our research of Wyoming State Engineer's office website, there are no water rights associated with the property. There was a filing for use of water on the subject land, but it was cancelled in 1990.

Mineral Rights: We were provided with a mineral report prepared by Ryan Z. Taylor, dated August 8, 2014. The mineral report concludes there is no currently recognized potential for development of sand, gravel and aggregates because of: quality of material, demand, county zoning restrictions, and environmental issues regarding wildlife. The report indicates low potential for development of geothermal resources because of: lack of identified thermal water on the subject, initial costs, location, and environmental issues regarding wildlife. The report indicates there is no currently recognized potential for oil and gas or other minerals.

Environmental Hazards: We do not have expertise to provide an opinion as to the potential for hazardous substances. No hazards were observed. However, it is a specific limiting condition of this appraisal that we are not qualified to detect hazardous substances.

Flood Zone: FEMA Panel 56039C0450B, dated May 4, 1989, covers the subject. The subject is in Zone X, outside the 500-year floodzone.

⁷ "9. Existing rights should be recognized and respected." Executive Order, 2011-5, p. 3.



Scale- 1 Inch = 1,600 Feet

Antelope Section

Ownership and Property History

The subject is owned by the State of Wyoming and has no sales history. It does not appear to be used by the property owner.

Real Estate Taxes

Because the subject property is owned by the State of Wyoming, it is not subject to taxation. If privately owned it is presumed the taxes would be similar to other properties in the area.

Zoning

Teton County's Land Development Regulations (LDRs) have recently been updated. The effective date of the updated regulations is January 1, 2015. With a date of value of November 26, 2014, there is virtually no way the property could be developed—or even one house built on the property prior to January 1, 2015. A knowledgeable purchaser of the property would make purchase decisions based on these updated regulations. Accordingly, the subject's zoning is considered under the county's regulations that will be effective January 1, 2015.

The subject is currently owned by the State of Wyoming. The county's LDRs state: *Physical development, use, exercise of development options and subdivision by the State of Wyoming, the federal government, and all other government entities and their respective agencies, shall comply with the procedures and standards of these LDRs to the extent permitted by law.*⁸ Key to this provision is the language “to the extent permitted by law”. It is unlikely the State of Wyoming would consider they are subject to Teton County's regulations. Nevertheless, the subject property is appraised under a definition of market value that includes the aspect of “a competitive and open market” and the ability to sell the property to anyone with the financial ability to buy the property. In other words, it is appraised under the presumption that it is privately owned and subject to Teton County's LDRs.

Teton County apparently recognizes the limitations on their ability to control use of state lands because the LDRs also include a provision entitled “Change of Jurisdiction”.⁹ This section states: *When land changes jurisdiction by transfer, trade, or sale from state or federal agencies to a private landowner, the land shall be assigned to the R-TC zone, and the NRO and SRO as applicable, pursuant to the procedure of Sec. 8.7.2.* We conferred with Teton County planning personnel to confirm the zoning on the subject, if in private ownership, would be R-TC (Rural zoning designation) and Kristi Malone, with the department confirmed that in the event the property was transferred from state ownership it would be zoned R-TC by the county.

We also reviewed Teton County's zoning map to determine whether or not the R-TC zoning is a common zoning designation of private property in the area. This was done in an effort to ensure the subject is not “penalized” by zoning that is more restrictive than is typical for private ownership in the area. Two inholdings in the National Park, both within one mile of the subject, are designated to have Rural zoning. A private inholding within the National Forest located about four miles southeast of the

⁸ Teton County LDRs, January 1, 2015, Section 1.5.3.B, p. 1-6

⁹ Teton County LDRs, January 1, 2015, Section 1.7.6, p. 1-10

subject is zoned Rural. The little burg of Kelly is located about four miles south of the subject. The land within the townsite of Kelly is zoned Neighborhood Conservation—Single Family. The more recently developed areas east and southwest of Kelly are zoned Rural. Furthermore, the county's LDRs state the NC zone is to recognize existing residential neighborhoods and subdivisions and that this designation will not be applied to vacant land except for infill. About four miles southwest of the subject is the northern boundary of the block of private land that encompasses Jackson Hole. The zoning at the northern reaches of this area is a mix of Rural and Neighborhood Conservation—Single Family. Based on our review of the zoning information, it appears that R-TC is the zoning that would likely be designated on the property if it were privately owned. Thus, the county's position that the subject would be zoned R-TC if it transfers from state to private ownership, appears to be consistent with zoning of private lands similar to the subject.

The purpose of the Rural Zone is to “preserve wildlife habitat, habitat connections, scenic vistas, and undeveloped open spaces to the extent possible given existing development patterns.” Uses that are allowed by right under the zoning (and do not require special approval) are: agriculture, detached single family-family residential unit, and temporary use for Christmas tree sales. There are a number of uses that require a “basic use permit”. The county's regulations state: “A basic use permit (BUP) permits uses that are allowed by right, but require administrative review to ensure compliance with the standards of these LDRs.” These uses are: accessory residential unit; home occupation; family home daycare; ag employee housing; and temporary uses for real estate sales office, temporary shelter, farm stand, temporary gravel extraction and processing, and helicopter tree removal. In addition, there are a number of categories of use that would require a “conditional use permit”, which is defined by the county as: “A conditional use permit (CUP) permits a use that is generally compatible with the character of a zone, but requires project specific conditions to limit and mitigate potential adverse impacts.” The uses listed by the county in this category are: downhill ski area, golf course, dude/guest ranch, dormitory, group home, campground, nursery, bed and breakfast, home business, home daycare center, cottage industry, and receptions/events.

According to Ms. Malone, the subject could be legally subdivided into eighteen 35-acre lots, but “would incur affordable housing fees and development exactions.” Each lot would be allowed one single family dwelling, an accessory residential unit and various outbuildings. However, the maximum floor area would be 8,000 square feet of habitable floor area;¹⁰ 11,500 square feet of gross floor area;¹¹ and 76,230 square feet of site development area.¹² However, Ms. Malone indicated these maximums could vary depending on road easements and slopes. Oftentimes, these types of large-acreage lot

¹⁰ Teton County LDRs, January 1, 2015, Section 9.5 Defined Terms, p. 9-19; “Habitable floor area is the floor area that can be used for living purposes, usually having access to heat, plumbing, and electricity. Habitable floor area includes studios, exercise rooms, offices, and similar spaces. It also includes foyers, hallways, restrooms, storage, and other common areas within a building. Habitable floor area does not include barns, garages, or unfinished attic space.”

¹¹ Teton County LDRs, January 1, 2015, Section 9.5 Defined Terms, p. 9-19; “Gross floor area is the total of all habitable and non-habitable floor area in a structure on all levels. Gross floor area includes basements, and partial levels such as lofts, mezzanines, and interior balconies. It also includes foyers, hallways, restrooms, storage, and other common areas within a building.”

¹² Teton County LDRs, January 1, 2015, Section 9.5 Defined Terms, p. 9-26; “Site development is the area of the site that is physically developed; it is generally the inverse of landscape surface area. Site development includes the area of the site that is covered by buildings, structures, impervious surfaces, porches, decks, terraces, patios, driveways, walkways, parking areas, and regularly disturbed areas such as corrals, outdoor storage, and stockpiles.”

subdivisions are based on sixteen 40-acre lots to allow for road easements, while still maintaining the 35-acre maximum size. Therefore, sixteen lots is a more realistic number and would ensure that the maximum allowable areas are not exceeded. The subject tract has almost no slope, but the knoll along the east line has a very small area with slopes of 25% or more—likely less than one acre. Therefore, slopes should not decrease density to any noticeable degree; particularly if 16 lots were developed rather than 18.

As a single site of 640 acres, the county would allow 8,000 square feet of habitable floor area, 15,000 square feet of allowable total floor area, and 1,435,541 square feet of site development area.

The county also has provisions for Planned Residential Development (PRD). With clustering, PRD can be used to increase total density of a subdivision. However, there is currently a moratorium on approvals of PRDs that subdivide land. According to Ms. Malone, the moratorium is expected to continue into 2015. She also informed us the county will be refining the zoning for the rural parts of the county. When this takes place, PRDs may be reinstated for properties over 140 acres. However, the option of eliminating PRDs has also been discussed. As of the date of this appraisal, a PRD is not permitted and it would be speculative to analyze the subject assuming that a PRD would be permitted in the future.

Analysis and Conclusions

Larger Parcel

The Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA or the Yellow Book) states that a larger parcel determination must be made for all appraisals.¹³ However, the Statement of Work states: "At the request of the client agency the appraiser is instructed to analyze and value each of the indentified parcels (#05-121 and #06-102) as individual stand-alone units. The appraiser is instructed to produce an individual opinion of value and accompanied appraisal report for each of the indentified parcels. If a larger parcel analysis concludes that the two properties would constitute one larger parcel the appraiser shall contact the OVS Review Appraiser for further instructions."

The three tests for larger parcel are unity of ownership (title), unity of highest and best use and contiguity. The two parcels are both owned by the State of Wyoming and have unity of ownership. The two parcels are separated by nearly three airmiles and much farther by road miles. They lack contiguity and in this case without contiguity, they do not have unity of highest and best use.

In accordance with the SOW, we have appraised the two subject tracts of land as individual, stand-alone units.

Highest and Best Use Analysis

Highest and Best use is defined as:

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.¹⁴

The highest and best use of a specific parcel of land is not determined through subjective analysis by the property owner, the developer, or the appraiser; rather, highest and best use is shaped by the competitive forces within the market where the property is located.¹⁵ The definition forms the basis or foundation of the highest and best use analysis. The property's use must be:

- 1.) legally permissible;
- 2.) physically possible;
- 3.) financially feasible; and
- 4.) must result in the highest value.

Consideration is given to trends based on recent land sales, economic factors, and strength of the local market. An analysis of the highest and best use of the property forms the basis for the valuation of the property. Highest and best use serves as a guide in the selection of sales to be used in the valuation of the subject property. Because the use of land can be limited by the presence of improvements, highest and best use is determined for (1) the land, or site "as though vacant" and available to be put to its

¹³ *Uniform Appraisal Standards for Federal Land Acquisitions*, 2000, Section A-14, p. 18.

¹⁴ *Uniform Appraisal Standards for Federal Land Acquisitions*, 2000 Edition, Section B-3, p. 48.

¹⁵ *The Appraisal of Real Estate*, Twelfth Edition, The Appraisal Institute, 2001, p. 305.

highest and best use; and (2) the property "as improved." The subject has no structural improvements; therefore, no "as improved" analysis is done.

Highest and best use analysis addresses the use the "most probable buyer(s)" would make of the total property. The highest and best use analysis of these types of properties is based on several appraisal principles:

- Anticipation: The value of all present and future benefits arising from ownership and use of real property.
- Supply & Demand: The price of real property varies directly, but not necessarily proportionately, with demand, and inversely, but not necessarily proportionately, with supply.
- Substitution: The property with the lowest price attracts the greatest demand when several similar properties are available on the market.
- Contribution: The value of a particular component is measured in terms of its contribution to the value of the whole property, or as the amount that its absence would detract from the value of the whole.
- Conformity: The real property value created and sustained when the characteristics of a property conform to the demands of its market.

"as if vacant"

Legally Permissible Uses- Legal limitations affecting a tract of land's use typically include zoning and deed or other title restrictions. We have not been provided with any information to indicate there are deed or other title restrictions on the property. The subject is under the zoning jurisdiction of Teton County and when the new zoning regulations become effective on January 1, 2015, the zoning (if the subject transferred from state to private ownership) will be R-TC, which is the county's Rural Zone. Permanent permitted uses are agriculture and single family residential. A number of temporary uses are permitted or allowed with a basic use permit. However, at the price levels of property in the area, temporary uses for such things as Christmas tree sales and real estate sales office are not likely to be a motive for purchase. Therefore, temporary uses are not analyzed as potential highest and best uses. A number of uses that are accessory to agriculture and single family residential are legal with a basic use permit. The county's regulations also include a listing of uses that may be allowed with a conditional use permit (previously reported in the zoning discussion). These uses are not analyzed in the highest and best because they are specialty uses that are not likely to be a motive for a typical buyer and furthermore, there is no assurance special use permits would be granted for these uses on the subject.

Without a subdivision, the county would permit one single family residence on the subject.

The county's zoning would permit development of the property into residential lots of 35 acres or more. Subdivision development under the county's regulations would require affordable housing fees and development exactions to be paid by the developer. Development of 35-acre or larger lots could also

be done under the state exemption, but affordable housing fees and exactions would still be required at the time houses were constructed on the lots. Thus, there is no exemption from the fees/exactions, but rather a deferral until building permits are requested.

Personal/passive recreational use (such as hiking, hunting, photography) and investment, although not specifically addressed in the county's regulations would be legal uses of the property because they do not involve the construction of buildings.

The uses permitted on the subject are geared toward residential and its accessory uses, agriculture, recreation and investment.

Physically Possible Uses- The physical qualities that could influence utility or appeal include:

- The subject is 640 acres and is square in shape—a full section of land.
- The terrain is very gently sloping with a small knoll along the east boundary, and cut by several draws with ephemeral water flow.
- The subject has a right to legal access across federal land. Road access will be granted from US Hwy 191/89/26 which is west of the property. There is not a road currently constructed. It will need to be built after securing the easement/permit from the National Park Service and conducting federally required environmental studies.¹⁶
- Power and telephone lines have not been extended to the subject. Lines are in the general area and could be extended to the property. There is no water or sewage disposal service in the area. For a property like the subject, domestic water is typically provided by individual wells and sewage disposal by individual septic systems. As previously discussed, water wells registered with the State of Wyoming in the vicinity of the subject have depths ranging from 70 to 340 feet.
- There are full, nearly frontal views of the Tetons to the west.
- Vegetation is almost exclusively grass and sagebrush. The only area with trees (a very few aspens) is the small knoll on the east boundary.
- The subject is entirely surrounded by federal land—Grand Teton National Park
- Wildlife is commonly seen on the property.
- The property has limited seclusion because there is almost no change in terrain and or notable screening by trees. Because of the relatively close proximity to US Hwy 191/89/26 traffic noise is evident on the property.
- The area is subject to windy conditions and in the winter blowing snow and drifting are common.
- The property is not fenced and does not currently have a source of livestock water. Livestock grazing would require drilling a well to provide water.

There are no physical characteristics that would prevent use of the subject for the legally permissible uses.

¹⁶ See Access/Utilities portion of Analysis and Conclusions portion of report for discussion on NEPA studies.

Financially Feasible Uses- The financial feasibility of the legal and physically possible uses are addressed following.

- 1. Agriculture:** Agriculture is a permitted use of the subject. However, at the price levels of this market, there is no chance whatsoever that agriculture would be the motivation for purchase of the subject, or any other property in the Jackson Hole area. There are two reasons for this. First, the return on investment from the only plausible agricultural use (grazing) would be so small as to be almost immeasurable. Second, a buyer whose motivation is agriculture has many, many other alternatives for purchase of less expensive land that is as suitable (or more suitable) for agricultural use as the subject. In our opinion, agriculture is not a feasible use.

One must bear in mind that there are a number of properties in the Jackson Hole area that are used for agricultural purposes. There are likely to be a number of reasons for this, such as: real estate tax benefits (agricultural taxes are less), life style (the chance to be a cowboy/girl), bragging rights (the ability to state they own a ranch at Jackson Hole). However, the agricultural use is almost universally a use that is ancillary to some other use such as residential, recreation or investment.

- 2. Recreation:** Although not specifically addressed by zoning, personal recreation would be permitted by the zoning as it is a passive use that does not require changes to the property. Recreational properties are sometimes used only for recreation—without construction of a dwelling, while some recreational property owners build houses for occupancy while they are pursuing recreational endeavors and the zoning would permit construction of a house. The most highly sought recreational attribute in this area is river frontage. The subject lacks this attribute and its other recreational attributes are rather limited. It has views of the Tetons—if viewing the Tetons can be considered a recreational activity. Wildlife, including big game, for hunting and photography are known to inhabit the property. However, due to lack of cover, wildlife will traverse the property but not inhabit for any length of time. The property is suitable for hiking, horseback riding, and in the winter snowshoeing and Nordic skiing. The subject is surrounded by Grand Teton National Park, thus having direct access to the park—but not vehicular access. At the price levels of this market, we do not feel recreation is a feasible use of the subject property—as a stand-alone use or as the primary motivation for purchase. While we view recreation as a use some property owners might take advantage of, it is likely to be in conjunction with another use—typically residential. Recreation is eliminated from the analysis.
- 3. Residential:** Residential, as analyzed in this section, is as a single homesite. The subject property could serve as a single homesite of 640 acres. A building permit would be required from the county and there are regulations pertaining to a myriad of things including, setbacks, maximum dwelling size, exterior colors, landscaping, fences, buffers from waters, lighting, natural hazards (such as slopes), and signs. Given the size and physical characteristics of the subject, the requirements could all be met with ease. The access road and power and telephone would need to be extended to the property. The investment required to use the property as a single homesite of 640 acres would be very high. There are many smaller properties in the area that would provide alternative sites that would be just as desirable as a single homesite. Many such properties are currently on the market. In our opinion, use as a single homesite is not a financially feasible use.

- 4. Residential Subdivision:** The subject property is zoned R-TC. The minimum lot size permitted under the county's zoning is 35 acres. According to County Planning, eighteen 35-acre lots would be permitted on the subject's 640 acres. Another subdivision alternative would be development of 35-acre or larger tracts, under the exemption from Teton County's land division procedures,¹⁷ and regulated by the State of Wyoming.¹⁸ As a full section of 640 acres, the subject could be divided into 16 tracts of 40 acres each, which generally equates to at least 35 acres after deducting areas encompassed by roads. These types of developments (often called 40-acre subdivisions) are located throughout much of Wyoming. Typically, these developments are in rural areas. Access is usually provided by gravel or dirt roads to each tract. Power and telephone may or may not be provided. In many—likely most—cases, there are no subdivision amenities. In essence, the buyer gets a 40-acre, more or less, tract with road access (generally) and with power and/or telephone extended to the individual tract in some cases.

In the Jackson Hole area, there have been a number of properties that have been developed with lots of 35 acres or more. Some examples of relatively recent subdivisions of 35-acre or larger lots in the Jackson Hole area are Bar B Bar Ranch, Bar BC Ranch and Two Rivers Ranch, and Crescent H Ranch.¹⁹ The developments of 35-acre or larger homesites in the Jackson area differ from many of the others scattered about the state. To varying degrees the large tract developments in the Jackson area usually provide far more amenities or benefits to ownership. Paved roads and gated entries, open space areas and access to river frontage and access to common fishing areas are common. CC&Rs that require large and expensive homes and a myriad of provisions that are intended to insure that the aesthetics of the development are enhanced and preserved are also common.

Another aspect of development under the subdivision exemption in Teton County versus other areas is the affordable housing fees and exactions. Teton County requires developers to provide affordable housing or make payments for affordable housing in lieu of providing the housing. They also require exactions for public facilities or improvements such as, parks, playgrounds, or schools. Because the county recognizes an exemption from county subdivision regulations if a property is developed under regulations of the State of Wyoming, one might think that the exemption would also include the affordable housing and exactions. However, that is not the case. Kristi Malone, Associate Planner, stated the affordable housing and exaction fees would "still be assessed but payment will be deferred to the time of building permit issuance instead of being required to be paid by the developer at the time of subdivision."

We have analyzed listings of vacant land in Jackson Hole in the size range of 35 to 100 acres on the Teton MLS. There are 18²⁰ tracts in this size range currently available for purchase. They range from \$1,640,000 for a 40-acre tract to \$17,900,000 for a 72-acre parcel on the Snake River. Ten of the vacant listings are 40 acres and less, with four from 41 to 70 acres and

¹⁷ Teton County LDRs, January 1, 2015, Section 8.5.4, B. 7, p. 8-50

¹⁸ Wyoming Statutes, § 18-5-303

¹⁹ Bar B Bar has some smaller lots in an approved subdivision in addition to 35+ acre tracts, Crescent H Ranch has an area of small lots (2 acres or less), which is an actual Teton County subdivision, and tracts of 35 acres or more.

²⁰ In addition, there are 10 tracts 35 to 100 acres in size available that have building improvements.

four in the upper range. The listings had been on the market for 53 to 2,925 days, with an average time on market of 1,012 days or roughly 2.77 years. Extended marketing times appear to be the norm in the Jackson Hole market for this class of property.

The research for sales of vacant 35 to 100-acre parcels took us back to 2000. Below is a summary of the data we found reported on MLS in this size class (dollar data rounded to nearest \$25,000 and transactions where price was not reported are excluded):

	# of	Mean				Mean
Year	Sales	Acres	Range- \$	Mean-\$	Median- \$	DOM
2000	6	39.19	\$275,000-\$6,200,000	\$3,800,000	\$4,350,000	
2001	1	33.00	\$5,000,000	\$5,000,000	\$5,000,000	
2002	5	36.41	\$750,000-\$5,000,000	\$2,850,000	\$3,250,000	
2003	2	40.40	\$394,000-\$3,750,000	\$2,075,000	\$2,075,000	
2004	12	40.44	\$190,000-\$10,350,000	\$5,800,000	\$5,750,000	
2005	8	41.73	\$360,000-\$10,825,000	\$4,900,000	\$4,350,000	
2006	4	48.06	\$1,600,000-\$10,000,000	\$6,400,000	\$7,000,000	
2007	9	45.48	\$2,500,000-\$13,000,000	\$7,500,000	\$6,225,000	570
2008	4	44.97	\$6,000,000-\$16,000,000	\$9,500,000	\$8,000,000	397
2009	2	34.91	\$3,000,000-\$15,000,000	\$9,000,000	\$9,000,000	1,395
2010	4	35.57	\$1,600,000- \$5,800,000	\$4,050,000	\$4,400,000	681
2011	3	39.11	\$7,800,000-\$9,100,000	\$8,625,000	\$9,000,000	650
2012	5	54.78	\$3,350,000-\$16,000,000	\$8,500,000	\$6,000,000	139
2013	4	44.62	\$980,000-\$7,400,000	\$5,425,000	\$5,750,000	825
2014	3	43.02	\$3,850,000-\$4,840,000	\$4,475,000	\$4,700,000	447

As has previously been discussed, this dataset shows a very strong market from 2004 to 2007, with four to 12 sales each of these years. The number of sales dropped to four in 2008, then two in 2009, although the average price is up for those two years. Since 2009, three to five sales are noted per year, with the average and median price down in 2013-14 in comparison to most of the prior eight years.

From 2000 to date in 2014, we researched a total of 72 vacant sales in the 35 to 100-acre range. Over the 15-year period, there has been an average of 4.80 sales per year. Significantly more sales occurred during the boom of 2004-07 than occurred on either side of this date range. There are 18 listings of vacant property in the 35 to 100-acres range. Thus, there is basically a four-year supply of listings from 35 to 100 acres based on historical sales data.

A tabulation of listings over 100 acres in size in Teton County considered in this report follows:

Listing #	Date	Grantor	List Price	Acres	\$/Acre	DOM
L-43	Listing	Fall Creek Ranch	\$8,250,000	160.00	\$51,563	350
L-44	Listing	Jackson Land	\$29,000,000	562.83	\$51,525	613
L-45	Listing	Walton Ranch	\$48,700,000	1,848.00	\$26,353	1,095
L-46	Listing	Spring Gulch	\$35,000,000	507.00	\$69,034	92
L-47	Listing	Spring Gulch	\$45,000,000	580.00	\$77,586	114
L-48	Listing	Blue Crane	\$17,850,000	172.27	\$103,616	3,297
L-49	Listing	Flying Goose	\$3,995,000	119.00	\$33,571	1,774
L-50	Listing	Lazy Moose	\$9,000,000	114.00	\$78,947	529
L-51	Listing	JLC	\$10,000,000	117.70	\$84,962	313
L-52	Listing	Robertson	\$11,000,000	104.00	\$105,769	91
L-53	Listing	Four Legs Good	\$13,900,000	125.00	\$111,200	452
L-54	Listing	Hillwood Bar	\$19,000,000	105.00	\$180,952	619
L-55	Listing	Skirtie	\$4,695,000	207.00	\$22,681	535
L-56	Listing	Vandewater	\$9,900,000	105.00	\$94,286	424
L-57	Listing	Vandewater	\$14,200,000	105.00	\$135,238	191

The listings highlighted in yellow are subject to full or partial conservation easement. The data ranges from 104 to 1,848 acres with list prices ranging from \$4,695,000 to \$48,700,000. The properties have been on the market from less than 100 days to about nine years, with an average time on the market of roughly 699 days. This is an extended marketing time even for the Jackson Hole area and the data suggests that the market for larger tracts is not “robust” at present. Asking prices range from \$22,681 per acre for a property in the Game Creek area to \$180,952 per acre for three lots in the Bar BC development northwest of Jackson. The conservation easement encumbered sales range from \$26,353 per acre to \$103,616 per acre, generally at a lower tier than the properties not under easement.

Since 2008, there have been 19 sales that we have researched over 100 acres in Teton County. The numbers are: 2008- 0 sales; 2009- 2 sales; 2010- 2 sales (1 within Jackson Hole); 2011- 0 sales; 2012- 5 sales (3 sales in Jackson Hole, 2 sales in outlying areas of county); 2013- 6 sales (4 in Jackson Hole); and to date in 2014- 4 (two of these sales within Jackson Hole). Mathematically, there have been less than three sales per year in the county since 2008 in this size range, with 12 sales occurring in Jackson Hole, or nearly two sales per year.

In the 15 listings noted on the previous table, 13 are in Jackson Hole with two in outlying areas. Considering this data, on an overall basis there is a five year supply of properties (15 available/3 sales per year) and a 6.5-year supply (13 properties available/2 sales per year) if we stick just to Jackson Hole.

In both size ranges (35 to 100 acres and over 100 acres) there is a four to 6.50-year supply of product, without additional property entering the market. We realize that we do not have knowledge of all properties that are for sale, nor all sales that have occurred since 2000 in the size ranges specified. However, the data does provide a “snap shot” of the supply and demand factors in the Jackson Hole marketplace.

In many markets a four to over six year supply of product currently listed on the market would discourage additional subdivision development of raw land. However, this ratio of supply to demand has been more common than not in the Jackson Hole area and other high-end recreational areas for quite some time and has not generally stopped additional development in

the areas. In our opinion, individuals interested in residential development would be likely buyers of the subject property.

5. **Investment:** Investment as analyzed in this appraisal infers that a property is retained by an owner over a number of years for possible appreciation and future resale or development. Buyers focused on investment goals have participated in the Jackson market and similar markets for many years. Typically, investment buyers are most prevalent when the market is strong or appears to be so. Although the market is certainly not as robust as it was in the mid-2000s, there appears to be a current sentiment of cautious optimism that the market has finished its “correction” and that prices will increase in the future. For these reasons, it is our opinion that investment is likely to be a financially feasible use of the subject property.

Maximally Productive Use- The uses judged to be legally permissible, physically possible and financially feasible are residential subdivision and investment. The cash outlay to purchase the subject property would be significant, as would be the carrying costs—whether measured in terms of the payment of interest on borrowed money or the lost opportunity cost. For this reason, it is our opinion that investment is not likely to be the motivation of purchase of the subject. Rather we feel residential subdivision is likely to be the motivation for purchase of the subject and we have concluded the maximally productive use of the subject is residential subdivision.

Our conclusion of highest and best use is **residential subdivision**.

Methods of Valuation

The three traditional approaches to value used by appraisers are: sales comparison approach, cost approach, and income capitalization approach. All three rely on data derived from the marketplace. The three approaches are regarded as a series of checks on the appraiser's judgment by reflecting a separate value conclusion from each. In each approach, the value of the subject is estimated considering the highest and best use of the property. The final step in the appraisal process is the reconciliation or correlation of the three indications of value into a final estimate.

Cost Approach:

The cost approach to value is a summation of the contributory value of the land and contributory value of the site and structural improvements. The subject property has only one land class and no building improvements. The cost approach is not applicable and is not used.

Income Approach:

This approach is based on the principle that value is created by the expectation of future benefits. Anticipated benefits, dollars or amenities, to be derived from the ownership of a property are converted into a value estimate. More specifically, future annual net income and/or reversions, prior to payment of debt service, is/are capitalized or discounted to attain a present worth. As of the date of value, the subject property is not capable of producing any significant annual income. The future income potential of the subject is that which can be achieved from subdividing the tract into smaller lots and then selling the lots. Thus, the only income analysis that could be used to value the subject is a subdivision discounted cash flow analysis or in the parlance of the Yellow Book (Uniform Appraisal Standards for Federal Land Acquisitions)—the “development approach”. Section A-15 of the Yellow Book states: *When the highest and best use of a property is for subdivision purposes and comparable sales do not exist (emphasis added), the appraiser may resort to the development approach.* In Section B-8, the Yellow Book states: *When comparable sales are available with which to accurately estimate the property’s market value, the development approach should not be relied upon as the primary indicator of value, as it is considerably more prone to error.* There is no argument that “comparable sales” for this assignment are not plentiful. However, they do exist and in our opinion use of the available comparable sales is likely to provide the most reliable indication of the value of the subject property. Furthermore, the Uniform Standards of Professional Appraisal Practice indicate that an income approach should/must be

done when necessary for credible assignment results.²¹ In our opinion, the income approach is not necessary for credible results. Thus, the income approach has been excluded from use.

Sales Comparison Approach: This approach is based on the principle of substitution: "the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time." The major premise of the sales comparison approach is that the market value of a property is directly related to the prices of comparable, competitive properties. In addition, the principle of externalities states that forces external to a specific property can affect value. A period of economic development or economic depression influences property values. An appraiser analyzes the neighborhood of a subject property to identify all significant external influences. To a great extent, these external forces are reflected in the adjustments made for property location. Typically, sales of similar or "comparable" properties in relation to the subject property are gathered and analyzed, then compared directly to the subject property. The sales comparison approach is utilized in the appraisal.

²¹ SR 1-4 (c), p. U-19, USPAP 2014-2015 Edition

Data Research

The sales and listings gathered/considered for the appraisal are tabulated on the following page. The sales/listings highlighted in yellow are partially/fully encumbered with conservation easements. The prices shown in boldface type on the tabulation are listing prices; sale prices were not publicly disclosed and we were not able to obtain these sale prices from other sources. Three of the sales are confidential. In order to protect the confidentiality the details of these sales are not provided.

From the available sales and listings, seven sales and two listings were selected for direct comparison to the subject. These are the sales that we have deemed most similar—overall—to the subject. The combination of criteria given primary consideration in selecting the sales was: recent date of sale, size similar to the subject, similar highest and best use, and vacant land—or building contribution that could be reliably quantified. Unfortunately, no sales met all the desired primary criteria so the selection of sales required some balancing of positives and negatives. For example, none of the sales that took place in the past few years are close to the size of the subject. Therefore, several older, but larger acreage sales were selected. Following the tabulation, are brief summaries of the sales/listings used in direct comparison to the subject.

Sale #	Date	Grantor	Sale Price	Acres	\$/Acre
1	Jan-00	Soest	\$2,000,000	200.00	\$10,000
2	Nov-00	Four Springs	\$27,500,000	260.00	\$105,769
3	Dec-00	Compton	\$1,125,000	100.00	\$11,250
4	Jan-01	Snyder	\$3,900,000	215.83	\$18,070
5	Jun-01	Porcupine Creek	\$2,185,000	202.30	\$10,801
6	Jun-01	Scherr-Thoss	\$30,000,000	329.00	\$91,185
7	Jun-01	Mead	\$25,000,000	116.62	\$214,371
8	Mar-02	Peterson	\$4,000,000	117.82	\$33,950
9	Jun-02	Four Lazy F	\$67,500,000	710.60	\$94,990
10	Nov-02	Thornton	\$9,085,125	337.82	\$26,893
11	Nov-02	Thunder	\$1,074,938	106.14	\$10,128
12	Jun-04	Snake River Assoc.	\$9,000,000	123.98	\$72,592
13	Oct-04	Mead	\$92,000,000	1,340.81	\$68,615
14	Oct-04	Teton Valley Ranch	\$25,250,000	153.13	\$164,893
15	Jan-05	Spring Creek	\$21,500,000	445.13	\$48,300
16	Mar-05	TNC	\$6,000,000	253.00	\$23,715
17	Aug-05	Chapman	\$95,000,000	574.85	\$165,261
18	Aug-05	TNC	\$19,900,000	210.75	\$94,425
19	Mar-06	Hillwood	\$23,250,000	507.00	\$45,858
20	Oct-06	Hansen	\$69,000,000	1,265.10	\$54,541
21	Oct-06	University of WY	\$17,150,000	159.56	\$107,483
22	Feb-07	Sayer	\$15,500,000	120.00	\$129,167
23	Apr-09	Jones Holdings	\$1,500,000	139.50	\$10,753
24	Apr-09	Jones Holdings	\$9,000,000	233.18	\$38,597
25	Aug-10	Puzzleface	\$5,500,000	226.83	\$24,247
26	Sep-10	Mountain Bear	\$5,250,000	160.00	\$32,813
27	Feb-12	Edgcomb	\$3,100,000	144.00	\$21,528
28	Jun-12	Sage	\$7,500,000	164.00	\$45,732
29	Dec-12	BBB	\$7,700,000	104.00	\$74,038
30	Dec-12	US Bankruptcy Court	\$8,140,000	103.00	\$79,029
31	Dec-12	Lucas	\$17,000,000	190.51	\$89,234
32	Feb-13	Wells Fargo	\$5,500,000	285.00	\$19,298
33	Mar-13	Caruso	\$16,900,000	100.00	\$169,000
34					
35					
36	Oct-13	Jackson Hole Preserve	\$1,500,000	181.29	\$8,274
37	Oct-13	Hussey	\$32,950,000	118.00	\$279,237
38	Feb-14	Woodman	\$4,268,000	160.00	\$26,675
39	Jul-14	One Horse	\$4,880,000	141.15	\$34,573
40	Sep-14	Vandewater	\$19,750,000	140.40	\$140,670
41	Sep-14	Triple R Ranch	\$10,125,000	164.00	\$61,738
42					
L-43	Listing	Fall Creek Ranch	\$8,250,000	160.00	\$51,563
L-44	Listing	Jackson Land	\$29,000,000	562.83	\$51,525
L-45	Listing	Walton Ranch	\$48,700,000	1,848.00	\$26,353
L-46	Listing	Spring Gulch	\$35,000,000	507.00	\$69,034
L-47	Listing	Spring Gulch	\$45,000,000	580.00	\$77,586
L-48	Listing	Blue Crane	\$17,850,000	172.27	\$103,616
L-49	Listing	Flying Goose	\$3,995,000	119.00	\$33,571
L-50	Listing	Lazy Moose	\$11,000,000	114.00	\$96,491
L-51	Listing	JLC	\$10,000,000	117.70	\$84,962
L-52	Listing	Robertson	\$11,000,000	104.00	\$105,769
L-53	Listing	Four Legs Good	\$13,900,000	125.00	\$111,200
L-54	Listing	Hillwood Bar	\$19,000,000	105.00	\$180,952
L-55	Listing	Skirtie	\$4,695,000	207.00	\$22,681
L-56	Listing	Vandewater	\$9,900,000	105.00	\$94,286
L-57	Listing	Vandewater	\$14,200,000	105.00	\$135,238

Sale Descriptions

- Sale 13 is a 1,340.81-acre property that sold in October 2004 for \$92,000,000 or \$68,615 per acre. The property included buildings and an agent involved with the sale reported to us that he felt the house on the property contributed to the sale. He estimated the contribution to be \$2,000,000. This opinion appears reasonable to us. Deducting the estimated building contribution from the total sale price leaves a land residual of \$90,000,000, or \$67,124 per acre. The sale is northwest of the town of Jackson in Spring Gulch. Access is direct from Spring Gulch Road, a county-maintained road that is a mix of gravel and paved surfaces. The road is plowed in the winter. The property has frontage on the Gros Ventre and Snake Rivers and has good Teton views. Terrain ranges from level to steep. Vegetation is a mix of meadows, deciduous trees along the rivers, and aspen-conifer mix at the upper elevations. Power and telephone are available at the property. At the time of sale, the property was zoned Rural by Teton County and was not platted. After purchase the property was developed as Bar BC.
- Sale 19 is a March 2006 resale of 507 acres of Sale 13. The price was \$23,250,000, which is \$45,858 per acre. After the purchase of Sale 13 a conservation easement was granted and Sale 19 is encumbered with the conservation easement. The easement allows recreational and agricultural use, and permits four residential homesites. One single family residence, one guesthouse, garage, and two associated non-residential buildings are permitted on each homesite. In addition, a manager house and garage are permitted on one of the homesites. Each of the homesites may be sold individually, but they may not be further subdivided. The sale has access direct from Spring Gulch Road, which runs along the east side of the property. Terrain is nearly level to slightly sloping, with steeper slopes on a small area in the southeast corner. The vegetative cover is primarily meadow grasses, with scattered cottonwoods and willows, and a patch of aspen in the steeper southeast corner. There are Teton views from the sale and power and telephone are at the property. The property was zoned Rural by Teton County. The conservation easement allowed four homesites and the permitted sites were platted. The buyer purchased this land for resale of the four parcels and investment.
- Sale 20 consists of 1,265.1 acres also located in Spring Gulch that sold for \$69,000,000 in October 2006. The unit price was \$54,541 per acre. At the time of the sale the property was encumbered with two conservation easements covering a total of 211.84 acres or 17% of the property. No buildings or residential use are permitted on the easement-encumbered land. Access is off Spring Gulch Road which runs through the easterly portion of the tract. The tract also fronts Highway 22 on the south. Terrain ranges from nearly level bottoms to steeply sloping hillsides on the west and on the portions of the property east of Spring Gulch Road. The vegetation is meadow grasses, willows, and tree cover on the hillsides. Spring Creek bisects the property and there are some Teton views. Power and telephone are at the property. At the time of sale, the property was zoned Rural by Teton County and was not platted. The buyer's motivation was residential development.

As late as November 2012, there were news stories of this sale alleging that the Hansen Family had not vacated the property, and that the Hansen Family was foreclosing on the

property for the \$52,000,000 still owed. Sale 20 plus some additional acreage (total of 1,750 acres) was on the market in 2011 and 2012 for \$175,000,000, but listing expired.

- Sale 31 took place December 2012 and the price was \$17,000,000 or \$89,234 per acre for the 190.51 acres. This property is also located in Spring Gulch and access is direct from Spring Gulch Road, which bisects the property. The property consisted of five tracts, one of which had a house and some outbuildings. After the purchase, all the buildings except two historic log outbuildings were torn down. No contributory value is allocated to the buildings. The terrain is nearly level. The southernmost tract is mostly open with a cover of grasses. The other tracts have fairly heavy cover of cottonwoods and brush with a few conifers. Power and telephone are available at the sale. The sale has Gros Ventre River frontage on the north and has Teton views. The property was zoned Rural by Teton County and was platted as five tracts. The buyer is a developer and the land was purchased to resell the five lots through their existing marketing program.
- Sale 35 is a confidential sale. In order to maintain the confidentiality, we have not reported any details of this sale other than a time-adjusted price of \$82,534 per acre.
- Sale 41 is 164-acre property that sold in September 2014 for \$10,125,000 or \$61,738 per acre. The property included buildings and the confirming agent reported the buildings and significant site improvements contributed \$2,500,000 to the sale. In our opinion this estimate appears to be reasonable. After deducting the estimated improvement contribution, the land residual used in the analyses is \$7,625,000, or \$46,494 per acre. The sale is located about 12 miles south of the small community of Wilson and about four airmiles west of Hoback Junction. Access is direct from Fall Creek Road, a gravel-surfaced, Forest Service road. The road is plowed to within 1½ miles of the property. If winter vehicular access is desired, the owners must plow the last stretch of road to the property (1½ miles) and there is a maintenance agreement that permits the owners to plow the road. The property is a National Forest inholding, completely surrounded by public land. Fall Creek bisects the sale. Terrain consists of nearly level bottoms with some sloping areas. Vegetation is a mix of grasses, willows, and conifer and aspen trees. At the time of the sale, the property was platted as a 27-lot subdivision. Power and telephone are available at the property. The buyer purchased the property for residential use.
- Sale 42 is a confidential sale. In order to maintain the confidentiality, we have not reported any details of this sale except for the time adjusted indication of \$46,946 per acre.
- Sale L-46 is a listing of 507 acres located in Spring Gulch. The listing price is \$35,000,000, which is \$69,034 per acre. This property sold in March 2006 and was previously described as Sale 19.
- Sale L-47 is a listing of 580 acres. It includes the 507 acres that comprise Sale L-46 and Sale 19, plus an additional 73 acres. The listing price is \$45,000,000, which is \$77,586 per acre. As previously discussed, the 507 acres is encumbered with a conservation easement, but the 73 acres is not encumbered. The 73 acres consists of two of the Bar BC homesites. These sites are west of the 507 acres and have moderately steep terrain and a mix of open land

and tree-covered land. A road through Bar BC provides access to the 73 acres and this portion of the sale has excellent Teton views. The property was zoned Rural by Teton County and was platted as six sites.

A location map of the subject and the non-confidential sales/listings is on the following page. Additional details of the sales, maps and photographs are included in Volume II.

Sale Location Map

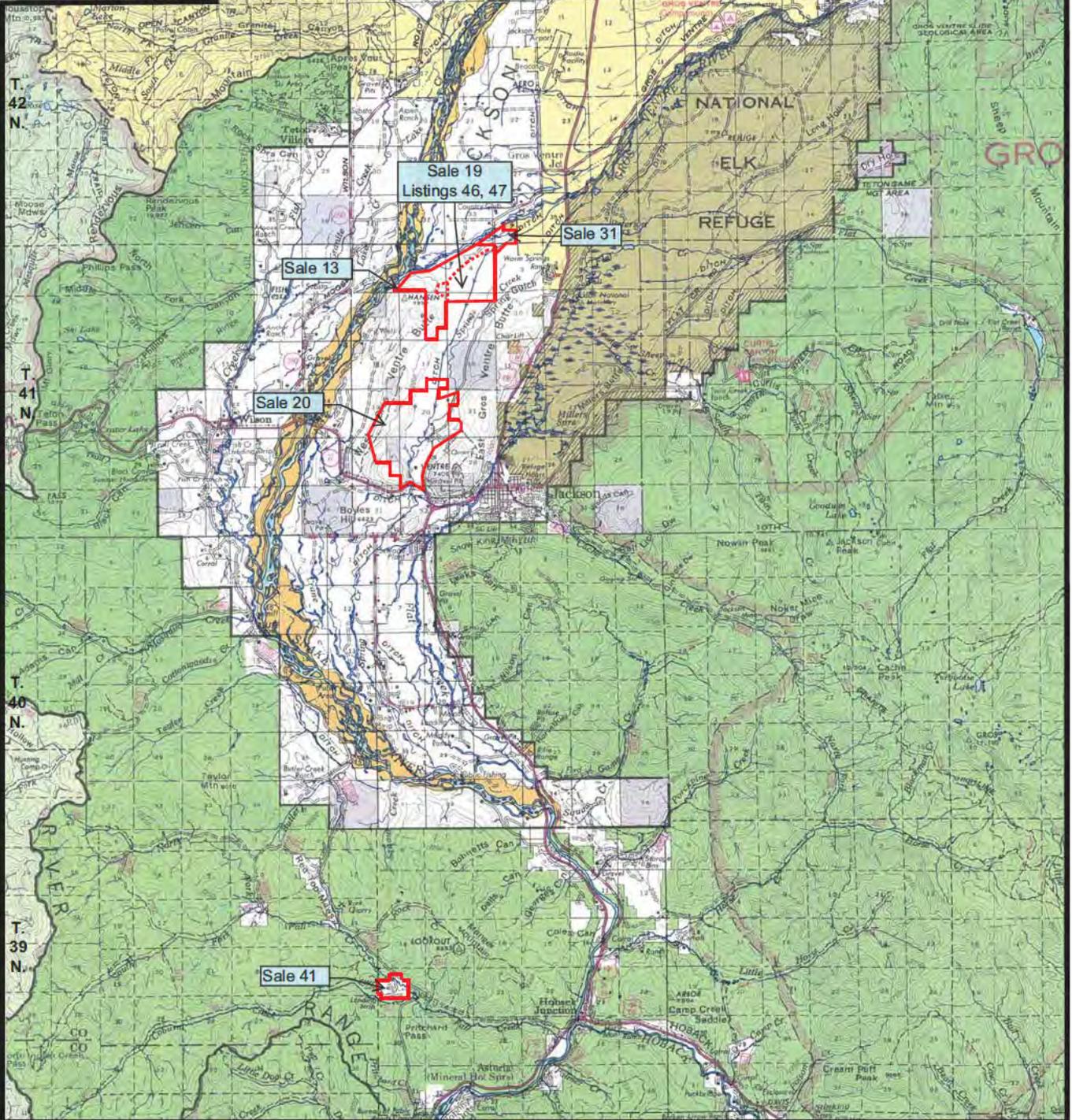
R. 116 W.

R. 115 W.

T. 43 N.

Scale 1" = 3.2 Miles

R. 117 W.



Data Analysis

There are several ways to analyze and adjust data. The preferred method is a direct comparison of one sale to another sale, or a "matched pair analysis". The sale is compared with another sale that differs significantly in only one factor. The contribution of that factor can then be estimated from the two sales and applied to the other sales to make them similar to the subject property. In the matched pair analyses, whenever possible we avoided applying other adjustments (most pertinently time or market conditions) to keep the comparison as pure as possible and not taint the results by the application of other adjustments prior to making comparisons. Whenever there was adequate data to analyze and quantify adjustments, we used quantified adjustments.

When adequate data was not available, we used qualitative analysis. Qualitative comparisons compare a factor to the subject and consider whether the particular item is inferior or superior compared with the subject property. Differences for the elements of comparison are indicated by plusses if the element on the sale is inferior to the subject, or by minuses if the element on the sale is superior to the subject property. This bracketing technique sets the upper and lower parameters of value of a specific property. The range of value within which the subject falls is shown from among all sales. The opinion of the value of the property is then concluded in accord with its relative comparability to the sales within the bracketed range of value.

There are a number of instances where there are differences between sales and the subject that we have considered to be "slight" differences. These are differences that we believe would have an impact on price/value, but with a magnitude that is less than other elements. In applying adjustments for these slight differences, the adjustments indicated on the grid are "sl+" or "sl-". However, it is important to understand that we are not quantifying the amount of the slight differences. In other words, two slight minuses do not equal, or offset, one positive.

Two of the sales have building improvements (Sales 13 & 41) and the estimated contributory value of the buildings is deducted from the total sale price. This residual to the land is then compared to the subject. The agent involved with Sale 13 reported to us that a house situated on the property contributed \$2,000,000 at the time of sale. This opinion appears reasonable to us and we have deducted it from the total sale price of \$92,000,000, leaving a land residual of \$90,000,000, which is used in the analyses. The confirming agent of Sale 41 reported the buildings and significant site improvements contributed \$2,500,000 to the sale and in our opinion the estimate appears to be reasonable. After deducting the estimated improvement contribution, the land residual used in the analyses is \$7,625,000.

Summarizations of the adjustment analyses follow:

Rights Conveyed: The fee simple interest, subject to title report schedule B exceptions is the property interest appraised. As was discussed in the description of property rights, the majority of the exceptions are standard exceptions that are unlikely to have an impact on value. The title report has an exception for legal access. However, as was previously discussed, the subject has legal access available across the National Park land between it and the highway to the west. There is no road to the property but the lack of a road is a separate element of comparison that will be considered later in this report.

The subject property includes all mineral rights. That may or may not be the case with the sales. Without obtaining mineral title reports and in many cases complete mineral searches, there is no way to determine the status of the mineral estates of the sales. The mineral report of the subject concluded there is low to no potential for mineral development on the subject. That is also likely to be the case with the sales. The only type of mineral extraction we have observed in the Jackson area is sand and gravel. To this point in time, Teton County has taken a very "strict" attitude toward development of new sand and gravel sources. Furthermore, the motivation of the purchases of the sales was not likely to include mineral development and the same is true for the subject. In our opinion, the absence or presence of mineral rights is unlikely to have an impact on properties in this area and no adjustments are necessary for the differences, if any.

Several of the sales used in comparison to the subject are encumbered with conservation easements. Ideally, such sales would not be used in comparison to the subject. However, in order to encompass sales that are as large as or larger than the subject, we felt it was necessary to include these sales. Unfortunately, with other differences between the sales, we do not believe reliable quantified adjustments can be made. Therefore, we have used qualitative adjustments to account for the conservation easements. Sale 19 and its subsequent relisting, Sale L-46, are completely encumbered with conservation easements and Sale L-47 is about 87% encumbered.

The easement encumbering Sales 19 and L-46 permits four homesites and each homesite may be sold separately, but the four homesites may not be further divided. Sale L-47 is the 507 acres encompassed by Sales 19 and L-46, plus two tracts in Bar BC Ranch development. The tracts in Bar BC Ranch are not encumbered with a conservation easement, but Bar BC Ranch covenants have defined one building area on each site. Thus, the Bar BC tracts are similar to the conservation easement tracts on the balance of the property. Positive adjustments are applied to these sales and listings.

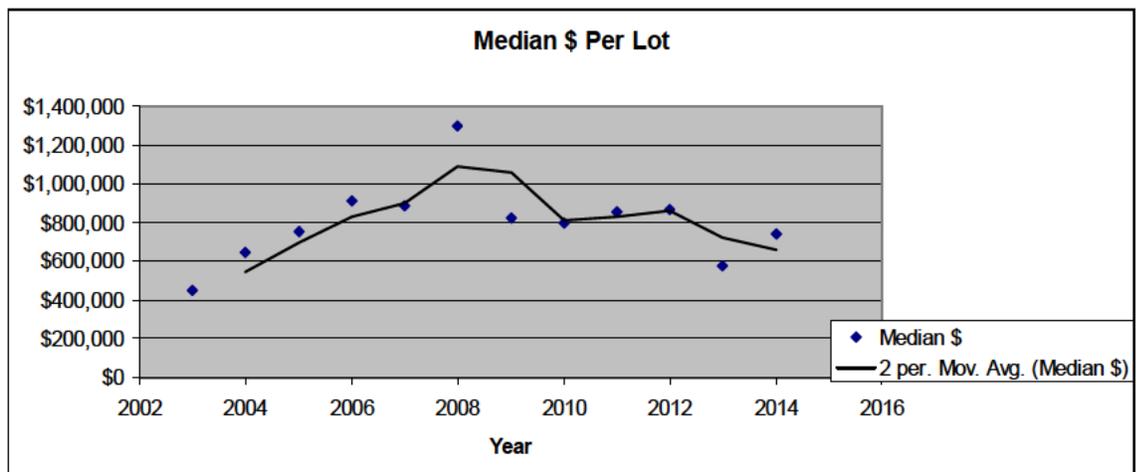
Sale 20 had 211.84 acres encumbered by two conservation easements at the time it sold. The easements prohibit any residential use. The encumbered areas are about 17% of the total property. In many locales we would not consider that this would have a measureable impact on price/value. However, in the Jackson market we think there would likely be some impact. We recognize that with a total property size of 1,265.1 acre, the 211.84 acres could be incorporated into development of the property and could be "traded" for density on other parts of the property. It is even possible that total density might not be impacted. However, the buyer of the property would not have the opportunity to capitalize on a sale or donation of the conservation easement on the 211.84 acres. For this reason we believe there would be some market recognition of the easements. We have applied a "sl+" adjustment to Sale 20.

In our opinion, other property rights elements such as easements for roads, utilities, etc. are not likely to have measurable impacts on value and no additional adjustments are applied.

Conditions of Sale: The closed sales used in direct comparison to the subject appear to have typical conditions of sale. No adjustments are applied. Listings L-46 and L-47 are listings rather than closed sales. It is rare for a property to sell for the full list price so we believe adjustments are necessary. On six of the nine sales considered for the two appraisals, listing price information is available. The discount between list and sale price ranges from a low of 5% to a high of 78%, with indications of -5%, -10%, -18%, -27%, -28% and -78%. The mean is 27% and the median is 27.5%. There is no way to reliably quantify an adjustment for this condition. However, the data indicates this difference is generally quite substantial and a double minus adjustment is given to the two listings.

Financing: All of the sales used in the analysis sold for cash to seller or on terms considered equivalent to cash. Therefore, no adjustments for financing are required.

Time (Market Conditions) The Jackson Hole area has experienced ups and downs in the market for large tracts of land and vacant lots. In general terms, the market appreciated quite rapidly from about 2000 to the middle of 2007, then dropped abruptly due to the national recession and investors (not end users) exiting the market when it was not possible to “flip” a property for a profit. The median sale price of vacant residential lots by year in the Jackson Hole market is illustrated below:



We realize that the data shown in the chart is simply an overview of the market. To refine the time trends in the Jackson Hole area, we looked at sale/resales of the same property occurring at different dates. Based on our experience that the market was increasing in the early part of the 2000s and the trend indicated by the previous chart, we have first considered data to analyze the increase in the market in the early 2000s.

We searched for sale/resales of the same property with acreage over 100 acres. Such data is scarce in this market area. Shown following are the only known sale/resales of this class of property where the earlier sale took place in the early 2000s.²²

Sale	Date	Price	Acres	\$/Acre	Months	Change
4	Jan-01	\$3,900,000	215.3	\$18,070		
25	Aug-10	\$5,500,000	226.83	\$24,247	115	+0.26%/mo.

This pairing consists of a conservation easement encumbered property on both sale dates with some added acreage on the most recent sale. It is felt that properties that are predominantly encumbered by conservation easements may appreciate/depreciate at a different rate compared to properties without the encumbrance.

Sale	Date	Price	Acres	\$/Acre	Months	Change
11	Nov-02	\$1,074,938	106.14	\$10,128		
23	Apr-09	\$1,500,000	139.5	\$10,753	77	+0.08%/mo.

This is also a pairing of a sale that was conservation easement encumbered on both dates, with some added encumbered lands added to the second transaction. The pairing shows no significant change from 2002 to 2009. In addition to being encumbered with conservation easements, an additional problem is that the two pairings measure a time-frame when the market went up, and then down. Covering both time periods would only be useful if the sale requiring adjustment fit the nearly exact period.²³

There are two additional pairings within the 100-acre+ data set. However, these comparisons measure from generally 2010 to 2012 to the current date. These pairings will be discussed in that section of the time analysis.

The first period that needs some refinement is from 2002 to 2007. The change is abstracted on a compound per month basis. Since no larger sales were available, we researched smaller sales in the Jackson Hole market. The sale-resales that generally cover this time-period are noted on the following page.

²² For upward market change, the change is abstracted and applied on a compound monthly basis. For downward market change, change is abstracted and applied on a gross basis. Upward markets tend to increase month by month, whereas a big event generally makes this market depreciate.

²³ There are two pairings within the less than 100 acres set of data which also cover the up then down market. Sale 70 sold for \$3,325,000 in November 2002, and then resold as Sale 120 in December 2010 for \$4,600,000. The compound monthly appreciation over 97 months is 0.34% per month. Sale 93 sold in November 2005 for \$4,250,000 then resold in October 2014 for \$4,840,000 showing monthly compound appreciation of 0.12%.

Sale # OR						Compound
MLS #	Address	Date of Sale	Sale Price	Size-Acres	Months	%/Mo. Change
93A	Bar BC 8	Dec-05	\$9,000,000	35.54		
82A	Bar BC 8	Nov-04	\$7,500,000	35.54	13	1.41%
92	Tract 12 Crescent H	Sep-05	\$5,512,000	35.00		
68	Tract 12 Crescent H	Oct-02	\$5,000,000	35.00	35	0.28%
93	Tract 13 Crescent H	Nov-05	\$4,250,000	35.00		
69	Tract 13 Crescent H	Nov-02	\$3,252,375	35.00	36	0.75%
B2-12382	2765 W Dairy	Dec-02	\$1,300,000	25.00		
B1-16032	2765 W Dairy	May-02	\$1,225,000	25.00	7	0.85%
	1725 Ely Springs	Oct-06	\$6,250,000	20.40		
	1725 Ely Springs	May-02	\$4,750,000	20.40	53	0.52%
05-1141	2570 Dairy	May-06	\$2,700,000	18.00		
B2-10812	2570 Dairy	Sep-02	\$915,330	18.00	44	2.49%
06-1192	4895 Bald Eagle	Jul-06	\$4,500,000	11.40		
B-4-4562	4895 Bald Eagle	Sep-05	\$3,100,000	11.40	10	3.80%
05-2491	3425 Tucker	Mar-06	\$2,100,000	6.26		
B0-16212	3425 Tucker	May-05	\$1,995,000	6.26	10	0.51%
	Lot 19 HHR Ranch	May-07	\$1,650,000	5.70		
	Lot 19 HHR Ranch	Oct-04	\$880,000	5.70	31	2.05%
06-4943	680 N Bar	Jun-07	\$1,360,000	5.35		
06-1366	680 N Bar	Aug-06	\$1,200,000	5.35	10	1.26%
05-1264	3700 Tucker	May-06	\$1,935,000	5.06		
B4-20952	3700 Tucker	Feb-05	\$1,200,000	5.06	15	3.24%
06-4472	4870 HHR Ranch	May-07	\$1,500,000	4.81		
B5-9362	4870 HHR Ranch	Mar-06	\$950,000	4.81	14	3.32%
B5-9362	4870 HHR Ranch	Mar-06	\$950,000	4.81		
B2-4282	4870 HHR Ranch	Nov-04	\$735,000	4.81	16	1.62%
05-1676	4850 Little Horse T	Oct-05	\$695,000	4.62		
B3-11142	4850 Little Horse T	Sep-04	\$549,000	4.62	13	1.83%
06-5407	8910 Porter Loop	Mar-07	\$1,425,000	4.15		
B2-14822	8910 Porter Loop	Jun-04	\$930,000	4.15	33	1.30%
07-278	4600 Willowbrook	Oct-07	\$1,750,000	3.19		
05-431	4600 Willowbrook	Jan-06	\$1,200,000	3.19	21	1.81%
06-979	3955 Goatsbeard	Oct-06	\$2,065,000	3.13		
B4-15302	3955 Goatsbeard	Jul-04	\$1,300,000	3.13	27	1.73%
05-2011	1285 Lower Ridge	May-07	\$1,500,000	3.10		
B4-12042	1285 Lower Ridge	Sep-05	\$1,250,000	3.10	20	0.92%
	2900 W. Yellowbell	Nov-07	\$2,000,000	3.01		
06-255	2900 W. Yellowbell	Jul-06	\$1,400,000	3.01	16	2.25%
05-1008	496 Moulton Loop	Oct-05	\$600,000	2.54		
B1-21792	496 Moulton Loop	Jul-02	\$475,000	2.54	39	0.60%

Several other sale/resales were considered, but were significantly out of the date range on one end or the other of the 2002 to 2007 time frame.²⁴ The 20 data-points range from 0.28% per month to 3.80% per month. The average or mean of this data is 1.63% per month upward change (compound). The median is 1.52% per month upward change (compound).

Because of the lack of large acreage comparison data in the local market, we have also analyzed comparisons in Sublette, Lincoln and Uinta Counties in Wyoming and Bonneville and Caribou Counties in Idaho, where larger acreage sale-resales are available. The comparisons from within the 2002 through 2007 time-span are shown on the table following.

State	County	Grantor	Grantee	Date	Price	Acres	\$/Acre	Time Between Sales- Mo.	Compound % Per Mo.
Wyoming	Sublette	Bar W Bar	Spanish Trail	Jan-06	\$9,752,211	9,621.02	\$1,014		
				Dec-04	\$6,250,000	9,621.02	\$650	13	3.48%
Wyoming	Lincoln	Darway	Various	Mar-06	\$4,000,000	950.00	\$4,211		
				Oct-02	\$2,000,000	950.00	\$2,105	41	1.71%
Wyoming	Sublette	Brown	Whitaker	Apr-06	\$2,200,000	320.00	\$6,875		
				Mar-03	\$1,000,000	320.00	\$3,125	37	2.15%
Wyoming	Sublette	Trout Ranch	Hawn	Jan-07	\$7,100,000	1,784.00	\$3,980		
				Oct-03	\$4,000,000	1,784.00	\$2,242	39	1.48%
Wyoming	Uinta	Meridian	Lewis	Jul-06	\$2,525,000	640.00	\$3,945		
				Jan-05	\$2,100,000	640.00	\$3,281	18	1.03%
Idaho	Caribou	Glenn	Kirk	Oct-06	\$850,000	483.30	\$1,759		
				Aug-03	\$530,000	483.30	\$1,097	38	1.25%
Idaho	Bonneville	Clark	Bernazzoli	May-07	\$495,000	130.00	\$3,808		
				Jul-06	\$275,000	130.00	\$2,115	10	6.06%

The sale/resales all support an increasing market during the time frame of 2002 to early 2007. However, the range of indications is rather wide. Of the seven indications, four range from +1.03% to +1.71%. The other indications are higher at +2.15% to +6.06%.

In considering the available data, we have relied on both the local, smaller pairings and the larger sale-resales from other areas. The available Jackson area comparisons have a mean of +1.63% and a median of +1.52%. In our opinion, an adjustment near the median is supported and we believe an adjustment of +1.5% per month is appropriate. This selection is supported by the indications from other areas, with four of the seven indications ranging from +1.03% to +1.71%. Most of the pairings using 2007 sales took place in the first half of the year, with only two indications from pairings in the latter half of 2007. This is not surprising as we observed that sales volume in the last half of 2007 was lower than in the first half of 2007. We have decided to apply the upward time adjustment to June 2007.

²⁴ For example, Tract 7 of the up-scale Crescent H development south of Wilson sold for \$5,000,000 in October 1999. The 35.10-acre parcel has all Crescent H amenities. The property resold in October 2004 for \$3,750,000, a decline of 25%. Adjoining Tract 8 of Crescent H sold in June 2000 for \$5,900,000, and the 35-acre parcel resold in January 2004 for \$3,990,000, a decline of 32%. In addition to the change in dates of sale, a forest fire went through this area in July 2001 and generally burned some of each of the tracts.

The market significantly weakened near the middle of 2007, with fewer sales in the latter half of 2007 and significantly fewer sales in the next couple of years. The drop in sales was dramatic with the Jackson MLS reporting 121 sales of vacant lots in 2007 and 42 sales in 2008. A great majority of the sellers in this area were simply unwilling to take a lower price than could be obtained during the cycle in 2006 to 2007. In addition, investor-type buyers recognized that they would likely not be able to quickly sell at a profit during this time, and therefore both ends of the market were at an impasse with regard to pricing structure. With the lower number of sales due to the drop in the market, data available to measure the fall of the market is rather scarce.

We researched sale/resales that cover the general period of 2006 to 2007 to the beginning of 2013. Unfortunately, we only found one sale-resale of larger acreage tracts in the Jackson area to analyze the magnitude of the drop in the market since the peak. It is presented with the forewarning that it is anything but a straightforward comparison.

In October 2004, The Teton Valley Ranch sold for \$25,250,000 after being on the market for 307 days at \$37,000,000. Previous to this, the property had been listed at \$39,950,000 to \$50,000,000 for 536 days starting in 2001, and 141 acres were listed for \$49,950,000 for 107 days in 2003. The 153-acre parcel (advertised at 151 acres) sold for \$165,033 per acre including all improvements. The sale borders the Gros Ventre River on the north for about 3,400 lineal feet. Grand Teton National Park is north across the river. All of the three remaining boundaries border the National Elk Refuge. At the time of sale, the property was extensively improved with older-type dude ranch improvements, and use at the time of sale was for a summer youth camp.

Building improvements included several modest homes, dining hall, several cabins, barn and outbuildings. Some were removed by the seller and they retained the following on the property:

- 2178sf home built 1996
- 525sf cabin built 1992
- 392sf cabin built 1992
- 1849sf barn built 1971
- Two small sheds built 1971 (all on Ranch Tract 2)

And

- 2066sf home built 1972;
- 600sf attached garage built 1972 (all on 2.18-acre parcel that subsequently sold with Ranch Tract 3)

The estimated contributory value of the buildings on Ranch Tract 2 is \$400,000 and for buildings on the 2.18-acre tract – \$300,000. Thus, for comparison purposes, the buildings on the total sale were estimated to contribute \$700,000. This leaves a residual to the land of \$24,550,000 (exclusive of removal costs) or \$160,458 per acre.

Beginning in 2007, Ranch Tract 3 plus 2.18 acres (total of 48.69 acres) and buildings was listed for sale at \$14,900,000. This sale closed in April 2008 for a reported \$12,000,000. The sale did not have Gros Ventre River frontage, but had a pond. The sale borders the National Elk Refuge on the south and east.

Also in 2007, a conservation easement was granted to the Scenic Preserve Trust on Ranch Tract 1 with 52.40 acres. It is unknown whether the easement was purchased by the Trust, or if it was a donation. Residential use is allowed, and in fact a large home was constructed on the property beginning in 2008.

Ranch Tract 2 with 49.70 acres was listed with Sothebys in July 2008 for \$17,900,000, then reduced to \$11,900,000. The property did not sell and a well-advertised auction was held in August 2010, with closing of the sale in September 2010. The minimum bid was \$4,000,000 for Tract 2, but a confidential source indicates the property owner advised the auctioneer that he would sell for something less than the minimum bid of \$4,000,000. There were 10 bidders on the tract with a purported top bid of \$3,000,000 not including the buyer's premium. There was a confidentiality agreement signed by buyer and seller, but the price was reported on MLS for a short time at \$3,300,000 before being deleted. The building improvements were estimated to contribute \$400,000, leaving a residual to the land of \$2,900,000, or \$58,350 per acre to the land. The tract fronts the Gros Ventre River with GTNP across the river, borders the National Elk Refuge, had excellent Teton views, and had a pond for additional water influence.

Ranch Tract 1 was listed with Sothebys in May 2009 for \$29,500,000, reduced to \$25,000,000 (included a new home under construction). The property did not sell and a well-advertised auction was held in August 2010—closing in September. The minimum bid was set by the seller at \$15,000,000. This parcel sold just prior to the auction for a total of \$12,100,000. The property was encumbered by a conservation easement at the time of sale and the home was roughly 90% complete. As is typical in this area, building materials were brought in from overseas. ("Built from reclaimed stone and timbers from Europe. The entry features a stained glass window and stairway balusters from the early 1700s. Parquet floors are from a castle in Thuringen, circa 1880. The fireplaces in both the dining and family rooms contain sandstone pillars from the Palais Arcade in Prague, circa 1780. The balcony railing outside an upstairs bedroom is from Kachtenhausen, Germany, circa 1655. A door leading outside is from a German castle, circa 1780. A sink made in 1800 of Italian Marble is used in an upstairs bathroom. Throughout the house, unique doors have been used that were gathered from various great homes throughout Germany.")

This parcel borders the Gros Ventre River (GTNP on other side of river) and borders the National Elk Refuge.

Attendees at the auction for Tracts 1 and 2 tended to indicate that the prices paid were a “steal.” However, it is interesting to note that no one stepped up to bring the bids to the owner’s minimums. The properties were exposed to the market for a lengthy period and the auction activity is more likely a sign of the times given the difficult real estate market in the Jackson area after 2008.

What does the data tell us? If the \$58,350 per acre (ignoring the conservation easement on Tract 1) land component from Tract 2 is applied to Tract 1, the buildings fall out at \$9,042,460, or \$1,072 per square foot. This is quite high, and likely does not make much sense. Thus, either the land component at \$58,350 per acre is too low, or the buyers of Tract 1 had some affinity to the materials/workmanship of the home, even though it was not complete.

As a sidebar, the three tracts sold for a total of \$27,400,000²⁵ in 2008 to 2010, while the parent parcel was purchased for \$25,250,000 in 2004. This does not consider the construction cost of the new home nor removal costs of the buildings that were removed from the sale. The only off-set would be the purchase/donation of the conservation easement on Tract 1, the amount of which is unknown. The data does fully indicate that overall, the drop in the market past 2007 was not compensated for the increases in the market from the date of purchase in 2004 to 2007.

We turned next to smaller sales in the Jackson Hole market. Ideally, of course, the pairings would all be measuring from the peak of 2007. However, that would reduce the pairings to only one so we have encompassed a broader time-span. Eight comparisons are shown on the table following.

²⁵ Tract 3 sold in April 2008 for \$12,000,000, Tract 1 sold in just prior to auction in 2010 for \$12,100,000, and Tract 2 sold at auction in 2010 for \$3,300,000; totaling \$27,400,000.

MLS #	Address	Date of Sale	Sale Price	Size-Acres	Gross Change
10-18	8455 Henrys	Jun-10	\$800,000	21.20	
07-4510	8455 Henrys	Jan-08	\$1,600,000	21.20	-50%
12-444	3120 E. Wildhorse	Aug-12	\$253,050	14.89	
06-1075	3120 E. Wildhorse	Dec-06	\$680,000	14.89	-63%
12-1009	3875 W. Deer Trail	Sep-12	\$399,000	6.40	
07-1620	3875 W. Deer Trail	Jan-08	\$575,000	6.40	-31%
09-2146	9450 Avalanch	Jul-09	\$1,200,000	5.45	
Jun-55	9450 Avalanch	Sep-06	\$1,350,000	5.45	-11%
10-488	3700 Tucker	Feb-13	\$1,565,000	5.06	
05-1264	3700 Tucker	May-06	\$1,935,000	5.06	-19%
08-3610	4200 Bronco Road	Nov-09	\$550,000	4.99	
06-562	4200 Bronco Road	Nov-06	\$685,000	4.99	-20%
12-2533	1515 N Lower Ridge	Apr-13	\$1,285,000	3.76	
07-246	1515 N Lower Ridge	Jul-07	\$1,750,000	3.76	-27%
11-1409	10200 W Middle	Jan-12	\$550,000	3.00	
06-377	10200 W Middle	Jun-06	\$765,000	3.00	-28%

Several other pairings were considered for this portion of the analysis, but they were outside the date range of 2006 to 2007 to the beginning of 2013. The eight data-points show a drop in the market that ranges from 11% to 63% during this time period, with the highest indications from the two pairings with the most acreage. The average or mean of the data is -31%. The median observation is at -27.5%.

Because the matched pairs available in the Jackson area are using small properties, we have also analyzed larger property sale-resales covering a wider geographic area. With few exceptions, the first sale in each pairing took place in 2007 near the peak of the market. The exceptions are a few sales where the earlier sale took place in late 2006. A tabular summary of these pairings is on the following page.

State	County	Grant or	Grantee	Date	Price	Deeded Acres	\$/ Acre	Change
Colorado	Routt	Perry	Laufer	Jun-09	\$12,000,000	471.00	\$24,478	
		Perry	Perry	Jul-07	\$13,423,500	471.00	\$28,500	-11.00%
Idaho	Bingham	Harbor Lights	Pierce	Jul-09	\$430,000	230.36	\$1,867	
				Jan-07	\$480,000	230.36	\$2,084	-10.00%
Wyoming	Fremont	Big Bend	Hammond	Jul-09	\$600,000	272.50	\$2,202	
				Jan-07	\$700,000	272.50	\$2,569	-14.00%
	Sublette	Ranches	Wapika	Aug-10	\$5,700,000	1,784.00	\$3,195	
				Jan-07	\$7,100,000	1,784.00	\$3,980	-20.00%
Wyoming	Lincoln	Three Rivers	Defty	Dec-10	\$600,000	62.15	\$9,654	
				Sep-07	\$939,000	62.60	\$15,000	> -36%
Idaho	Madison	Tardif	Schwendiman	Dec-10	\$1,051,545	1,106.89	\$950	
				Jan-07	\$3,000,000	1,106.89	\$2,710	-65.00%
Idaho	Teton	BN Investments	Kirk	Dec-10	\$1,712,500	675.00	\$2,537	
				Oct-06	\$5,400,000	675.00	\$8,000	-68.00%
Idaho	Madison	Tardif	Schwendiman	Jan-11	\$2,606,300	1,563.00	\$1,667	
				Dec-06	\$7,200,000	1,563.00	\$4,607	-64.00%
Idaho	Bingham	Futures	FCF	Feb-11	\$750,000	150.34	\$4,989	
				May-07	\$1,700,000	150.34	\$11,308	-56.00%
Idaho	Madison	Fidelity Nat.	Walters	Mar-11	\$550,000	236.51	\$2,325	
				Jan-07	\$1,200,000	236.51	\$5,074	-54.00%
Montana	Madison	Rockview	Kennedy	Nov-11	\$6,750,000	1,718.88	\$3,927	
				Jan-07	\$7,450,000	1,718.88	\$4,334	-9.00%

The indications range from -9% to -68%. The mean of the indications is -37% and the median is -36%. The largest changes were mostly from the Teton Valley Idaho area where the speculation and subdivision that took place in the early to mid-2000s can aptly be described as extreme. The overall range of these larger sale comparisons tracks closely with the Jackson sale-resales using smaller sales, which is -11% to -63%.

The analyses of the local sales show a mean indicated change of -31% and a median of -27.5%. The mean and median indications from the comparisons using larger acreage sales located in other areas are -37% and -36%, respectively. Because most of the comparisons between larger acreage sales were made using Teton Valley Idaho area sales, we do not believe it is appropriate to place as much reliance on these indications. We have selected an adjustment of -30%, which lies between the mean and median of -31% and -27.5% indicated by the local sales. This is somewhat less than the mean and median indications of the larger sales, which we believe is appropriate because the preponderance of the larger acreage sales are located in the Teton Valley Idaho area.

We researched and analyzed sales in an attempt to identify pairings between sales that could be used to ascertain the market trend after 2007. Unfortunately, we were not able to find any such pairings. For this reason we have relied on our discussions with real estate agents regarding trends in market after the drop. Agent discussions did not suggest any notably increases in price until late 2012. For lack of comparative data, we have relied on the opinions of real estate agents.

Starting in late 2012, the market appeared to start gaining some strength, with the median sale price of vacant lots at \$575,000 in 2013 and rising to \$740,000 in 2014. Although the 2014 prices are showing strength compared to 2013, the market is still significantly below the price levels of 2006 (median sale price of \$912,000) and 2007 (median sale price of \$885,000). There is limited information available to measure the change in the Jackson Hole market from 2013 to the current date. Two comparisons from the local market area can be made.

Sale 28 sold in June 2012 for \$7,500,000. The property resold (Sale 41) in September 2014 for \$10,125,000. The overall difference is +35%. However, according to the agents involved with the sales some changes had been made to the property between the two sales. After the 2012 purchase, the owner was reported to have solidified the access arrangement (maintenance agreement with Forest Service), demolished old buildings and such things as a croquet court and pool, buried power lines, and built a new custom barn. In addition, the 2012 sale included personal property in the price of \$7,500,000 and the 2014 did not include personal property in the price. Because of the changes, the most reliable comparison can be made using the allocation to the land.

Sale	Date	Land Price/Ac.	Time Difference	Change
28	Jun-12	\$36,280	2.25 yrs.	+11.6%/yr.
41	Sep-14	\$46,494	27 mo.	+0.92%/mo.

Most of the change between the two properties is likely to be attributed to the addition of the barn. However, the price may have been impacted by the “clean up” work that was done. Furthermore, one of the agents involved in both sales expressed the opinion that the 2012 sale was a bit under market. The property had been on the market at unrealistically high prices and when the seller finally agreed to lower the price, the listing price he selected was lower than the agent recommended simply because he wanted to (at that point) sell the property quickly. Therefore, this pairing suggests the adjustment for market conditions should be something less than +0.92% per month.

A comparison between a recent confidential, pending sale can be made. The party providing the information reported the pending sale did not close because the buyers decided to buy a different property. In order to protect the confidentiality we are not able to provide details on this comparison. The indication of the comparison is +0.71% per month during the time frame of 2012 to 2014.

In looking at smaller sales, two sale-resales of the same property are analyzed to provide an indication of the change in the local market the past couple of years:

MLS #	Address	Date of Sale	Sale Price	Size-Acres	Months	Compound %/Mo. Change
14-329	5370 Mountain Shadow	Apr-14	\$1,500,000	7.92		
11-1280	5370 Mountain Shadow	Feb-13	\$1,325,000	7.92	14	0.89%
12-1306	175 Pines Edge	Aug-12	\$1,705,000	5.17		
11-1909	175 Pines Edge	Feb-12	\$1,650,000	5.17	6	0.55%

The two pairings show a range of change from 0.55% to 0.89% upward, compound per month. Note that the first pairing (measuring 2013 to 2014) shows +0.89% compared to the second pairing in 2012 at +0.55%. We believe this shows that although there may have been some increase in 2012, the market as a whole did not recognize the change until 2013. This was echoed by a real estate agent who was willing to offer a candid opinion about the current market conditions. He stated that the market has increased in the last two years, which would be from late 2012 to date.

In our opinion, the indication of +0.92% is likely too strong when considering the fact that there were some changes made after the first sale. On the other end of the range, the indication of +0.55% measures an earlier time frame in 2012 and prices likely were not increasing in early 2012. The bracket ranges from more than +0.55% to less than +0.92%, with a mid-point of 0.735%. We have decided to apply adjustments of +0.75% per month from January 2013 to the date of value.

Because of the need to include sales that took place over a long time period and the different changes that have taken place in the market during that time period, the application of the time adjustment is complicated. We will apply the following adjustments:

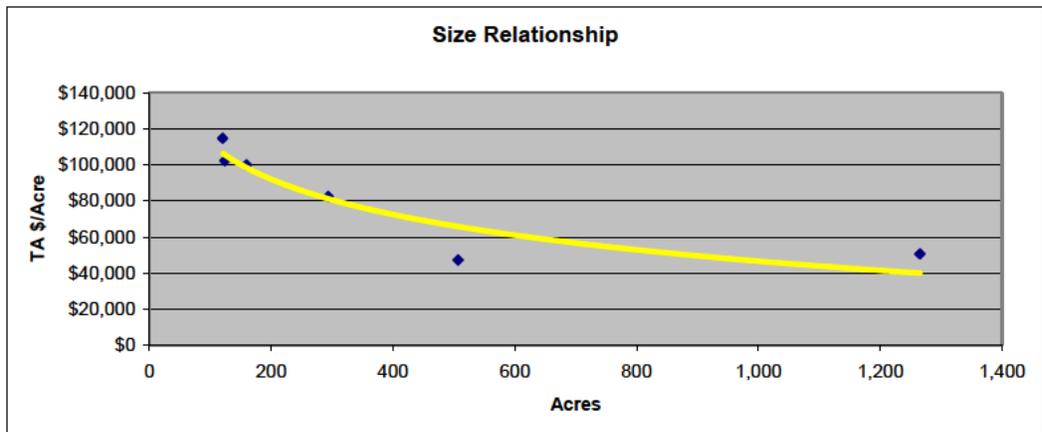
- +1.5% per month to June 2007 (through May) to sales that took place prior to June 2007;
- -30% to the sales that are time-adjusted to June 2007 and to the sales that took place from June 2007 through December 2009;
- +0.75% per month from January 2013 to the date of value.

Size:

The sales considered for this appraisal range from 100 to over 1,300 acres, with the subject parcel at 640 acres. In addition to size, the data varies significantly in water influence, buildings, conservation easements, etc. For this size analysis, we have trimmed the total dataset and have discarded those sales not in Jackson Hole proper, sales with significant water influence, sales where the building contribution was unknown, and sales where the sales price was unknown (only listing price available). The following sales remain in the dataset to measure the effect of size in this market.

Sale #	Acres	T/A \$/Acre
22	120	\$114,808
12	124	\$102,366
21	160	\$99,898
Confidential sale		\$82,534
19	507	\$47,304
20	1,265	\$50,692

The sales have been sorted by size and the \$/acre shown on the table is the time-adjusted price to the current date. Sales 19 and 20 are low in relationship to the balance of the data, but it must be noted that in addition to the size differences, these sales are encumbered with conservation easements. Graphically, the data shows the following relationship:

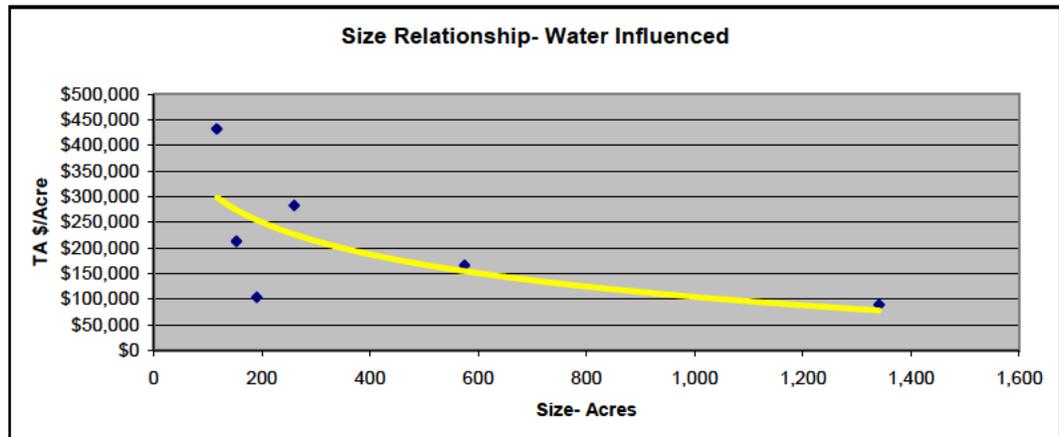


The dataset indicates that as the size of the property increases, the price per acre decreases. Note that there are outliers both above and below the trend line. Obviously not all the differences between these sales are explained by size. If the conservation easement sales are excluded, none of the data is close in size to the subject at 640 acres. The data does show that between 120 and 294 acres, sale price declines as the size of the property increases. However, individual pairings are not possible due to the lack of non-easement encumbered sales near the subject size.

We next looked at water-influenced data within this market, refining the dataset similar to that done on the data not influenced by water. The sales used in the analysis follow:

Sale #	Acres	TA \$/Acre
7	117	\$432,134
8	153	\$213,007
31	191	\$103,680
2	260	\$282,921
17	575	\$166,369
13	1,341	\$89,183

This set of data also shows a general relationship between size and time-adjusted prices. The data is displayed graphically on the chart following:



Although this dataset contains one sale near the subject size, we are reluctant to provide any individual pairings as we are unaware if size relationships between two data points of highly desirable water properties would be similar to non-water properties. However, the data shows the same overall relationship between size and time-adjusted price per acre.

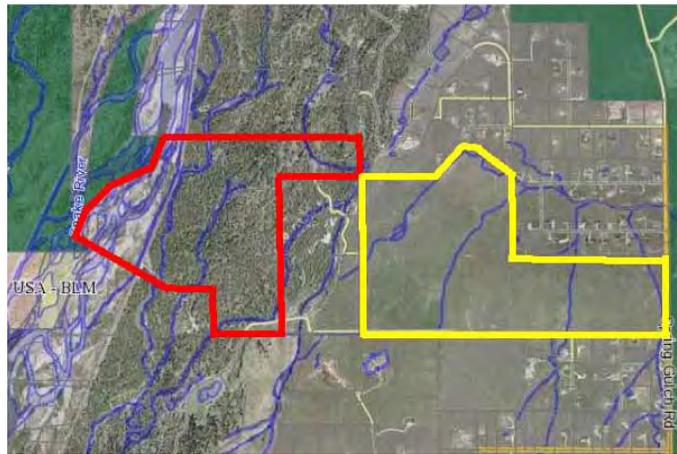
In our opinion, the analysis is not refined enough to ascertain quantitative adjustments for size. However, it does provide support for the generally-accepted notion that there is an inverse relationship between size and price per acre. We will use qualitative adjustments to account for differences in size. Negative adjustments will be applied to sales that are significantly smaller than the subject and positive adjustments will be applied to sales that are significantly larger than the subject.

Live Water:

The subject does not have river or significant creek frontage. However, sales with water frontage are used in comparison to the subject property. We have analyzed sales to ascertain the impact on price for location on a river or a significant creek.

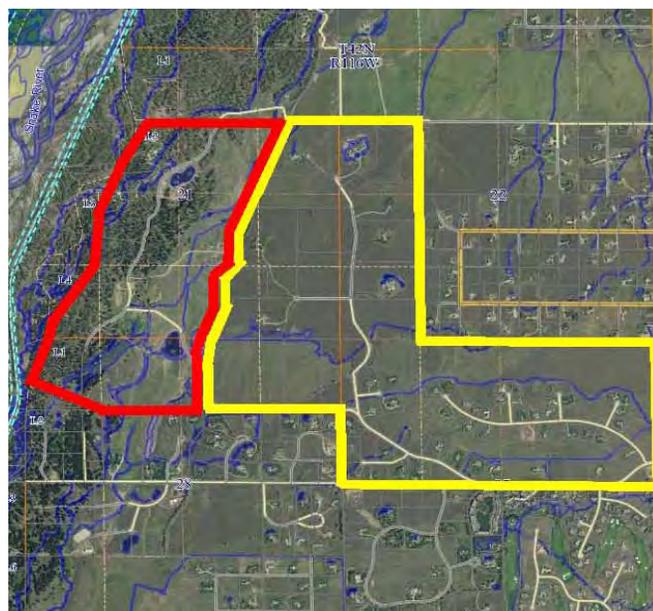
The first pairing uses a confidential sale. In order to protect the confidentiality, we have only provided the most basic of information. The sales are similar to one another in most respects, but one sale has river frontage and one does not. The difference indicated by the comparison is -22%, with the adjustment applied to the sale that has water frontage. However, the sale that lacks river frontage does have spring creek frontage. Therefore, this comparison likely indicates an adjustment more than -22%.

The next pairing uses sales located north of Jackson, just west of the airport. Sale A has Snake River frontage (outlined in red) and Sale B (outlined in yellow) corners on Sale A, but lacks water frontage.



Sale A has an address of 525 West Zenith Road and sold in August 2005 for \$19,900,000, which is \$94,425 per acre for the 210.75 acres. The property fronts along the Snake River with the associated riparian bottoms. It also has spring creeks and Teton Mountain views. The property was encumbered with a conservation easement that permits two homesites. Sale B has an address of 505 East Zenith Road and sold for \$6,000,000 or \$23,715 per acre for the 253 acres. The date of sale was March 2005. This is an upland parcel that lacks the river frontage. It has Teton views and is encumbered with a conservation easement that permits two homesites. The two sales took place at a time frame when the market was increasing so a time adjustment of +1.5% per month is applied to Sale B to bring it to the date of Sale A. This results in an adjusted price of \$25,548 per acre. The difference indicated by the pairing is -73%.

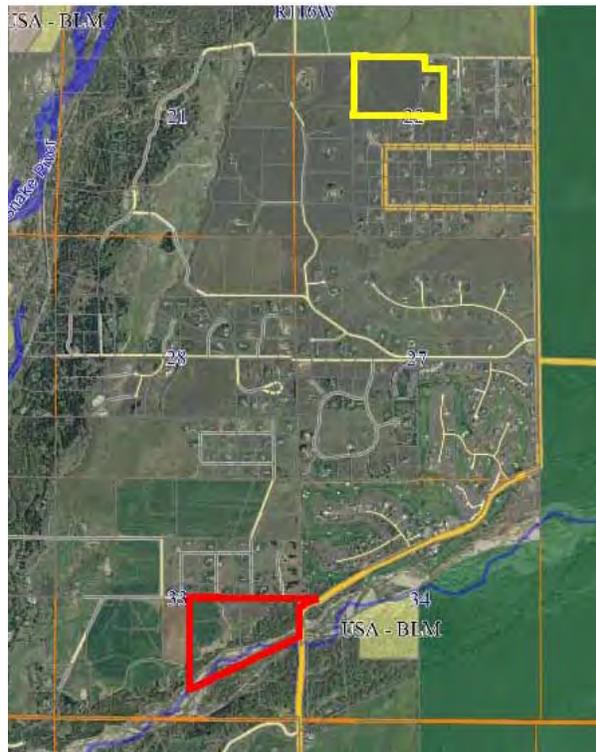
The next pairing uses two sales located north of Jackson, west of Gros Ventre Junction. Sale C has Snake River frontage (outlined in red) and Sale D (outlined in yellow) does not have river frontage.



Sale C straddles both sides of Linger Longer Drive and sold in July 1987 for \$4,500,000, which is \$10,858 per acre for the 414.45 acres. The sale included buildings estimated to contribute \$100,000 at the time of sale. The allocation to the land was \$10,616 per acre. The property fronts along the Snake River with the associated riparian bottoms. It also has Teton Mountain views. Sale D is the site of the Bar B Bar Meadows subdivision, located west of Spring Gulch Road. The property sold for \$2,500,000 or \$3,831 per acre for the 652.5 acres. The date of sale was December 1986. This is an upland parcel that lacks the river frontage. It has Teton views. The two sales took place within seven months of one another and the market at that time was stable to moving lower.

The sale without the river frontage sold for 65% less than the sale with river frontage, or 64% less if the allocation to the land is used on Sale C instead of the total purchase price. If the market was moving lower during the time span of the sales, the comparison would indicate an adjustment more than the indications. However, the difference would not be very significant.

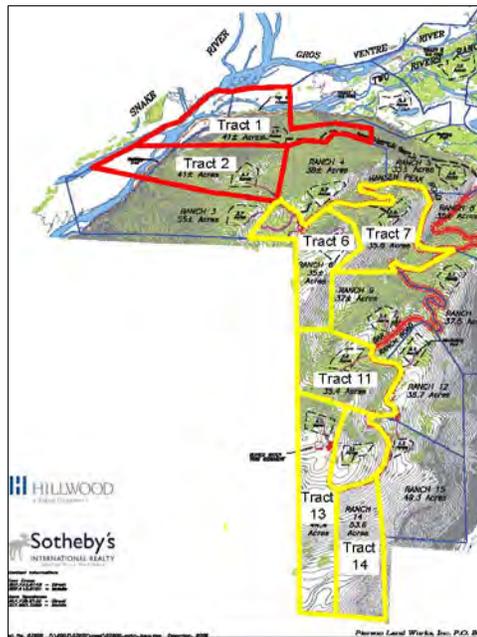
The next pairing also uses sales located north of Jackson. One sale is northwest of Gros Ventre Junction and the other is southwest of Gros Ventre Junction. Sale E has Gros Ventre River frontage (outlined in red) and Sale F (outlined in yellow) does not have river frontage.



Sale E is located at the intersection of Kings Highway and Spring Gulch Road. It sold in September 1996 for \$2,900,000, which is \$34,982 per acre for the 82.9 acres. The property fronts along the Gros Ventre River and has Teton Mountain

views. Sale F is located about two miles north of Sale E at about 550 East Zenith Drive. The property sold for \$1,140,000 or \$20,000 per acre for the 57 acres. The date of sale was July 1995. This property does not have the river frontage, but does have Teton views. The two sales took place within just over a year of one another. The sale without the river frontage sold for 42% less than the sale with river frontage.

We have also analyzed sales in Bar BC Ranch, which is located northwest of Jackson and southwest of Gros Ventre Junction. The development is located at the confluence of the Snake and Gros Ventre Rivers and has homesites both on and off the rivers. Two sales of tracts located on the river (outlined in red) are compared to five sales of tracts off the river (outlined in yellow).



The table following displays the comparisons.

Tract	Date	Price	Acres	River	Difference
Bar BC 1	Dec-11	\$9,100,000	41	Gros Ventre	
Bar BC 6	Jun-11	\$7,800,000	35.16	No	-14%
Bar BC 7	Dec-10	\$5,800,000	35.2	No	-36%
Bar BC 11	Jun-12	\$6,000,000	35.58	No	-34%
Bar BC 13	Apr-12	\$6,000,000	44.43	No	-34%
Bar BC 14	Apr-12	\$6,000,000	53	No	-34%
Bar BC 2	Aug-11	\$9,000,000	41.1	Gros Ventre	
Bar BC 6	Jun-11	\$7,800,000	35.16	No	-13%
Bar BC 7	Dec-10	\$5,800,000	35.2	No	-35%
Bar BC 11	Jun-12	\$6,000,000	35.58	No	-33%
Bar BC 13	Apr-12	\$6,000,000	44.43	No	-33%
Bar BC 14	Apr-12	\$6,000,000	53	No	-33%

In comparison to Tracts 1 and 2, which are on the river, the other sales sold for 13% to 36% less. Tract 6 showed the smallest difference—only -13% and -14%. This tract has the building area on the highest point in the development, which would give it superior views. This likely was a positive factor in its price. The other differences are from -33% to -36%. The differences evident in the Bar BC comparisons are notably less than the other comparisons. However, the owners of the tracts that are not located on the river have access to the river with a foot trail running through Tracts 1 and 2 along the river. Therefore, it is logical that the difference shown by these comparisons would be less than the other comparisons. In our opinion, these comparisons simply set a lower limit for a river adjustment in this market area.

The comparisons made provide the following range of possible adjustments.

>-22%
>-33% to -36%
-42%
-64% or 65%
-73%

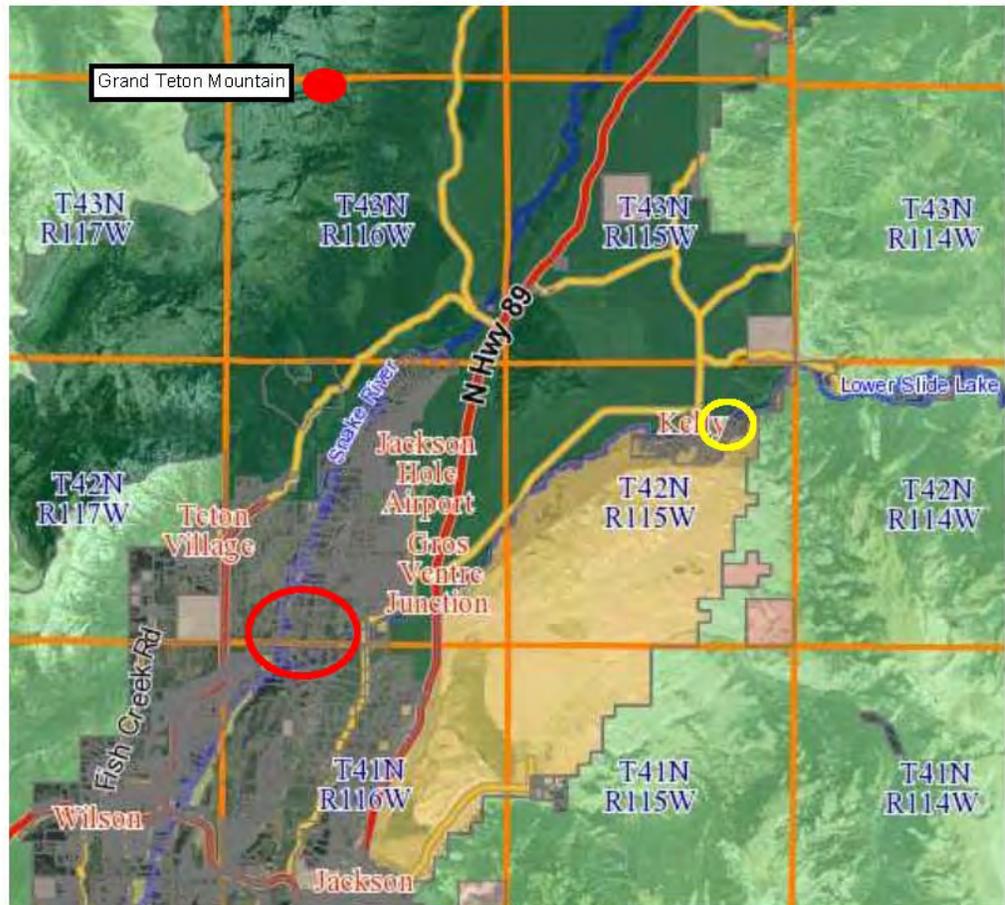
We have selected an adjustment that is near the middle of the range of -42% to -73%. We have applied adjustments of -55% to Sales 13 and 31, which have river frontage. Sale 41 has frontage on Fall Creek and in our opinion, this creek would have an influence on price, but it would be less than that of the Snake or Gros Ventre Rivers. We will apply an adjustment of -25% to Sale 41. Sale 42 is a confidential sale and in order to maintain the confidentiality we have not discussed any details of this sale. It has a water feature and we have applied a -25% adjustment to this sale. Some of the other sales have small creeks, irrigation ditches, wetlands, etc. We have not applied adjustments, but will consider these differences in the selection of value from within the range of indications.

Because of the somewhat wide variation in the indications from the matched pairs, we have also done an analysis using qualitative adjustments. In that analysis two negatives are applied to Sales 13 and 31 for water frontage. Single negative adjustments are applied to Sales 41 and 42.

View/Location: The Teton views from the subject are well above average for the Jackson Hole area due to the subject's location in the northern part of the market area. Generally, the further one moves north from Jackson, the better the view of the Tetons. Increased elevation above the valley floor and lack of significant tree cover also add to the view component. There is simply not enough data in the sales used in direct comparison to abstract a "view" adjustment. There is one marginal analysis of larger tracts in the area that can be used to consider differences in view. An overview of the sales used in this analysis follows.

Sale #	Location	Date	Acres	\$/Acre	Buildings	Water
14	Kelly	10/04	150.79	\$165,033	Yes	Gros Ventre
17	SW of Airport	8/05	574.85	\$165,261	Yes	Snake
82	SW of Airport	10/04	41.10	\$243,309	No	Gros Ventre
80	SW of Airport	10/04	51.50	\$200,971	No	Gros Ventre
77	SW of Airport	5/04	36.00	\$277,778	No	Gros Ventre

A general map following shows the location of the sales, with Sale 14 at the yellow circle, and the four sales southwest of the airport generally within the red circle. The subject is located northwesterly from Kelly in T43N, R115W.



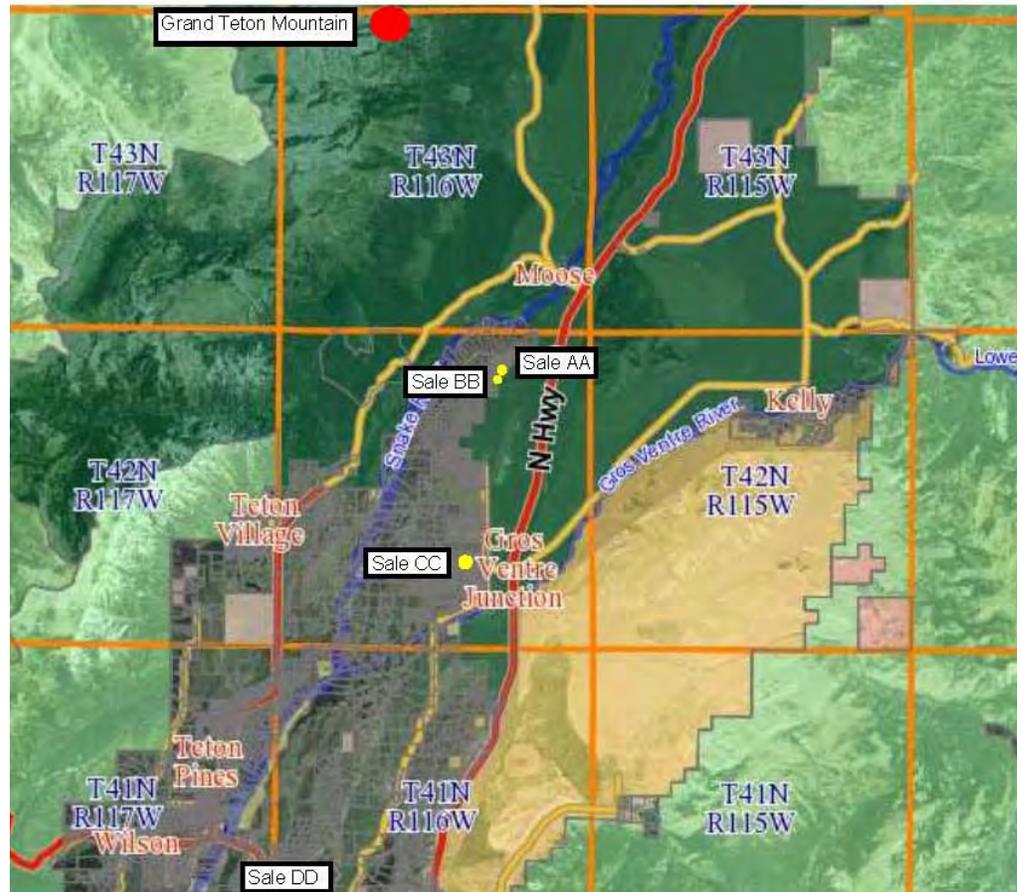
The sale at Kelly would have views more similar to the subject and superior to the sales southwest of the airport. The Kelly sale is directly across the Gros Ventre River from GTNP and is bordered on 3+ sides by the National Elk Refuge. None of the sales south of the airport have any public land boundary.

Sales 14 and 17 shows very little difference in price. However, Sale 17 is over three times larger than Sale 14 and its location on the Snake River is not felt to offset the difference. The remaining sales southwest of the airport show a range of \$200,971 to \$277,778 per acre compared to Sale 14 at \$165,033 per acre. Again there are size differentials, but outward appearances show no premium for

proximity to Grand Teton National Park and a superior view. In fact, one could argue that the Kelly location is not as desirable as something southwest of the airport.

Given the lack of larger sales to pair, we have relied on smaller sales in the market area to analyze this element of comparison. Limited current data is available due to the slow-down in the market so we have gone back in time to obtain sufficient data for analysis. The sales used are as close in size and date as possible, and we considered also differences in terrain and vegetative when selecting the sales for comparison.

The sales in the first set range in location from the South Meadow Subdivision about one mile southwest of Moose, to the Skyline Ranch Subdivision west of Jackson. All of the sales have Teton views, with closer views on the northernmost sales, and increasing distance the farther south one moves. The map following depicts the general location of the sales, and again, the subject is located in T43N, R115W.

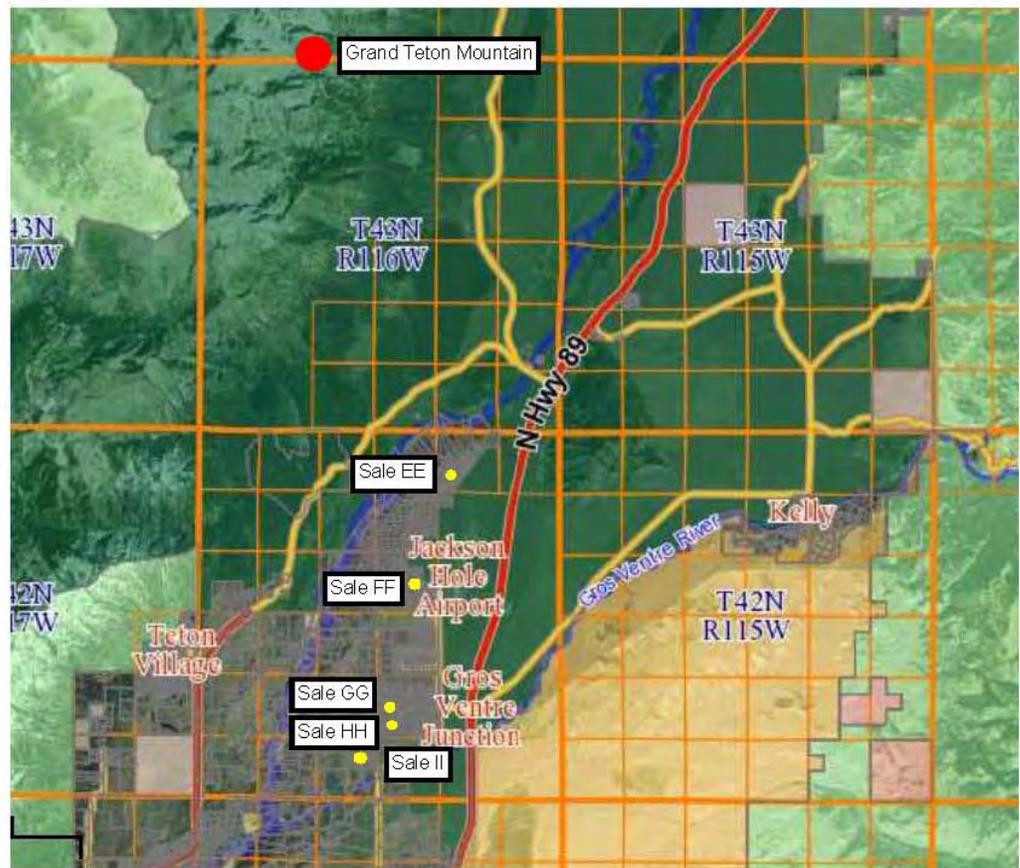


The pertinent details of the sales follow:

Sale	Location	Date	Price	Acres	\$/Acre
AA	10150 N. Meadow	6/05	\$707,500	3.00	\$235,833
BB	1105 S. Meadow	7/05	\$722,500	3.04	\$237,664
CC	6590 Ryegrass	7/05	\$725,000	3.00	\$241,667
DD	200 N. Westbridge	8/05	\$897,750	3.10	\$289,597

It became obvious to us that the sales noted above have at least two major variables—the view component and the location component. The further one moves south, the Teton view tends to decrease, but conversely, the further one moves south, the closer one is to the Town of Jackson. The first three sales are all generally north of Gros Ventre Junction and any inferior view tends to be offset by closer proximity to Jackson. In other words, there appears to be a fairly even balance between view and location nearer Jackson. Sale DD does not fit this pattern, and sold for significantly more than the first three sales. Sale DD is within two miles of the Town of Jackson, suggesting that nearer the town center area, location is more important in this market than overall view of the Tetons.

A second set of data was also researched. Sale EE is about two miles southwest of Moose, Sale JJ is roughly 1.50 miles southwest of Gros Ventre Junction, and the other sales are between these two sales. A map showing the location of the sales follows.

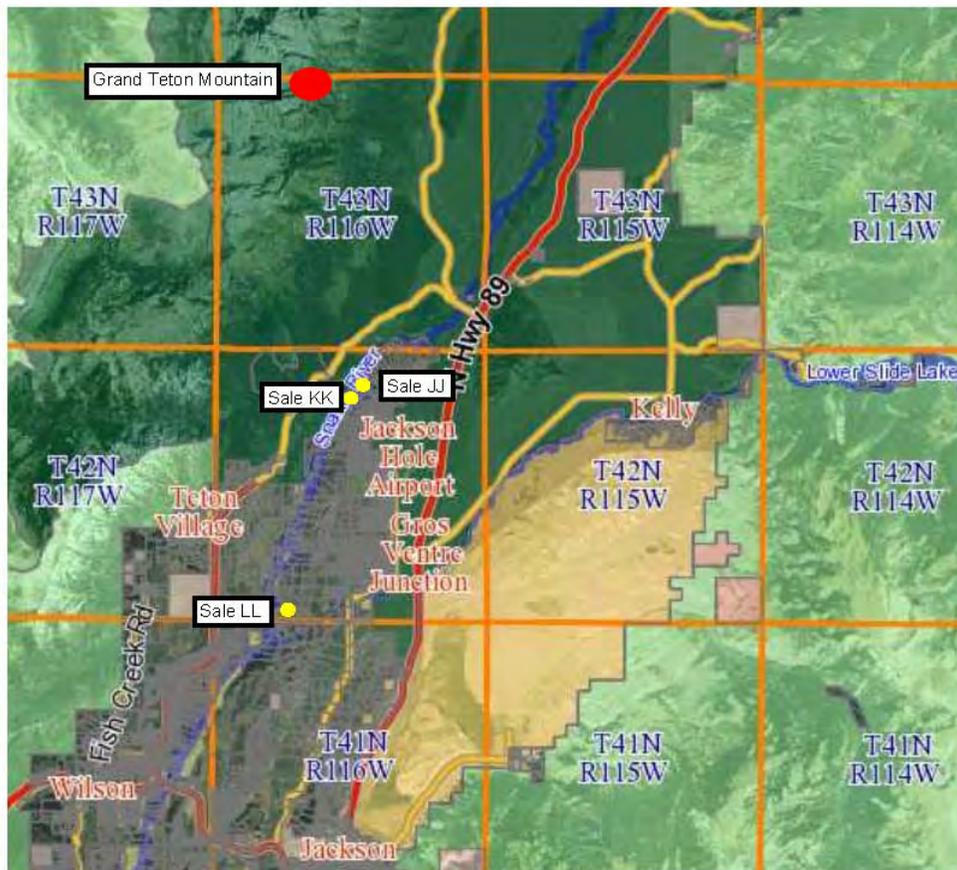


Details of the sales used in these comparisons follow:

Sale	Location	Date	Price	Acres	\$/Acre
EE	10200 W. Meadow	1/12	\$550,000	3.00	\$183,333
FF	475 E. Trap Club	6/12	\$540,000	3.09	\$174,757
GG	75 Huckleberry	5/13	\$749,000	3.12	\$240,064
HH	125 Huckleberry	1/11	\$840,000	3.01	\$279,070
II	5675 N. Stone Cr.	8/13	\$826,000	3.46	\$238,728

It is readily obvious that as one moves south from Moose, prices tend to increase, with Sale EE just south of Moose showing \$550,000, and sales south of Gros Ventre Junction showing the range of \$749,000 to \$840,000, or a premium to the southern sales of 36% to 53%. The superior views in the northern end of the neighborhood do not offset the location closer to the Town of Jackson. Location appears to be much more important than the view component.

Pairings were also made using three older, but larger sales. One sale is just south of Moose and two are located south and west of Gros Ventre Junction. A location map of these sales follows:



Details of the sales used in the pairings follow:

Sale	Location	Date	Price	Acres	\$/Acre	Water
JJ	70 W. Avalanche	3/99	\$3,000,000	42.57	\$70,472	Snake Riv
KK	80 W. Avalanche	9/99	\$3,300,000	42.51	\$77,629	Snake Riv
LL	5170 N. Prince	3/99	\$5,000,000	40.21	\$124,347	Sprg Crks

Sales JJ and KK are about three miles southwest of Moose, with Sale LL roughly three miles southwest of Gros Ventre Junction. The sales prices increase the farther south one goes in the neighborhood. Even though Sale LL had two spring creeks rather than direct Snake River frontage, it sold for 52 to 67% (total price basis) more than the two sales farther north on the Snake River. The comparisons also suggest that location closer to Jackson is more important than the view component in this market.

We have also considered some additional information we have observed over the years from Buffalo Valley. Buffalo Valley is located in Teton County about 12 airmiles northeast of the subject property. The Tetons are nearly due west of Buffalo Valley. Many properties in Buffalo Valley have excellent Teton views. However, all other things being similar, property in Buffalo Valley has historically brought prices noticeably lower than those closer to Jackson. This supports our observation from the previous pairings that location nearer Jackson is as important as or perhaps even more important than Teton views.

Sales 13, 19, 20, 31, 35, L-46 and L-47 have Teton views that are inferior to the subject. Conversely, they are located nearer to the town of Jackson. Based on the pairings we have made that suggest view and location are offsetting, we have not applied adjustments to these sales. Sale 41 is located southwest of Jackson along Fall Creek Road. This sale lacks the Teton views of the subject and it also lacks close proximity to Jackson. Because the sale lacks both Teton views and closer proximity to Jackson, we will apply two positives to this sale. Sale 42 is a confidential transaction. In order to protect the confidentiality, we have not disclosed any information on the property except the time-adjusted price. Two positives are applied to this sale.

**Nat'l Park/Public
Land Boundary:**

The subject property is an inholding in Grand Teton National Park (GTNP) and we have researched the local market to ascertain the impact on price of location within or adjacent to GTNP. We first researched sales of properties that are inholdings or shared a common boundary with GTNP or National Forest. We then researched sales that are physically similar except that they do not border GTNP or National Forest. Using the best available data, we used sales that sold as close together as possible in time, and sales that were actually adjacent to each other when available.

Using the available large acreage sales, we found three sales that could be used in matched pair analyses. Sale 31, used in direct comparison to the subject, adjoins GTNP, BLM and conservation easement-encumbered land. Sale 21 adjoins National Forest on the west and conservation easement-encumbered land on the north. Sale 22 does not adjoin any public land or conservation easement-encumbered land. The sales are shown on the map following. The sales that border public land are outlined in red and the one that does not border public land is outlined in yellow. Note that at the time of purchase, Sale 21 did not border conservation easement-encumbered land on the east and a portion of Sale 22 was encumbered with a conservation easement after the purchase.



Unfortunately, the sales took place over the course of several years. Therefore, the older sales are time-adjusted to the date of the newest sale.

Sale	22	21	31
Date of Sale	Feb-07	Oct-06	Dec-12
Size-Acres	120.00	159.56	190.51
Sales Price	\$15,500,000	\$17,150,000	\$17,000,000
Building CV	\$0	\$0	\$250,000
Land contribution	\$15,500,000	\$17,150,000	\$16,750,000
Land per acre	\$129,167	\$107,483	\$87,922
Rights conveyed			
Conditions			
Financing			
Mo to 6/07	4	8	
Time adjustment			
Adjusted price	\$137,093	\$121,079	\$87,922
Lump sum adj.	-\$41,128	-\$36,324	
Adjusted price	\$95,965	\$84,755	\$87,922

The time adjusted price of Sale 22, which lacks adjacency to public land, is higher than the other two sales. In comparison to Sale 31, the difference is \$8,043 per acre, and the sale without adjacency to public land has a time-adjusted price 8% more than the sale that is adjacent to GTNP. These two sales are within less than ½ mile of one another.

A similar indication is provided by comparing Sales 21 and 22. The sale without adjacency to public land has a higher time-adjusted price. The difference is 12%. As is frequently the case, there are other differences between the sales. Sale 31 adjoins the Gros Ventre River and has some tree cover. Sale 21 has tree cover and has a “west bank” (of the Snake River) location that is generally viewed as a more favorable location. If anything, these additional differences would have a positive impact on Sales 21 and 31; again, not suggesting a positive adjustment for adjacency to GTNP or National Forest.

Because we were only able to abstract two indications from larger sales, we have also compared smaller acreage properties to analyze the impact of adjacency to GTNP and/or National Forest.

The first pairing of smaller sales is situated about 2.5 miles south of Moose in the Solitude Subdivision. Sale A (outlined in red) is adjacent to GTNP and Sale B (outlined in yellow) is adjacent to Sale A, but does not share a common boundary with GTNP.



Sale A is at 1000 East Solitude Drive and sold in June 2006 for \$1,000,000. With five acres, this is \$200,000 per acre. The property has no water influence, but borders GTNP for roughly 545 feet. The sale features above average views of the Tetons as it is on a bench. Sale B sold in January 2006 for \$925,000 and encompasses 5.45 acres, or \$169,725 per acre. The sale is at 9450 Avalanche Canyon Drive. There is an irrigation ditch that bisects the sale and the views of the Tetons are above average.

On an overall basis, there is a \$75,000 difference, or 8% premium to the sale with GTNP common boundary. On a per-acre basis, the difference is \$30,275 per acre, or a premium of 18% to the sale with GTNP common boundary.

The next pairing is situated generally west of the Jackson Hole Airport and about 3.50 miles southwest of Moose. Sale C is adjacent to Grand Teton National Park, and Sale D is roughly 340 feet west of GTNP.



Sale C is at 8510 North Centennial and sold in May 1998 for \$189,900. The sale encompasses three acres, reflecting \$63,300 per acre. The site is level and there are average views of the Tetons from the site. The sale has roughly 360 feet of common boundary with GTNP. Sale D is at 8605 North Centennial and is kitty-corner to Sale C. The property sold in March 1998 for \$185,000 and also has three acres. The sale reflects \$61,667 per acre and has level terrain and average Teton Views.

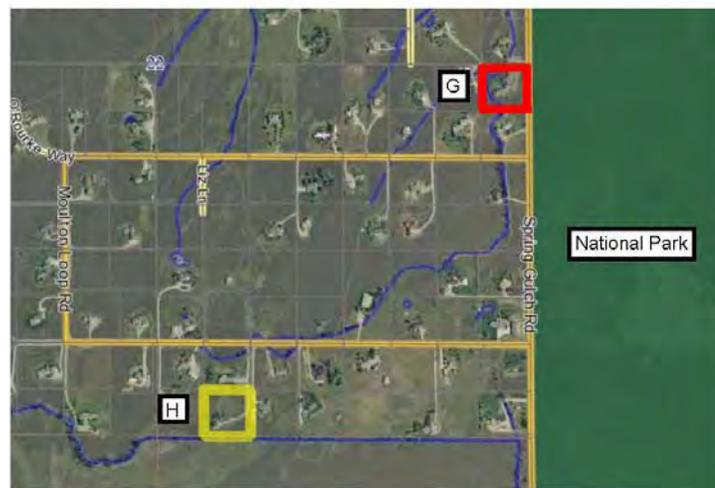
There is \$4,900 or 3% premium shown for common boundary with GTNP on an overall basis. The per acre difference is \$1,633, which is also a premium of 3% for common boundary with the GTNP.

The next pairing is southwest of the airport in the Moulton Loop area, roughly seven miles southwest of Moose. Sale E is across Spring Gulch Road from the GTNP, and Sale F is roughly 2,300 feet westerly of the GTNP boundary.



Sale E at 7455 North Spring Gulch Road and closed in December 1998 for \$150,000, or \$56,180 per acre. The 2.67-acre parcel has level terrain and average views of the Tetons. There are some cottonwood trees on the tract and the sale has an irrigation ditch bisecting. The property has GTNP directly across Spring Gulch Road. Sale F, at 400 Moulton Loop, closed in August 1998 for \$195,000 or \$76,772 per acre for 2.54 acres. The sale is level with no tree cover and has some ditch influence in the northeast corner. Teton views are average from the tract. The pairing indicates a discount for GTNP boundary, with Sale E selling for \$45,000 or 23% less on a gross basis, and 27% less on a per acre basis.

The next pairing is also in the Moulton Loop area. Sale G is across the street from the GTNP, and Sale H is roughly 2,000 feet westerly from the GTNP boundary.



Sale G closed in June 2005 for \$439,000 which reflects \$164,419 per acre for the 2.67-acre parcel. Terrain is nearly level, an irrigation ditch bisects the parcel and there are a few trees. The sale is directly across the road from GTNP. Sale H sold for \$460,000 in March 2005 for 2.54 acres, or \$181,102 per acre. Terrain is nearly level and the site has average views of the Tetons. There is an irrigation ditch on the south end of the sale. The pairing indicates a discount for GTNP boundary, with Sale G selling for \$21,000 or 5% less on a gross basis, and 9% less on a per acre basis.

The next pairing uses an inholding in GTNP west of the National Elk Refuge, roughly four miles northeast of Jackson. There are limited non-GTNP influenced sales the size of the property in the area of Sale I, thus we used a sale located north of Sale I.



Sale I is an inholding in GTNP at 1135 Nichol and borders GTNP on three sides, with the north boundary bordering private land. The property has 1.67 acres and sold in August 2014 for \$765,000 after being on the market for 467 days. Terrain is gently rolling and views of the Elk Refuge and Tetons are average for this area. The sale reflects \$458,084 per acre. Sale J, at 500 East Oatgrass Road, has no common public land boundary and sold in April 2014 for \$750,000. The 1.75-acre property reflects \$428,571 per acre. The tract has nearly level terrain and average views of the Tetons.

On a gross basis, the pairing indicates a difference of \$15,000, or a premium to the sale with common GTNP boundary of 2%. On a per-acre basis, the difference is \$29,513, or a premium to the sale with common GTNP boundary of 7%.

The next pairing uses sales in the Solitude area, roughly 2.5 miles south of Moose. Sale K borders GTNP and Sale L is about 1,800 feet west of GTNP boundary.



Sale K is at 9500 North Avalanche Canyon and sold in December 1997 for \$330,000. The 5.78-acre parcel shows \$57,093 per acre, has level terrain and a ditch bisecting it. Vegetation is sage and native grasses. There are above average views of the Tetons from the tract. Sale L, at 550 East Phelps, is a 5.20 acre parcel that sold in October 1997. The property sold for \$305,000, or \$58,654 per acre. Terrain is level and vegetation is a mix of sage and native grasses. An irrigation ditch bisects the sale, and the property has above average views of the Tetons.

There is a difference of \$25,000 on a gross basis, showing a premium for GTNP boundary of 8%. The per acre difference is \$1,561, with the sale bordering the park indicating a 3% discount (-3%).

The next pairing uses sales situated roughly three miles southwest of Moose. Sale M borders GTNP and Sale N is about 820 feet west of GTNP.



Sale M, at 487 Trap Club, closed October 10, 2014 for \$700,000. The 2.50-acre parcel has level terrain and sage-grass vegetation. Views of the Tetons are above average for the area. This sale reflects \$280,000 per acre. Sale N is northwest of Sale M on Reed Drive and closed in September 2013 for \$895,000. Terrain is level and vegetative cover consists of sage and native grasses. Views of the Tetons from the sale are above average. Sale N consists of 3.51 acres and reflects \$254,986 per acre.

On a gross basis, there is \$195,000 with the pairing showing a discount for GTNP boundary of -22%. The difference on a per-acre basis is \$25,014 or 10% premium to Sale M that borders GTNP.

We are aware of and considered a 0.17-acre sale within the Kelly Townsite. The sale closed in October 2014 for \$350,000. The tract borders GTNP on its east and west boundaries, and is across an alley from GTNP to the north. The size of the

sale does not conform to Teton County Zoning, thus there are no reliable sales to pair with this indication. There are some sales in the Town of Jackson within the size range of 0.17 to 0.19 acres in 2013-14 that sold for \$312,500 to \$432,000, but all of these sales have access to city water and sewer, unlike the Kelly sale. Thus, no pairings were made due to this difference. In addition, the effect of GTNP boundary on a parcel this small may not replicate the subject situation

We next researched the market south of Jackson in the Game Creek area with the sales used roughly eight miles southeast of Jackson. Sale O, at 7475 South Squaw Creek Road, borders National Forest on the south, and Sale P, at 1825 East McKean Dugway, has no public land boundary.

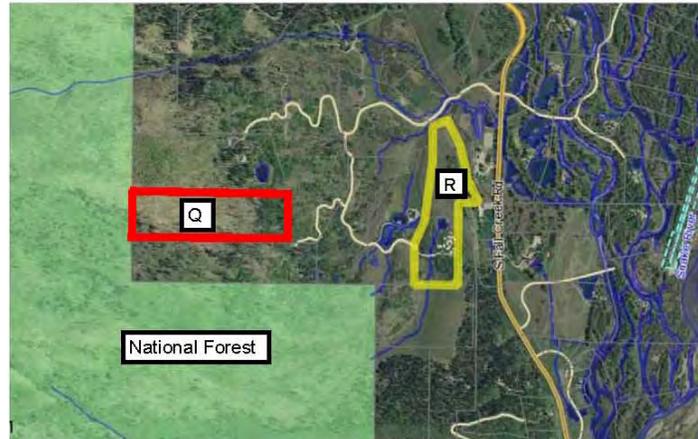


Sale O closed in December 2013 for \$320,000. With 6.20 acres, the sale reflects \$51,613 per acre. Terrain is rolling and there are very minor Teton views from the sale. Sale P is a short distance north and closed in April 2014. The sales price was \$265,000 for 5.62 acres, or \$47,153 per acre. The sale has rolling terrain and slightly better Teton views compared to Sale P.

On a gross basis, the difference is \$55,000 or a 21% premium to the sale with forest boundary. The per-acre difference is \$4,460, or a 10% premium to the sale with forest boundary.

We also looked at the area south of Wilson and next to National Forest. Both sales used in the next pairing are in the Crescent H development,²⁶ which is about two miles south of Wilson. Sale Q borders National Forest while Sale R is about 570 feet east of the National Forest boundary.

²⁶ We also considered more recent sales in the development, with the last sale occurring in 2014, the next in 2006, thus we were unable to pair the more current data.



Sale Q is at 9985 West Salmon Fly Drive (Tract 5 of Crescent H) and sold in December 1999²⁷ for \$3,400,000. The 48.47-acre parcel shows \$70,146 per acre. The sale borders National Forest on the west with rolling topography and scattered trees. The sale has access to all of the Crescent H Ranch amenities (fishing, use of lodge, horse back riding, etc.) Sale R is east of Sale Q at 1890 Stonefly Drive and has rolling terrain and fewer trees than Sale Q. The sale closed in October 1999 for \$5,000,000, or \$142,450 per acre for the 35.10 acres. The Teton views from Sale R are superior compared to those from Sale Q.

The sale next to National Forest (Sale Q) sold for \$1,600,000 less than the sale that did not border National Forest (Sale R). This amounts to a discount to Sale Q of 32% on a gross basis. On a per-acre analysis, the difference is 51% discount to the sale that borders National Forest. The difference in views may explain some of the difference in the two sales.

The next pairing is also in the Crescent H development, with both sales occurring after the July 2001 forest fire in this area. Sale S borders National Forest for a short distance, while adjacent Sale T has no forest boundary.



²⁷ This was prior to the forest fire in the Crescent H area in July 2001.

Sale S is at 1880 South Stonefly Drive and sold in January 2004 for \$3,990,000. The sale has 35 acres and reflects \$114,000 per acre. The property has rolling terrain, water influence and scattered trees. There are average views of the Tetons from this site. Sale T is immediately adjacent to Sale S and closed in March 2004. The site has level to rolling terrain and some scattered trees. The selling price was \$3,750,000 for 35.10 acres, or \$106,838 per acre. Views of the Tetons are average and generally similar to Sale S.

The gross difference is \$240,000, or a premium of 6% to Sale S, which adjoins National Forest. The difference in price per acre is \$7,162, or a premium to Sale S of 7%

We next researched northern Teton County in the Pacific Creek area, Lost Creek area and Buffalo Valley sub-markets. Little data was found due to age and size differentials.

The only pairing found in these areas is in Buffalo Valley north of the subject property and roughly 22 miles northeast of Moose. Sale U borders National Forest on its south boundary and Sale V is in close proximity, but does not border National Forest.



Sale U sold in February 2006 for \$850,000, or \$146,299 per acre for the 5.81 acres. The address is 27545 North Buffalo Fork Road. The terrain is nearly level and the sale has some wet areas from old ox-bows of the Buffalo River. Access is from a gravel subdivision road. Sale V, at 21820 Buffalo Valley Road, sold in March 2007 and is adjacent to the Buffalo Valley Road. The sales price was \$610,000 for 5.23 acres, reflecting \$116,635 per acre. Terrain is nearly level on this sale.

On a gross basis, the difference is \$240,000 or a premium of 39% to Sale U. The per acre difference is \$29,664, or a premium of 25% to Sale U. The water influence on Sale U likely affects the overall premium to Sale U in a positive manner so all of the difference cannot reasonably be attributed to adjacency to National Forest.

A more recent pairing was researched south of Jackson in the Little Horsethief area. Sale X borders National Forest and Sale W, which is adjacent to Sale X, has no public land boundary.



Sale W, at 4300 South Little Horsethief Lane, closed in October 2014 for \$320,000. The 3.02-acre parcel reflects \$105,960 per acre and has access from a private road. Terrain is nearly level and vegetation is mostly sage-grass. Sale X is directly north of Sale W and also closed in October 2014 for \$345,000. The 3.05-acre parcel has level terrain and sage-grass for vegetative cover. A small ephemeral stream crosses Sale X. Sale X sold for \$113,115 per acre.

On a gross basis, the difference is \$25,000 or a premium to Sale X of 8%. The per acre difference is \$7,155, or a premium to Sale X of 7%.

The pairings are summarized on the next page.

Sales	Date	Park/Forest	Diff. Overall	Diff. Per Acre
22 & 31	2007, 2012	Park	N/A	-8%
22 & 21	2007, 2006	Forest	N/A	-12%
A & B√	2006	Park	8%	18%
C & D√	1998	Park	3%	3%
E & F	1998	Park	-23%	-27%
G & H	2005	Park	-5%	-9%
I & J	2014	Park	2%	7%
K & L√	1997	Park	8%	-3%
M & N	2013, 2014	Park	-22%	10%
O & P	2013, 2014	Forest	21%	10%
Q & R	1999	Forest	-32%	-51%
S & T	2004	Forest	6%	7%
U & V	2006, 2007	Forest	39%	25%
W & X	2014	Forest	8%	7%
		Mean	1.08%	-1.64%
		Median	4.50%	5.00%

The sales used for quantifying an adjustment for bordering GTNP show a wide range of -32% to +39% on a gross basis, and -51% to +25% from the per-acre analysis. The date range is also quite wide, with sales used from the period of 1998 to 2014. The pairings where both properties are either adjacent or corner on each other are shaded in yellow. Generally, adjacency makes for higher comparability. Also note that these yellow shaded transactions all have paired sales that occurred in the same year. The pairings that have a √ are those in closest proximity to the property appraised—all three within eight miles southwest the subject. We believe the above data tends to indicate that bordering GTNP or National Forest does contribute to overall value, but at a fairly low rate.

On a gross basis, the sales shaded in yellow indicate a premium ranging from 3% to 8%, with the two most recent pairings showing 8%. On a per acre basis, the range is much larger at 3% to 18%, with the two most recent transactions indicating 7 to 18%. The pairings with √ show a 3% to 8% premium on a gross basis, and -3% to 18% on a per acre basis. The two comparisons using larger acreage sales do not show a premium for adjacency to National Park or Forest.

We feel that, overall, the data supports a positive adjustment for adjacency to National Park or Forest and in our opinion, the comparisons we have analyzed support an adjustment of +10%. We have done three sales comparison grids. On Grid #1 we have applied +10% adjustments to the sales that lack National Park or Forest boundary, which are Sales 13, 19, 20, and Listings L-46 and L-47. Sales 31 and 35 both have common boundary with public land and no adjustments are

applied to these sales or Sale 41, which is completely surrounded by National Forest. No adjustment is applied to Sale 42, but the details of its adjacency are not reported in order to protect the confidentiality of this sale.

On Grid #2 we have refined the adjustments further. The comparison data in the general area that we have used in the analysis of the impact of adjacency does not, unfortunately, include any sales that are complete inholdings like the subject. For this grid, we have reached slightly above the range of differences shown by the data and applied +20% adjustments to the sales with no adjacency to public land. In addition, we have applied +10% adjustments to the sales that share some common boundary with public land, but are not completely surrounded by public land.

On Grid #3 we have used qualitative analysis and applied positive adjustments to the sales that lack common boundary with public land. Plusses are applied to Sales 13, 19, 20, and Listings L-46 and L-47. Sales 31 and 35 both have common boundary with public land, but are not completely surrounded as is the case with the subject. Slight positives are applied to these sales. No adjustments are applied to Sale 41 or confidential Sale 42.

Access/Utilities: All the sales have road access and power and telephone service either on the property or in close proximity thereto. The subject lacks physical road access and utility lines are not extended to the property, nor are they in close proximity to the property. A typical purchaser of the subject property would consider the lack of road and utilities in making purchasing decisions. We were not able to abstract adjustments for access and utilities from the available data because we did not find sales that lack road access and power and telephone that could be compared to the sales with these attributes. Therefore, we have considered the cost of building a road and extending utilities to the property—the cost to cure.

According to the engineering information we obtained from Jorgensen Associates, the cost of constructing an access road to the subject and extending utility lines is estimated at \$930,000. This includes construction of an estimated 1,701 feet of road, a deceleration lane at the highway, powerline extension for 15,250 feet, and fiber optic line extension for 2,700 feet. It should be noted that the power line extension runs along the west side of the subject to the point where the access road enters the property, which is near the northwest corner. Extending the power to this point is logical because typically power lines are run in conjunction with roads when the property is developed. The fiber optic line extension cost is only to the nearest property line, which is the southeast corner of the property. Typically, the interior placement of fiber optic lines will be determined after the development scheme of the property has been determined and there is quite a bit of flexibility in the placement of these lines within the development plan.

In addition to the costs included in the Jorgensen Associates report, environmental studies will need to be conducted prior to construction of the road and extension of

utilities. Although not part of the engineering work, we discussed potential costs of environmental studies with Reed Armijo, PE, the project manager for the work done for us by Jorgensen. Mr. Armijo stated that given the lack wetlands along the road and utility alignment, it is likely “categorical exclusion” level work would suffice. However, since the land is within the National Park, more work would be required than would typically be the case. Mr. Armijo suggested that a cost of \$50,000 would likely cover the cost of environmental studies. Thus, the total estimated expenditures needed to construct the road and extend utilities is \$980,000. In order to correctly apply this adjustment as a per acre adjustment, the total of \$980,000 is divided by the subject’s size of 640 acres. This results in an adjustment of -\$1,531 per acre ($\$980,000 / 640 = \$1,531.25$).

There is no water or sewage disposal service available to the subject property. At the time of development wells and septic systems would most likely be used for water and sewage disposal. None of the sales had water/wells or sewage/septics in place at the time of sale. No adjustments are applied for wells/septics.

Zoning/Platting: The subject zoning, if it were privately owned, would be Rural. This is a common zoning in the area and seven of the sales used in direct comparison were also zoned Rural at the time of the sale. However, within this group of seven, five sales had platting of smaller tracts done prior to the sale—Sales 19, 31, 35, and Listings L-46 and L-47. Although we do not view this as an element of comparison with major impact, we do feel this would be given some consideration. We have applied slight negative (sl-) adjustments to the sales with Rural zoning that did have platting done. Sales 41 and 42 had SF (Single Family) zoning that allows smaller lots and were platted with smaller lots. Again, we do not view this as a major factor of consideration so we will apply only slight negative adjustments.

Vegetation: The subject’s vegetation is almost exclusively sage brush and its associated grasses. There are just a very few aspen trees on the east property boundary. Generally, a property with some trees is preferable from the standpoint of residential use. Even pockets of trees scattered over the property would enable an owner to develop the subject into homesites that have appealing tree cover and some screening of homesites from one another. Sales 19, L-46 and L-47 have no or virtually no trees. They are similar to the subject and adjustments are applied. The other sales have a mix of open land and tree-covered land. Because we do not feel this is an element of major consideration, we will apply slight negative adjustments to the sales with tree cover.

Terrain: The subject has nearly level terrain. The terrain of the sales ranges from nearly level to a mix of terrain that ranges from nearly level to steep. However, from the aspect of the likely development of the properties, we do not believe the differences in terrain are likely to have a measureable impact on value. No adjustments are made.

Sales Comparison Grids

As previously discussed, we have completed three different sales comparison grids. Grid #1 utilizes quantified adjustments for time (market conditions), live water, National Park or other public land boundary (10% adjustment), and access/utilities.²⁸ The adjustments for the rest of the elements of comparison are made using qualitative adjustments—plusses and minuses.

Sale	13	19	20	31	35	41	42	L-46	L-47
Date of Sale	Oct-04	Mar-06	Oct-06	Dec-12	2013	Sep-14	2014	Current	Current
Size-Acres	1,340.81	507.00	1,265.10	190.51		164.00		507.00	580.00
Sales Price	\$92,000,000	\$23,250,000	\$69,000,000	\$17,000,000		\$10,125,000		\$35,000,000	\$45,000,000
Building CV	\$2,000,000	\$0	\$0	\$0		\$2,500,000		\$0	\$0
Land contribution	\$90,000,000	\$23,250,000	\$69,000,000	\$17,000,000		\$7,625,000		\$35,000,000	\$45,000,000
Land per acre	\$67,124	\$45,858	\$54,541	\$89,234		\$46,494		\$69,034	\$77,586
Rights conveyed		+	sl+					+	+
Conditions								- -	- -
Financing									
Mo to 6/07	32	15	8						
Time adjustment	\$40,967	\$11,475	\$6,899						
Adjusted price	\$108,091	\$57,333	\$61,440	\$89,234		\$46,494		\$69,034	\$77,586
Lump sum adj.	-\$32,427	-\$17,200	-\$18,432						
Adjusted price	\$75,664	\$40,133	\$43,008	\$89,234		\$46,494		\$69,034	\$77,586
Mo. to 11/14	22	22	22	22		2			
Time adjustment	\$13,519	\$7,170	\$7,684	\$15,943		\$700		\$0	\$0
Adjusted price	\$89,182	\$47,304	\$50,692	\$105,177	\$82,534	\$47,194	\$46,946	\$69,034	\$77,586
Size	+		+	-	-	-	-		
Live water	-\$49,050			-\$57,848		-\$11,798	-\$11,737		
Adjusted price	\$40,132	\$47,304	\$50,692	\$47,330	\$82,534	\$35,395	\$35,210	\$69,034	\$77,586
View/Location						++	++		
NP/PubLandBound	\$4,013	\$4,730	\$5,069					\$6,903	\$7,759
Access/Utilities	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531
Zoning/Platting		sl-		sl-	sl-	sl-	sl-	sl-	sl-
Vegetation	sl-		sl-	sl-	sl-	sl-	sl-		
Terrain									
Indication	>\$42,614	>\$50,503	>\$54,231	<\$45,799	<\$81,003	>\$33,864	>\$33,679	<\$74,406	<\$83,814

The sale/listing prices—allocation to the land—range from \$45,858 to \$89,234 per acre. Sales 13, 19 and 20 required three time adjustments; upward monthly adjustments to June 2007, lump sum negative adjustments to account for the abrupt change in market conditions, and then upward monthly adjustments to bring them to the current market. The other sales are more recent and only required the last upward adjustment. Quantified adjustments of -55% were applied to the sales with river frontage and -25% adjustments to sales with water features that are less desirable than river frontage, but still likely to have a noticeable impact on sale prices. Positive 10% adjustments were applied to the sales that do not adjoin public land. Based on the cost to cure, adjustments of -\$1,531 per acre were applied to all the sales to account for the cost to build a road to the subject and extend power and telephone lines to the subject. After the quantified adjustments are applied the adjusted prices range from \$33,679 to \$83,814 per acre. There are a number of qualitative adjustments that are also applied, and these establish the bracketed range of value for the subject. As a reminder, slight positive and slight negative adjustments are not quantified so that, for example, two slight negatives could be construed to equal a minus on the grid, but do not.

²⁸ The grid is from an Excel spreadsheet. Note that the numbers are rounded to the nearest dollar, although Excel keeps the number out to nine decimal places for the next calculation. For example, note that in the time adjustment for Sale 13 that the adjusted price after the second time adjustment is \$75,664. The third time adjustment is \$13,519 which totals \$89,182 on grid, but when done mechanically using whole numbers equals \$89,183. This rounding carries forth to the bottom of the grid. If all of the numbers in the grid are calculated mechanically, the total for Sale 13 is \$42,615 rather than the \$42,614 shown on the grid. The magnitude of the rounding error is minimal and not considered a factor in the three grids presented.

The indications of the sales/listings are arrayed following:

<u>Sale</u>	<u>\$/Acre</u>
42	>\$33,679
41	>\$33,864
13	>\$42,614
31	<\$45,799
19	>\$50,503
20	>\$54,231
L-46	<\$74,406
35	<\$81,003
L-47	<\$83,814

Sales 42, 41 and 13 clearly provide the lower end of the bracketed range of value, indicating a value more than \$42,614 per acre. The top of the lower bracket is indicated by Sales 19 and 20, which indicate a value more than \$50,503 and \$54,231 per acre. At the upper end of the range, Listings L-46 and L-47 indicate values less than \$74,406 and \$83,814 per acre, while Sale 35 indicates a value less than \$81,003 per acre. Sale 31 is clearly an outlier in the indications, indicating a value less than \$45,799 per acre. We will place little to no reliance on Sale 31.

In our opinion, this analysis indicates a range of more than \$54,231 per acre to less than \$74,406 per acre for the subject.

The second grid (Grid #2) also utilizes quantified adjustments for time (market conditions), live water, National Park or other public land boundary, and access/utilities, with the rest of the adjustments made qualitatively. The difference between Grid #2 and Grid #1 is a refining of the National Park or other public land boundary, with +10 and +20% adjustments applied for public land boundary.

Sale	13	19	20	31	35	41	42	L-46	L-47
Date of Sale	Oct-04	Mar-06	Oct-06	Dec-12	2013	Sep-14	2014	Current	Current
Size-Acres	1,340.81	507.00	1,265.10	190.51		164.00		507.00	580.00
Sales Price	\$92,000,000	\$23,250,000	\$69,000,000	\$17,000,000		\$10,125,000		\$35,000,000	\$45,000,000
Building CV	\$2,000,000	\$0	\$0	\$0		\$2,500,000		\$0	\$0
Land contribution	\$90,000,000	\$23,250,000	\$69,000,000	\$17,000,000		\$7,625,000		\$35,000,000	\$45,000,000
Land per acre	\$67,124	\$45,858	\$54,541	\$89,234		\$46,494		\$69,034	\$77,586
Rights conveyed		+	sl+					+	+
Conditions								- -	- -
Financing									
Mo to 6/07	32	15	8						
Time adjustment	\$40,967	\$11,475	\$6,899						
Adjusted price	\$108,091	\$57,333	\$61,440	\$89,234		\$46,494		\$69,034	\$77,586
Lump sum adj.	-\$32,427	-\$17,200	-\$18,432						
Adjusted price	\$75,664	\$40,133	\$43,008	\$89,234		\$46,494		\$69,034	\$77,586
Mo. to 11/14	22	22	22	22		2			
Time adjustment	\$13,519	\$7,170	\$7,684	\$15,943		\$700		\$0	\$0
Adjusted price	\$89,182	\$47,304	\$50,692	\$105,177	\$82,534	\$47,194	\$46,946	\$69,034	\$77,586
Size	+		+	-	-	-	-		
Live water	-\$49,050			-\$57,848		-\$11,798	-\$11,737		
Adjusted price	\$40,132	\$47,304	\$50,692	\$47,330	\$82,534	\$35,395	\$35,210	\$69,034	\$77,586
View/Location						++	++		
NP/PubLandBound	\$8,026	\$9,461	\$10,138	\$4,733	\$8,253			\$13,807	\$15,517
Access/Utilities	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531
Zoning/Platting		sl-		sl-	sl-	sl-	sl-	sl-	sl-
Vegetation	sl-		sl-	sl-	sl-	sl-	sl-		
Terrain									
Indication	>\$46,627	>\$55,233	>\$59,300	<\$50,532	<\$89,256	>\$33,864	>\$33,679	<\$81,309	<\$91,572

The sale/listing prices—allocation to the land—range from \$45,858 to \$89,234 per acre. Sales 13, 19 and 20 required three time adjustments; upward monthly adjustments to June 2007, lump sum negative adjustments to account for the abrupt change in market conditions, and then upward monthly adjustments to bring them to the current market. The other sales are more recent and only required the last upward adjustment. Quantified adjustments of -55% were applied to the sales with river frontage and -25% adjustments to sales with water features that are less desirable than river frontage, but still likely to have a noticeable impact on sale prices. Adjustments of +20% were applied to the sales that lack any common boundary with public land. Adjustments of +10% adjustments were applied to the sales that have common boundary with public land, but are not completely surrounded by public land like the subject. Based on the cost to cure, adjustments of -\$1,531 per acre were applied to all the sales to account for the cost to build a road to the subject and extend power and telephone lines to the subject. After the quantified adjustments are applied the adjusted prices range from \$33,679 to \$91,572 per acre. There are a number of qualitative adjustments that are also applied, and these establish the bracketed range of value for the subject. As a reminder, slight positive and slight negative adjustments are not quantified so that, for example, two slight negatives could be construed to equal a minus on the grid, but do not.

The indications of the sales/listings are arrayed following:

<u>Sale</u>	<u>\$/Acre</u>
42	>\$33,679
41	>\$33,864
13	>\$46,627
31	<\$50,532
19	>\$55,233
20	>\$59,300
L-46	<\$81,309
35	<\$89,256
L-47	<\$91,572

Sales 42, 41 and 13 clearly provide the lower end of the bracketed range of value, indicating a value more than \$46,627 per acre. The top of the lower bracket is indicated by Sales 19 and 20, which indicate a value more than \$55,233 and \$59,300 per acre. At the upper end of the range, Listings L-46 and L-47 indicate a value less than \$81,309 and \$91,572 per acre, while Sale 35 indicates a value less than \$89,256 per acre. Sale 31 is clearly an outlier in the indications, indicating a value less than \$50,532 per acre. We will place little to no reliance on Sale 31.

In our opinion, this analysis indicates a range of more than \$59,300 per acre to less than \$81,309 per acre for the subject.

The final grid or Grid #3 utilizes quantified adjustments for time (market conditions) and access/utilities. The adjustments for the rest of the elements of comparison are made using qualitative adjustments—plusses and minuses.

Sale	13	19	20	31	35	41	42	L-46	L-47
Date of Sale	Oct-04	Mar-06	Oct-06	Dec-12	2013	Sep-14	2014	Current	Current
Size-Acres	1,340.81	507.00	1,265.10	190.51		164.00		507.00	580.00
Sales Price	\$92,000,000	\$23,250,000	\$69,000,000	\$17,000,000		\$10,125,000		\$35,000,000	\$45,000,000
Building CV	\$2,000,000	\$0	\$0	\$0		\$2,500,000		\$0	\$0
Land contribution	\$90,000,000	\$23,250,000	\$69,000,000	\$17,000,000		\$7,625,000		\$35,000,000	\$45,000,000
Land per acre	\$67,124	\$45,858	\$54,541	\$89,234		\$46,494		\$69,034	\$77,586
Rights conveyed		+	sl+					+	+
Conditions								--	--
Financing									
Mo to 6/07	32	15	8						
Time adjustment	\$40,967	\$11,475	\$6,899						
Adjusted price	\$108,091	\$57,333	\$61,440	\$89,234		\$46,494		\$69,034	\$77,586
Lump sum adj.	-\$32,427	-\$17,200	-\$18,432						
Adjusted price	\$75,664	\$40,133	\$43,008	\$89,234		\$46,494		\$69,034	\$77,586
Mo. to 11/14	22	22	22	22		2			
Time adjustment	\$13,519	\$7,170	\$7,684	\$15,943		\$700		\$0	\$0
Adjusted price	\$89,182	\$47,304	\$50,692	\$105,177	\$82,534	\$47,194	\$46,946	\$69,034	\$77,586
Size	+		+	-	-	-	-		
Live water	--			--					
View/Location						++	++		
NP/PubLandBound	+	+	+	sl+	sl+			+	+
Access/Utilities	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531	-\$1,531
Zoning/Platting		sl-		sl-	sl-	sl-	sl-	sl-	sl-
Vegetation	sl-		sl-	sl-	sl-	sl-	sl-		
Terrain									
Indication	<\$87,651	>\$45,773	>\$49,161	<\$103,646	<\$81,003	<\$45,663	<\$45,415	<\$67,503	<\$76,055

The sale/listing prices—allocation to the land—range from \$45,858 to \$89,234 per acre. Sales 13, 19 and 20 required three time adjustments; upward monthly adjustments to June 2007, lump sum negative adjustments to account for the abrupt change in market conditions, and then upward monthly adjustments to bring them to the current market. The other sales are more recent and only required the last upward adjustments. Based on the cost to cure, adjustments of -\$1,531 per acre were applied to all the sales to account for the cost to build a road to the subject and extend power and telephone lines to the subject. After the quantified adjustments are applied the adjusted prices range from \$45,415 to \$103,646 per acre. Qualitative adjustments are applied to account for other differences and after these adjustments are applied, a bracketed range of value for the subject is established. As a reminder, slight positive and slight negative adjustments are not quantified so that, for example, two slight negatives could be construed to equal a minus on the grid, but do not.

The indications of the sales/listings are arrayed following:

Sale	\$/Acre
42	<\$45,415
41	<\$45,663
19	>\$45,773
20	>\$49,161
L-46	<\$67,503
L-47	<\$76,055
35	<\$81,003
13	<\$87,651
31	<\$103,646

Sale 42 and 41 indicate values less than \$45,415 and \$45,663 per acre and do not correlate with the other indications. Sales 19 and 20 indicate something more than \$45,773 to \$49,161 per acre. The two listings show something less than \$67,503 to \$76,055 per acre. Sales 35, 13 and 31 indicate a value less than \$81,003 to \$103,646/acre.

Eliminating the indications of Sales 41 and 42, the range of value suggested by this analysis is more than \$49,161 per acre to less than \$67,503 per acre.

The three different analyses provide the following ranges of indications:

Grid #1: More than \$54,231/acre to less than \$74,406/acre

Grid #2: More than \$59,300/acre to less than \$81,309/acre

Grid #3: More than \$49,161/acre to less than \$67,503/acre

On an overall basis, the analyses indicate a value more than \$49,161 per acre to less than \$81,309 per acre. This is a rather narrow range considering the type of assignment. The analyses done for Grids 1 and 2 have the advantage over the third grid because they rely less on qualitative analysis.

Furthermore, the two data-points that bracket the value of the subject on the third grid each have four qualitative adjustments applied and two of the sales have indications that contradict those of the other sales. All things considered, in our opinion the third grid does not provide as strong an indication as the first two grids.

In the selection of the final value we believe it is prudent to look to the current listings as the subject's competition. The asking prices for the listings are \$69,034 and \$77,586 per acre. They are similar to the subject's size. They are listings, which normally sell for less than asking price, but they are encumbered/mostly encumbered with conservation easements that permit four separate homesites on the property that is completely encumbered and at least six on the partially encumbered property.

We feel the ranges indicated by the analyses are as well-supported as can be expected for a property of this type in this area. The one element of comparison that is not replicated in the market is the location within Grand Teton National Park completely surrounded by public land. We generally observed a small premium in prices paid that appeared to be attributable to adjacency to public land. Unfortunately, the relevant market data did not provide any pairings in which one sale was a complete inholding. It should be observed, however, that Sale 41 is an inholding within the National Forest; yet its time-adjusted price is among the lowest of the selected sales. This suggests to us that other things—such as views and proximity to Town of Jackson proper, are of significantly greater importance than the aspect of being an inholding. In addition, our analyses indicate that location nearer the heart of Jackson is important to the degree that it appears to offset superior Teton views. The point of making this observation at this place in the appraisal is to support our contention that the adjustments we have applied for adjacency to public land, while smaller than some may expect, are reflective of this market.

We believe the sales comparison grids using more quantified adjustments (Grids #1 and #2) are the more reliable for this assignment. Therefore, we have placed little to no reliance on the indications of Grid #3.

The only difference between the first and second grids is the adjustment for National Park or other public land boundary. The lower indicated range is the result of applying a +10% adjustment to the sales that lack any common boundary with public land. The higher indicated range is the result of applying +20% to the sales that lack any common boundary with public land and +10% to the sales that share a common boundary with public land, but are not inholdings.

The middle of the range of \$54,231 to \$74,406 per acre is \$64,318 per acre; the middle of the range of \$59,300 to \$81,309 per acre is \$70,304 per acre; and on an overall basis the mid-range of \$54,231 to \$81,309 per acre is \$67,770 per acre. Both ranges indicate the subject value should be less than the upper end. Therefore, we have concluded a value nearer the upper end of both of the bracketed ranges. We have selected a value of \$72,000 per acre.

Our conclusion of the value of the subject property is:

640 acres x \$72,000 per acre = \$46,080,000, rounded to \$46,000,000—cash.

In upscale markets like the subject's we believe it is necessary to take a final look at the total value conclusion to ascertain its reasonableness within the market area. A total of \$46,000,000 would be a large "price tag" from most buyers' perspectives. We have compared our final value conclusion with total prices paid for properties in the Jackson market area since 2000. Since 2000, we are aware of four properties that have sold in excess of \$46,000,000, with prices ranging from \$67,500,000 to \$95,000,000. Sales 13 and 20 are two of these sales. We are also aware of six sales with total prices in excess of \$20,000,000, but less than \$46,000,000—one of which is Sale 19 used in direct comparison to the subject. In our opinion, this market can support a total value of \$46,000,000.

The Uniform Standards of Professional Appraisal Practice states that the appraiser must develop and report "exposure time linked to the value opinion."²⁹ However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time.³⁰ Thus no development or reporting of exposure time was completed. This is a jurisdictional exception to USPAP Standard Rule 1-2(c)(iv).

The subject property is surrounded by National Park Service land and does not have road access or utilities extended to the tract, nor are there easements allowing for roads and utilities. In an e-mail following the pre-work meeting (received by us October 16, 2014), Gary Pollock, Management Assistant, Grand Teton National Park, stated the following: "As we discussed, in regard to access for the Antelope Flats parcel, for the purposes of the appraisal you should assume that a ROW for access

²⁹ "The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. (Line 2892); and "When an opinion of reasonable exposure time has been developed in compliance with Standard Rule 1-2(c), the opinion must be stated in the report." (Line 2843). *USPAP 2012-2013 Edition*, Statement 6, Pages U90-91

³⁰ Contrary to USPAP Standards Rule 1-2(c), this definition of market value does not call for the estimate of value to be *linked* to a specific *exposure time* estimate, but merely that the property be exposed on the open market for a *reasonable* length of time, given the character of the property and its market. Therefore, the appraiser's estimate of market value shall not be *linked* to a specific exposure time when conducting appraisals for federal land acquisition purposes under these Standards. *Uniform Appraisal Standards for Federal Land Acquisitions*, 2000 Edition, Page 13.

would be provided from U.S. Highway 89, most likely somewhere on the stretch extending about a half mile north of Glacier View Turnout. Exact location would be determined based on line of sight and other factors.” Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: “I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 05-121. It is assumed that the proposed access as stated would not hinder or limit the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing National Park Service lands by the most convenient and least invasive means possible.” The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.

Reconciliation and Final Value Opinion

The cost and income capitalization approaches have not been applied. The sales comparison approach is the only approach that is applicable for the subject. The sales comparison approach indication of value is \$46,000,000—cash, which is our opinion of the value of the subject as of November 26, 2014.

The Uniform Standards of Professional Appraisal Practice states that the appraiser must develop and report “exposure time linked to the value opinion.”³¹ However, the Uniform Appraisal Standards for Federal Land Acquisitions states that opinions of market value shall not be linked to a specific exposure time.³² Thus no development or reporting of exposure time was completed. This is a jurisdictional exception to USPAP Standard Rule 1-2(c)(iv).

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Certificate of Appraisers

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and legal instructions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have performed no services, as appraisers 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The appraisal was made and the appraisal report prepared in conformity with *the Uniform Appraisal Standards for Federal Land Acquisitions*.
9. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with: Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute; the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice*, except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule; and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the American Society of Farm Managers and Rural Appraisers.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, and the requirements of the State Appraisal Board and the American Society of Farm Managers and Rural Appraisers relating to review by their duly authorized representatives.

11. As of the date of this report, John Frome, MAI, ARA, has completed the requirements of the continuing education program for Designated members of the Appraisal Institute. As of the date of this report, we have completed the requirements of the continuing education programs of the American Society of Farm Managers and Rural Appraisers.

12. We have made personal inspections of the appraised property that is the subject of this report. The inspections were made on October 7, and November 26, 2014. On the first inspection, Robert Moulton, representing the property owner, participated in the inspection; as did Gary Lay, ARA, OVS Review Appraiser; and Gary Pollock, Management Assistant, Grand Teton National Park. On the second inspection, both Mr. Moulton and Mr. Lay declined the invitation to inspect the property with us. The October 7, 2014 inspection was made on foot and the November 26, 2014 inspection was by vehicle.

13. No one provided significant or real property appraisal assistance to the persons signing this certification.

14. Our value conclusion as well as other opinions expressed herein are not based upon a requested minimum value, or a specific value or approval of a loan.

15. Our state appraisal certifications/registrations have not been revoked, suspended, canceled, or restricted.

16. In our opinion, the market value of the subject property, as of November 26, 2014 is \$46,000,000—cash.

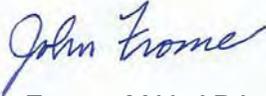
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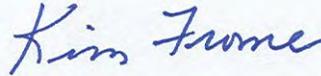
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would be provided from U.S. Highway 89, most likely somewhere on the stretch extending about a half mile north of Glacier View Turnout. Exact location would be determined based on line of sight and other factors.” Gary Lay, ARA, OVS Review Appraiser authorized the use of the following: “I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 05-121. It is assumed that the proposed access as stated would not hinder or limit the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing National Park Service lands by the most convenient and least invasive means possible.” The appraisal is made under this extraordinary assumption. The use of this extraordinary assumption might have affected the assignment results.



John Frome, MAI, ARA
Wyoming Certified General Appraiser #31



Kim Frome, ARA
Wyoming Certified General Appraiser #423

Addenda

1. Statement of Work
2. Jorgensen Associates Report
3. Mineral Report

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 1
2. AMENDMENT/MODIFICATION NO. 0002	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY DOI, Office of Valuation Services 12136 W. Bayaud Avenue, Suite 105 Lakewood CO 80228	CODE D60	7. ADMINISTERED BY (If other than Item 6) DOI, Office of Valuation Services 12136 W. Bayaud Avenue Suite 105 Lakewood CO 80228	CODE D60
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) JOHN FROME & ASSOCIATES 506 CR 172 GROVER WY 83122-0000		(x) 9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)
CODE 0070436561 FACILITY CODE		X 10A. MODIFICATION OF CONTRACT/ORDER NO. D14PX00309	10B. DATED (SEE ITEM 13) 08/28/2014

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers is extended. is not extended.
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO., AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 52.212-4(c) Changes
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not. is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

This no-cost modification hereby:

1. Replaces Attachment D.1: Statement of Work, dated August 05, 2014 with Attachment D.1: Statement of Work, dated September 08, 2014.

All other terms and conditions remain unchanged.

Payment Terms:

PP30

Period of Performance: 08/28/2014 to 02/13/2015

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) John Frome, Appraiser/President	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Adeyanju Woolfolk
15B. CONTRACTOR/OFFEROR <i>John Frome</i> (Signature of person authorized)	15C. DATE SIGNED 9/15/14
16B. UNITED STATES OF AMERICA <i>Adeyanju Woolfolk</i> (Signature of Contracting Officer)	16C. DATE SIGNED 16 Sep 2014

STATEMENT OF WORK (SOW)
Office of Valuation Services

Agency Case ID: GRTE 05-121, GRTE 06-102

IVIS Number #00065217, #00065218

SECTION 1 – Subject Identification & General Information

Identification

Case Name GTNP-Non-Federal
Location Teton County, Wyoming
Acreage Parcel GRTE 05-121: 640 acre(s)
 Parcel GRTE 06-102: 640 acre(s)

Property Type Vacant Land
Case Type Exchange

Client

U.S. Department of Interior, Office of Valuation Services (OVS)

Intended Users

The intended users of the appraisal report are the National Park Service and the Bureau of Land Management on behalf of the United States of America, and the **State of Wyoming Board of Land Commissioners by and through the Office of State Lands and Investments.**

Intended Use

The appraisal report will be used for a proposed land exchange of the identified properties. It is not intended for any other use.

Property Description

The subject property consists of two non-contiguous parcels of vacant land. In general the properties are made up of a mixture of sagebrush scrublands and native grasses with small pockets of deciduous and coniferous trees:

NPS Tract No.	Gross Acres (Land)	Estate	Improvements
05-121	640.00	Fee simple**	None
06-102	640.00	Fee simple**	None

**Parcels include surface and subsurface estates, any encumbrances are noted in the Commitment for Title Insurance included with this SOW.

Legal Description

Township 43 North, Range 115 West, 6th P.M.

Section 16: All

Section 36: All

Property Interest

Fee Simple Estate subject to all reservations of record

Outstanding Rights and Reservations

There are no known unrecorded documents, agreements, easements and/or encumbrances. Outstanding rights of record are included in the Commitment for Title Insurance included in the Addendum to this SOW. Each exception to title should be analyzed and its effect on value, if any, should be discussed in the appraisal report.

Personal Property

None

Property Access Physical and Legal

According to information provided, the access varies on the subject parcels. Parcel #06-102 is reported to have legal, insurable access via the Gros Ventre Road. Parcel #05-121 is reported not to have legal insurable access (currently). However, Public Law 81-787, which established Grand Teton National Park, specifically directs the Secretary of the Interior to designate rights-of-way over and across Federal lands within park boundaries to and from State and private land inholdings. Therefore, the appraiser will be instructed to appraise both parcels (#06-102 and #05-121) as having legal access.

Ownership/Occupant

State of Wyoming

Tenancies

The subject properties are currently owned by the State of Wyoming. Parcel #06-102 is under a State of Wyoming Grazing and Agricultural Lease (3-6569) to Patricia Ann Hardeman, Trustee until March 1, 2022. Parcel #05-121 is not under lease or permit.

Provided Subject Property Exhibits

The following Subject Property Exhibits will be provided as attachments to the solicitation:

- a. GRTE 05-121
- b. GTNP 05-121 Commitment
- c. Map GRTE state land within park boundaries
- d. GRTE 06-102
- e. GTNP 06-102 Commitment
- f. GRTE 06-102 Encumbrance Docs

SECTION 2 – Appraisal Requirements & Instructions

Appraisal Standards

1. Uniform Standards of Professional Appraisal Practice (USPAP)
2. Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)

Market Value

Market value means 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 - Definitions.

Date of Value

The date of value is the date of the last property inspection, which must be no later than 30 calendar days prior to the submission of the completed appraisal report, unless the OVS Review Appraiser approves, in advance, other conditions in writing.

Extraordinary Assumptions (EA's)

None; the Appraiser may not assume or invoke any extraordinary assumptions without documented written approval from the OVS Review Appraiser **and consultation with the Wyoming Office of State Lands and Investments.**

Hypothetical Conditions (HC's)

The Appraiser may not invoke or use any hypothetical conditions without documented written approval from the OVS Reviewer **and consultation with the Wyoming Office of State Lands and Investments.**

Jurisdictional Exceptions (JE's)

The appraiser has been instructed to produce a UASFLA compliant appraisal. UASFLA states that "*appraisers should not link their estimates of market value made for federal acquisition purposes to a specific exposure time*", Current USPAP requirements state that if exposure time is a component of the definition of the value opinion being developed the appraiser must also develop an opinion of reasonable exposure time linked to that value. Reasonable exposure time is an element of UASFLA's definition of market value; therefore, to comply with the implied intent of UASFLA's Section B-2 a Jurisdictional Exception is hereby granted for the requirement stated in USPAP's Standard Rule 1-2 (c) (iv), specifically to the language pertaining to *EXPOSURE TIME*.

If the appraiser feels that it is warranted to further invoke USPAP's Jurisdictional Exception Rule to comply with law or UASFLA regulation, he/she must contact the OVS Review Appraiser to obtain prior written approval.

Placement in Report (when applicable)

The appraiser must clearly identify all Extraordinary Assumptions, Hypothetical Conditions, and Jurisdictional Exceptions wherever the final value conclusion is stated, including the Letter of Transmittal and the Summary of Salient Facts. These must also be communicated any General Assumptions and Limiting Conditions.

Property Inspection

The appraiser is required to make a personal inspection of the subject property as well as all of the comparable market properties used in the analyses unless specific arrangements to the contrary have been approved in writing by the assigned OVS Review Appraiser prior to the commencement of the assignment.

Currently the property in question is under the ownership of the State of Wyoming and is considered State Trust Land; therefore, permission to access the property is not a requirement.

Pre-Work Meeting

The appraiser will not be required to attend a separate pre-appraisal work meeting; however, a coordination of the representatives of the named intended users and client will be given an opportunity to accompany the appraiser during the site inspection. Any questions or concerns can be addressed at that time.

Controversies/Issues

None. Should the appraiser identify any controversies or issues during the course of assignment, he/she must immediately notify the OVS Review Appraiser identified in Attachment D.2 provided at contract award **and the Wyoming Office of State Lands and Investments.**

Legal Instructions

None.

Special Appraisal Instructions

1. Even though communication is encouraged with the client agency, only the assigned OVS Review Appraiser can modify appraisal instructions (in writing).
2. The appraiser may not communicate assignment results to any party except OVS until authorized to do so in writing by OVS.
3. Any communication (verbal or written) with the Client Agency Realty Contact shall include the assigned OVS Review Appraiser.
4. At the request of the client agency the appraiser is instructed to analyze and value each of the identified parcels (#05-121 and #06-102) as individual stand-alone units. The appraiser is instructed to produce an individual opinion of value and accompanied appraisal report for each of the identified parcels. If a larger parcel analysis concludes that the two properties would constitute one larger parcel the appraiser shall contact the OVS Review Appraiser for further instructions.

General Appraisal Requirements & Instructions

1. The appraiser must hold a valid license as a Certified General Appraiser for the jurisdiction in which the subject property is located. (*Wyoming*). Temporary certificates do not qualify
2. The OVS Statement of Work, other assignment instructions and engagement letter must be included within the Addenda to the appraisal report.
3. The appraiser must appraise the subject property in its “As Is” condition unless authorized in writing by the OVS Review Appraiser to do otherwise.
4. Color photographs and maps of comparable properties shall be included in the appraisal report. OVS will accept aerial photographs for comparable properties, unless the aerial photographs do not accurately represent the property as of the date of inspection. The appraiser must photograph any unusual property features from the ground.
5. The appraisal report will be reviewed for compliance with the terms of this Statement of Work (including all cited standards). Any findings of inadequacy will require clarification and/or correction.
6. The appraiser shall consider the appraisal report and all DOI internal documents furnished to the appraiser to be confidential. Refer all requests for information concerning the appraisal to the OVS Review Appraiser.
7. OVS will not normally accept custody of confidential information. Should appraiser find it necessary to rely on confidential information, he/she will contact the 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.
8. While the public is not an intended user of the appraisal report, the Freedom of Information Act (FOIA) and Agency policy may result in the release of all or part of the appraisal report to others.
9. If including any proprietary information in the appraisal, appraiser must gain concurrence from OVS Review Appraiser and deliver the proprietary information in a separate binder.
10. When the appraiser has performed any services regarding the subject property within the three prior years, he/she must disclose this in the bid proposal.
11. The appraiser’s scope of work must result in credible assignment results for the intended use
12. The appraiser’s conclusion of highest and best use 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.

SECTION 3 – Performance & Submission Requirements

December 31, 2014 is the due date for delivery to the OVS Review Appraiser. This initial submission will include one (1) signed hard copy of the appraisal report. The initial submitted appraisal reports will be reviewed for compliance with the terms of this Statement-of-Work, UASFLA, USPAP and the Uniform Act (PL 91-646) when applicable. Unless other arrangements have been made, OVS will review the report within twenty (20) calendar days of receipt and respond to the offeror regarding inadequacies, modifications or corrections that are deemed necessary for the credibility of the report. Any corrections or modifications requested must be completed and returned to the requestor within ten (10) calendar days.

Once the report is deemed acceptable by the OVS Review Appraiser, the appraiser will submit four (4) signed final hard copy versions, and (1) electronic copy (pdf.) of the report for final submission.

Deliverable/Task Schedule

REQUIRED DELIVERABLES	DELIVERY DATE
Initial Appraisal Report	Target date is December 31, 2014
Review Period	Review period will commence immediately upon receipt of appraisal from contractor. The contractor will receive comments from the OVS Reviewer within 20 calendar days
Comments/Revision Period	10 days after notification from the OVS Reviewer
Final Appraisal Report Delivered to OVS.	Target is January 30, 2015

Invoice Requirements – See Section B “Contract Administration Data”



Kim Frome <kimf@silverstar.com>

Fwd: Prewrite meeting and property inspection

1 message

Lay, Gary <gary_lay@ios.doi.gov>

Thu, Oct 16, 2014 at 9:12 AM

To: Kim Frome <kimf@silverstar.com>, John Frome <jofrome@silverstar.com>

Good Morning John and Kim,

Please reference the following email from Gary Pollock of the National Park Service, regarding the physical and legal access to Tract 05-121:

Hi everyone --

Hope you have been able to gather all of the information you need for appraisal of the two state parcels within the park. Sure was a great day to be out and about on the landscape.

As we discussed, in regard to access for the Antelope Flats parcel, for the purposes of the appraisal you should assume that a ROW for access would be provided from U.S. Highway 89, most likely somewhere on the stretch extending about a half mile north of Glacier View Turnout. Exact location would be determined based on line of sight and other factors.

Gary M. Pollock
Management Assistant
Grand Teton National Park &
John D. Rockefeller, Jr. Memorial Parkway
(307) 739-3428

For the purpose of the appraisal process, I am approving that an Extraordinary Assumption be applied in regards to the legal and physical access to Tract 05-121. It is assumed that the proposed access as stated would not hinder or limit the development of the property to its Economic Highest and Best Use. Also; that it is assumed that typical service utilities will be allowed to the property crossing National Park Service lands by the most convenient and least invasive means possible.

Gary L. Lay, ARA
Review Appraiser
U.S. Dept. of Interior/Office of Valuation Services
2602 1st Av. North, Room 329, Billings, MT. 59101
PO Box 2395, Billings, MT. 59103
Office 406-657-6356
Cell 720-498-2329)
Fax 406-657-6352



John Frome <jofrome@silverstar.com>

Re: Grand Teton Exchange

1 message

Lay, Gary <gary_lay@ios.doi.gov>

Wed, Jan 14, 2015 at 10:07 AM

To: John Frome <jofrome@silverstar.com>

Cc: Timothy Hansen <timothy_hansen@ios.doi.gov>, Tanya Henderson <tanya_henderson@ios.doi.gov>

John,

In regards to the issue of the required element of "Date of Value", Section 2 - Appraisal Requirements & Instructions, Statement of Work, Grand Teton National Park Land Exchange, Non Federal Parcels; **! hereby waive this requirement.** Your firm has more than adequately met the intent and purpose of the requirement and to now change the date of value to strictly comply with USPAP is unrealistic at this juncture.

The waiver of this requirement is allowed as stated in the Statement of Work. This email is to be considered and treated as written consent and your notice of the waiver.

If you have any further questions or concerns please feel free to contact me.

Gary L. Lay, ARA
Review Appraiser
U.S. Dept. of Interior/Office of Valuation Services
2602 1st Av. North, Room 329, Billings, MT. 59101
PO Box 2395, Billings, MT. 59103
Office [406-657-6356](tel:406-657-6356)
Cell [720-498-2329](tel:720-498-2329)
Fax [406-657-6352](tel:406-657-6352)

On Tue, Jan 13, 2015 at 9:53 AM, John Frome <jofrome@silverstar.com> wrote:

Gary,

During your review, you have suggested that some sections of the report lack clarity. We will provide additional clarity. USPAP under FAQ #138 indicates that when corrections are made to a report, the corrected report must show a new date of report. In doing this, the time-period allowed under the Statement of Work is not followed. Would you please revise the SOW to allow us to follow USPAP as the new date of the report will not be within 30 days of the date of value as required by the SOW.

Thanks

John

--

John Frome, MAI, ARA
John Frome & Associates
P.O. Box 128
506 CR 172
Grover, WY 83122

Tel (307) 885-9254
Cell (307) 654-1385
Fax (307) 885-1385



December 3, 2014

Ms. Kim Frome
John Frome & Associates
PO Box 128
Grover, Wyoming 83122

Re: Appraisal of State of Wyoming Parcels Located in Grand Teton National Park
Access Road and Infrastructure Construction Cost Opinion Update
Project No. 03026.03

Dear Ms. Frome –

Jorgensen Associates, P.C. is pleased to submit this updated cost opinion for road access and utility service to State of Wyoming parcels located in Grand Teton National Park. These cost opinions are for your use in the appraisals of these parcels. The specific parcels are:

1. Antelope Flats Parcel: Section 16, Township 43 North, Range 115 West, 6th P.M.
2. Kelly Parcel: Section 36, Township 43 North, Range 115 West, 6th P.M.

In 2003, Jorgensen Associates, P.C. was retained by Mr. Paul Meiling, MAI, ARA to prepare potential land development infrastructure concepts for three parcels owned by the State of Wyoming and located within Grand Teton National Park. As part of this process, JA prepared assumed 35-acre lot layout configurations with road and utility corridors to access the parcels and the lots. These costs were updated in 2010. In both iterations, cost opinions were prepared for these development concepts utilizing historical construction cost data maintained by JA.

Per your request, JA developed a scope of work and fee estimate to update these costs on October 2, 2014. For this cost update, JA was directed to limit the cost to the access road from the nearest public road to the parcel. On October 16, 2014, JA received direction from John Frome & Associates on access locations as identified by the National Park Service (enclosed).

The specific access locations are described below:

1. Antelope Flats Parcel – Section 16: This access location was requested to be on US 26, 89 between the north boundary of Section 17 and the Glacier View Turnout. The topography includes a relatively steep cut slope along the east side of the highway. The most appropriate location appears to be as far north in section 17 as possible while adhering to the Wyoming Department of Transportation's Access Manual minimum access distance from the Schwabacher Landing access road. The proposed access is assumed to be residential. This distance is 660 feet. We also assumed a deceleration lane into the access may be required.
2. Kelly Parcel – Section 36: The specific location chosen for this access is an existing access to a historic jeep trail from Gros Ventre Road. The access appears to have adequate sight distance and reasonable grades from Gros Ventre Road. The alignment appears suitable for the road to enter Section 36 just north of the Gros Ventre Road Scenic Easement. No access was included for the portion of section 36 south of the Gros Ventre Road Scenic Easement as the remaining parcel does not appear developable.



Concept road designs were prepared and are attached. The roads were designed in accordance with the Teton County Land Development Regulations and the Teton County Fire Resolution. Road functional classifications for the access roads are assumed to be Minor Local with average daily traffic volumes below 500 vehicles per day. The design speed is 25 miles per hour for rolling terrain. The road surface width is 20 feet, and the surface treatment is asphalt pavement.

JA coordinated with Lower Valley Energy (power), Silver Star (telecommunications), and 3 other area communications providers. Only LVE and Silver Star provided information on their nearest service connection locations. Neither would provide a cost for providing the actual lines or connection fees. As such, JA has assumed a linear foot cost for trenching and installing conduits for the lines to be installed from the points of connection.

Cost opinions were prepared utilizing a similar road project bid in Teton County, Wyoming in the fall of 2013. JA prepared bid summaries of estimated quantities for the Antelope Flats parcel and Kelly parcel access roads and assigned unit prices from the actual bids received for the referenced project. A contingency of 20% was assigned based upon the concept level of the designs. The bid item cost summaries are enclosed. The cost opinion for each access road is:

Antelope Flats Parcel – Section 16: \$930,000

Kelly Parcel – Section 36: \$460,000

These costs are based upon concept design plans and derived unit costs based upon recent construction experience. Actual costs will vary based upon actual development layouts and detail design information. We have appreciated the opportunity to provide our services to you. Please contact me if you have any questions.

Sincerely,
JORGENSEN ASSOCIATES, P.C.

Reed Armijo, P.E.
Project Manager

**GTNP STATE LAND PARCELS SECTIONS 16 AND 36
INFRASTRUCTURE COST OPINION
ENGINEERS OPINION OF PROBABLE COST**

ANTELOPE FLATS PARCEL SECTION 16 ACCESS

Item No.	Specification	Bid Item	Unit	Quantity	Unit Price, \$	Extension, \$
1	02001	Mobilization	LS	1	\$ 5,000.00	\$ 5,000.00
2	02110	Clearing and Grubbing	SF	74,755	\$ 0.05	\$ 3,737.75
3	02210	Topsoil Stripping and Haul to Stockpile, 6" Depth +/-	CY	1,384	\$ 5.00	\$ 6,921.76
4	02210	Unclassified Excavation	CY	3,500	\$ 30.00	\$ 105,000.00
5	02511	4" Bituminous Asphalt	TN	847	\$ 45.00	\$ 38,115.00
6	02231	6" 3/4" Crushed Gravel, Grading H, 4" Depth	TN	1,263	\$ 35.00	\$ 44,205.00
7	02190	10" Pit-run Sub-base	TN	2,150	\$ 35.00	\$ 75,250.00
8	02210	Excavation Below Sub-grade	CY	500	\$ 50.00	\$ 25,000.00
9	02735	Utility Trenching and Conduit	LF	17,950	\$ 12.00	\$ 215,400.00
10	02725	18" CMP Culvert	LF	200	\$ 40.00	\$ 8,000.00
11	02925	Revegetation Seed	SY	3,891	\$ 10.00	\$ 38,912.22
12	02280	Topsoil Placement	CY	1,297	\$ 5.00	\$ 6,485.37
13	02820	Silt Fence	LF	800	\$ 5.00	\$ 4,000.00
		20% Contingency				\$ 115,205.42
SECTION 16 TOTAL						\$ 691,232.52

DECELERATION LANE

Item No.	Specification	Bid Item	Unit	Quantity	Unit Price, \$	Extension, \$
1	02001	Mobilization	LS	1	\$ 5,000.00	\$ 5,000.00
2	02110	Clearing and Grubbing	SF	10,300	\$ 0.05	\$ 515.00
3	02210	Topsoil Stripping and Haul to Stockpile, 6" Depth +/-	CY	193	\$ 5.00	\$ 962.96
4	02210	Unclassified Excavation	CY	650	\$ 30.00	\$ 19,500.00
5	02511	4" Bituminous Asphalt	TN	146	\$ 45.00	\$ 6,552.00
6	02231	6" 3/4" Crushed Gravel, Grading H, 4" Depth	TN	211	\$ 35.00	\$ 7,371.00
7	02190	10" Pit-run Sub-base	TN	338	\$ 35.00	\$ 11,830.00
8	02210	Excavation Below Sub-grade	CY	200	\$ 50.00	\$ 10,000.00
9	02925	Revegetation Seed	SY	462	\$ 10.00	\$ 4,622.22
10	02280	Topsoil Placement	CY	154	\$ 5.00	\$ 770.37
11	02820	Silt Fence	LF	250	\$ 5.00	\$ 1,250.00
		20% Contingency				\$ 13,674.71
DECELERATION LANE TOTAL						\$ 82,048.27
SUBTOTAL						\$ 773,280.79
ENGINEERING DESIGN AND CONSTRUCTION MANAGEMENT						\$ 154,656.16
SEGMENT 16 PROJECT TOTAL						\$ 927,936.95

KELLY PARCEL SECTION 36 ACCESS

Item No.	Specification	Bid Item	Unit	Quantity	Unit Price, \$	Extension, \$
1	02001	Mobilization	LS	1	\$ 5,000.00	\$ 5,000.00
2	02110	Clearing and Grubbing	SF	48,533	\$ 0.05	\$ 2,426.65
3	02210	Topsoil Stripping and Haul to Stockpile, 6" Depth +/-	CY	899	\$ 5.00	\$ 4,493.80
4	02210	Unclassified Excavation	CY	1,000	\$ 30.00	\$ 30,000.00
5	02511	4" Bituminous Asphalt	TN	702	\$ 45.00	\$ 31,590.00
6	02231	6" 3/4" Crushed Gravel, Grading H, 4" Depth	TN	1,047	\$ 35.00	\$ 36,645.00
7	02190	10" Pit-run Sub-base	TN	1,782	\$ 35.00	\$ 62,370.00
8	02210	Excavation Below Sub-grade	CY	500	\$ 50.00	\$ 25,000.00
9	02735	Utility Trenching and Conduit	LF	7,000	\$ 12.00	\$ 84,000.00
10	02725	18" CMP Culvert	LF	130	\$ 40.00	\$ 5,200.00
11	02925	Revegetation Seed	SY	2,267	\$ 10.00	\$ 22,667.78
12	02280	Topsoil Placement	CY	756	\$ 5.00	\$ 3,777.96
13	02820	Silt Fence	LF	700	\$ 5.00	\$ 3,500.00
		20% Contingency				\$ 63,334.24
SECTION 36 SUBTOTAL						\$ 380,005.42
ENGINEERING DESIGN AND CONSTRUCTION MANAGEMENT						\$ 76,001.08
SEGMENT 36 PROJECT TOTAL						\$ 456,006.51

Terri Zullo

From: Kim Frome
Sent: Thursday, October 16, 2014 12:35 PM
To: Reed Armijo
Subject: Re: GTNP State Parcels
Attachments: Sec 16 Access Area.pdf; Sec 36 Access-Utilities.pdf

Reed,
We heard back from the feds on roads/utilities.

On Sec. 16, they say access will be from the highway somewhere between the north line of Sec. 17 and north of Glacier View turnout. They are concerned about traffic so they don't want it right at Glacier View, but they are leaving it open at to the exact location to allow for what makes the most sense, I guess. I've attached a rough map (appraiser-style) that has the area they'll allow the road to be located highlighted in red/pink. Since utilities are not at the highway, it looks like power would need to come from the east where there's a transmission line along Shadow Mountain Road. We did not see phone along Shadow Mountain Road and if it's not there, the closest lines we saw were at the junction of Antelope Flats Road and Mormon Row. Perhaps you have a better handle on that than we do.

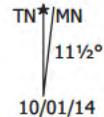
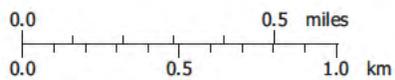
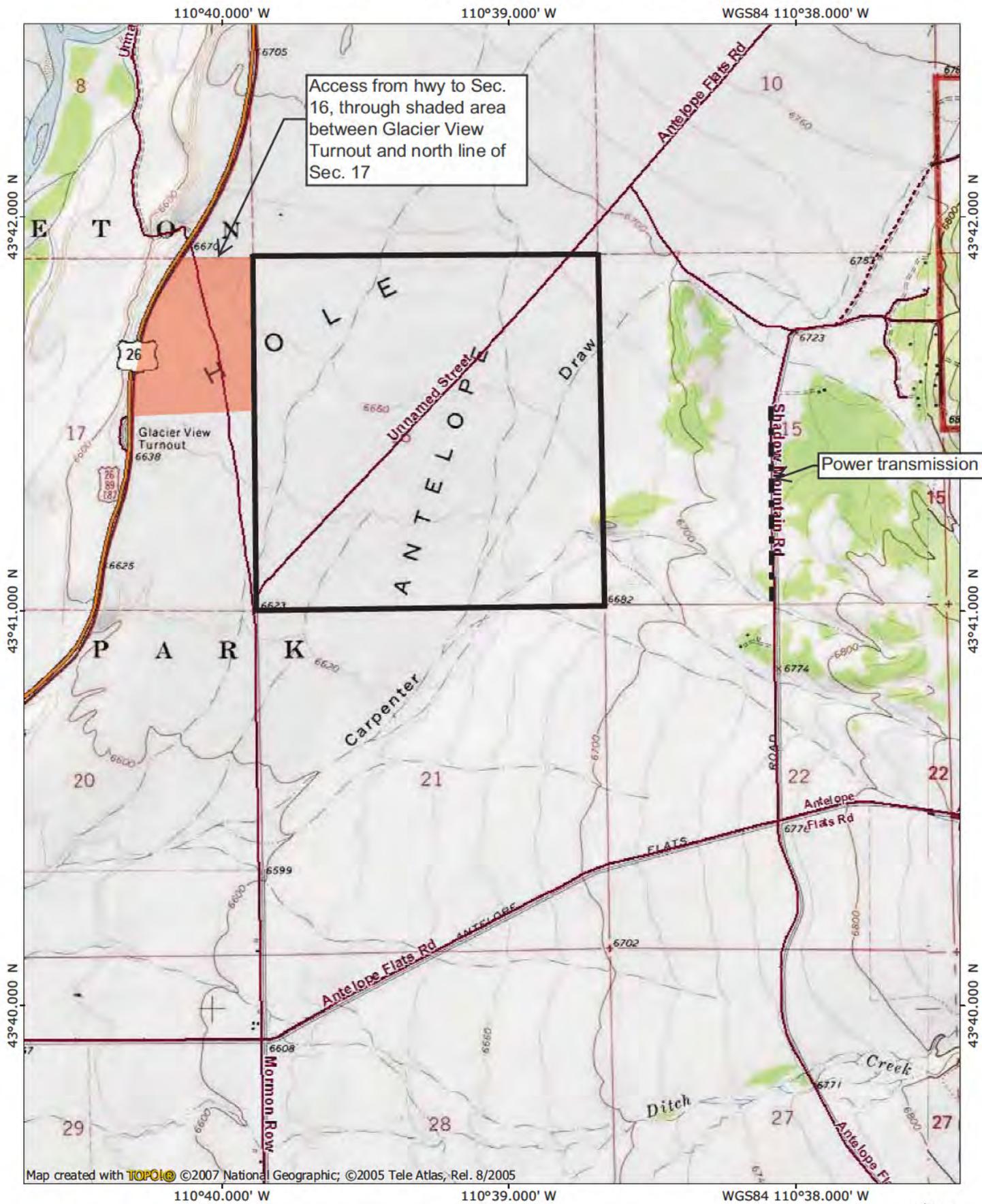
Section 36 is more complicated. You're aware of the scenic easement running through Sec. 36 from your prior work. The info we've gotten is they won't allow roads and utilities across the scenic easement. But they will allow it across other park land in Sec. 35 to the west. They say the access roads would begin in the "easterly portion of Section 35" and run to the part of Sec. 36 north of the scenic easement and south of the scenic easement, both of which extend 600 feet north of the center line of the road. They have not determined an alignment so it will just have to be what makes the most sense. Power is along the south line of Section 36, but it will need to be run to the north part along the road. I'm not sure about the location of phone--perhaps you know from the prior work. If not, we'll need to investigate that.

We appreciate your patience on this. We thought we'd have this information by 10/14, but I guess the delay wasn't that bad. If you have any questions just let me know.

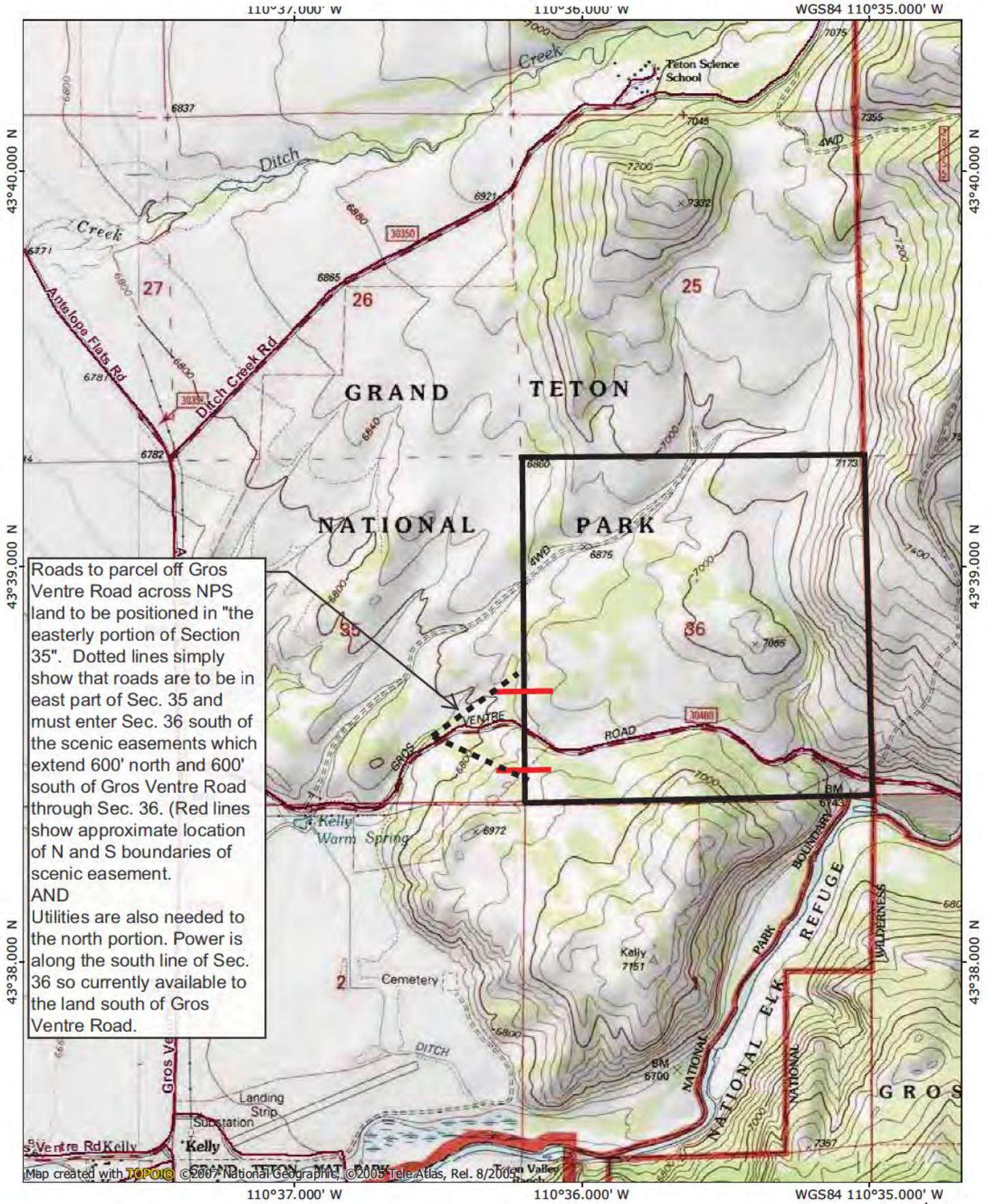
Thanks,
Kim

Kim Frome
John Frome & Associates
PO Box 128
Grover, WY 83122
307-885-9254
307-248-1575 (cell)

Subject Tract 05-121, Section 16 Topography Map

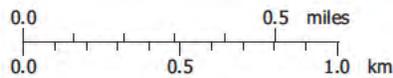


Subject Tract 06-102, Section 36 Topography Map



Roads to parcel off Gros Ventre Road across NPS land to be positioned in "the easterly portion of Section 35". Dotted lines simply show that roads are to be in east part of Sec. 35 and must enter Sec. 36 south of the scenic easements which extend 600' north and 600' south of Gros Ventre Road through Sec. 36. (Red lines show approximate location of N and S boundaries of scenic easement. AND Utilities are also needed to the north portion. Power is along the south line of Sec. 36 so currently available to the land south of Gros Ventre Road.

Map created with TOPOIG ©2007 National Geographic, ©2005 Tele Atlas, Rel. 8/2005



TN* MN
11 1/2°
10/01/14

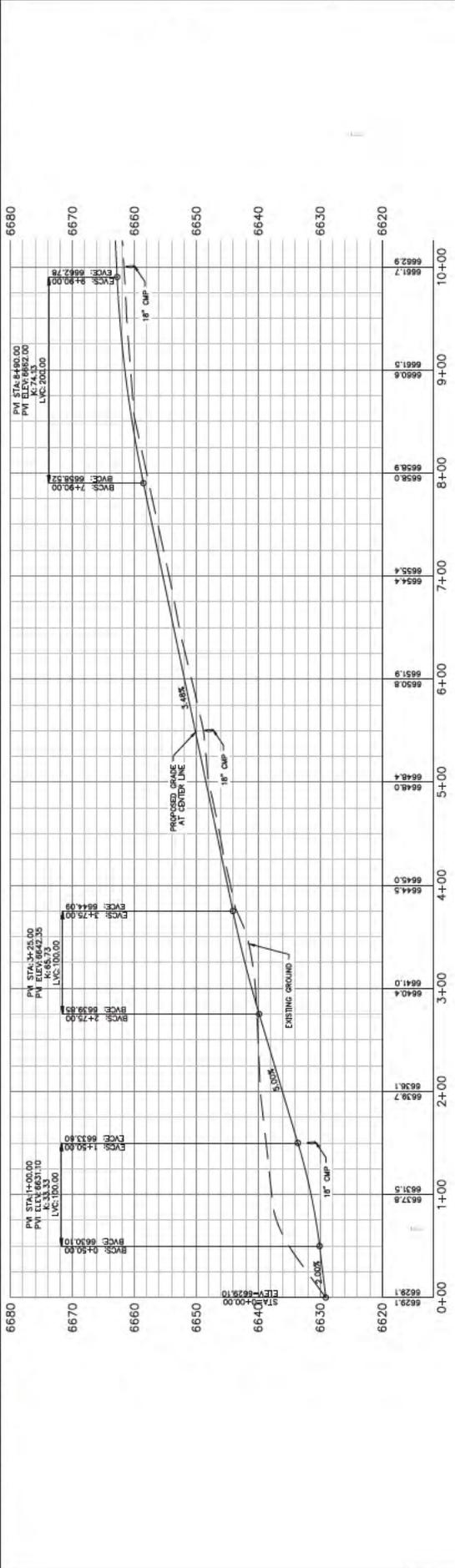
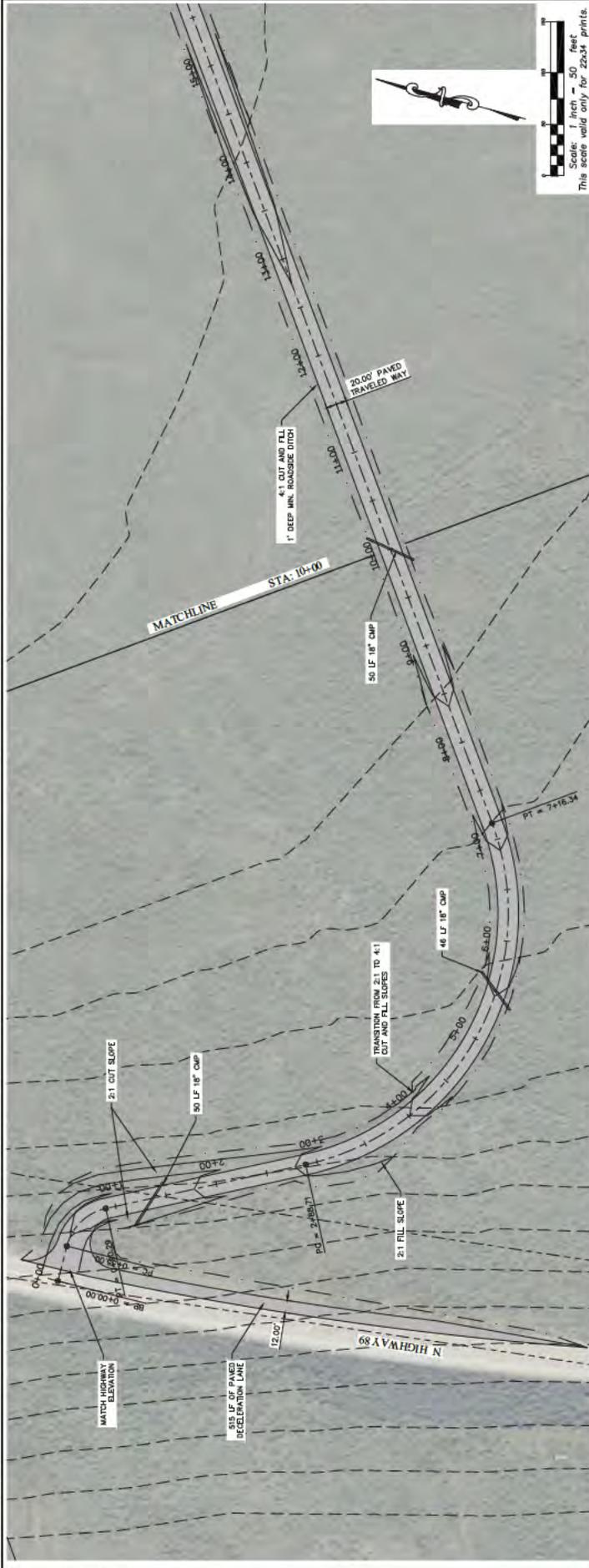
REVISION	DATE	DESIGNED	CHECKED

PROJECT TITLE:
 GNTF State Land Parcels
 Infrastructure Cost Option
 John Frome and Associates
 Teton County, Wyoming

PLAN AND PROFILE
 STA: 0+00 TO STA: 10+00

PROJECT NUMBER:
 03026.01

SHEET TITLE:
 C2.1



Station	Elevation	Notes
0+00	6629.1	BVCS: 6450.00
1+00	6637.8	BVCS: 6450.00
2+00	6638.7	BVCS: 6450.00
3+00	6640.4	BVCS: 6450.00
4+00	6644.5	BVCS: 6450.00
5+00	6648.4	BVCS: 6450.00
6+00	6650.8	BVCS: 6450.00
7+00	6654.4	BVCS: 6450.00
8+00	6658.0	BVCS: 6450.00
9+00	6661.5	BVCS: 6450.00
10+00	6662.9	BVCS: 6450.00

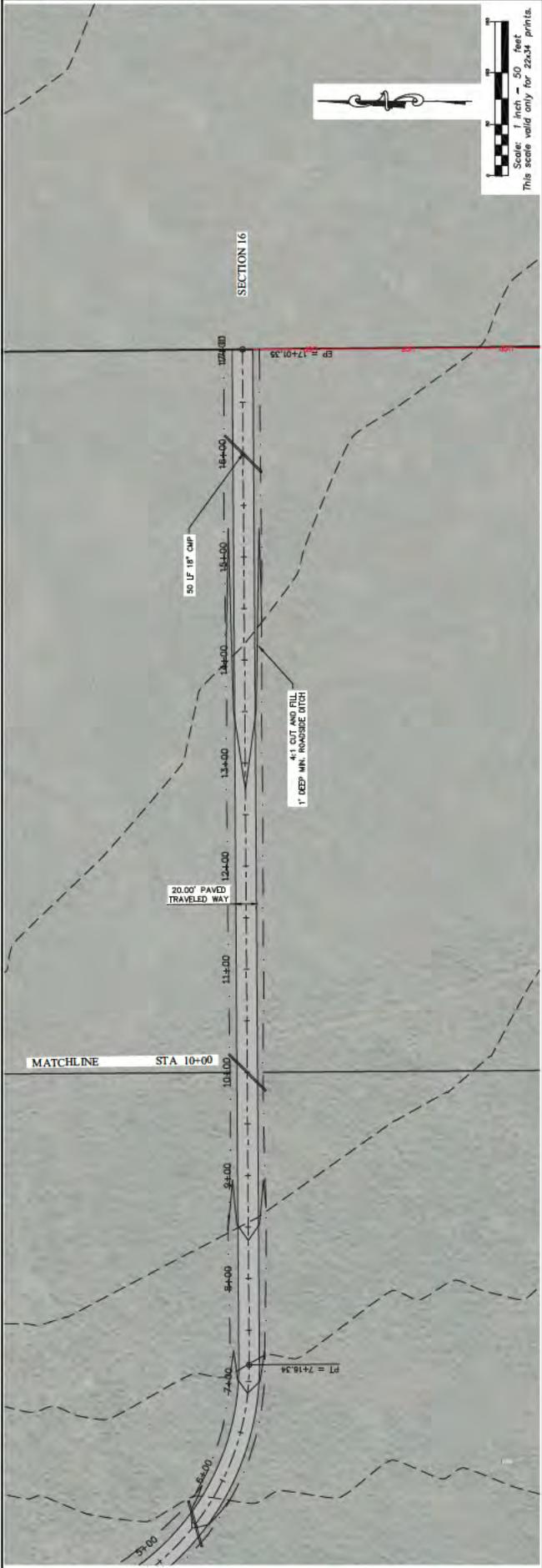
DATE	BY	APPROVED
11/24/2018	AS	SA

SECTION 16 ACCESS
 PLAN AND PROFILE
 STA: 10+00 TO STA: 17+01

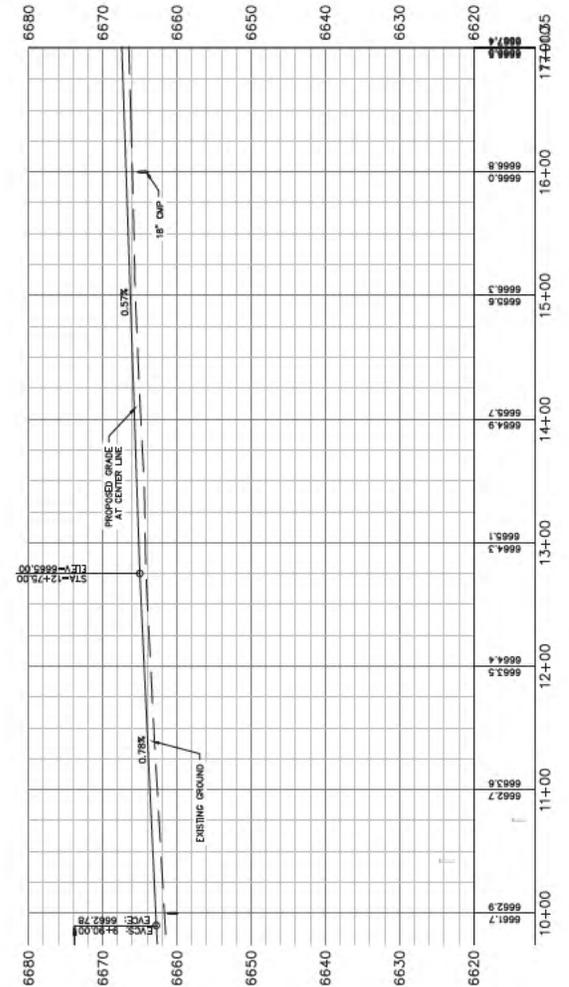
PROJECT TITLE:
 GNTF State Land Parcels
 Infrastructure Cost Option
 John Frome and Associates
 Teton County, Wyoming



PROJECT NUMBER:
 03026.01
 SHEET:
 C2.2



Scale: 1 inch = 30 feet
 This scale valid only for 24x36 prints



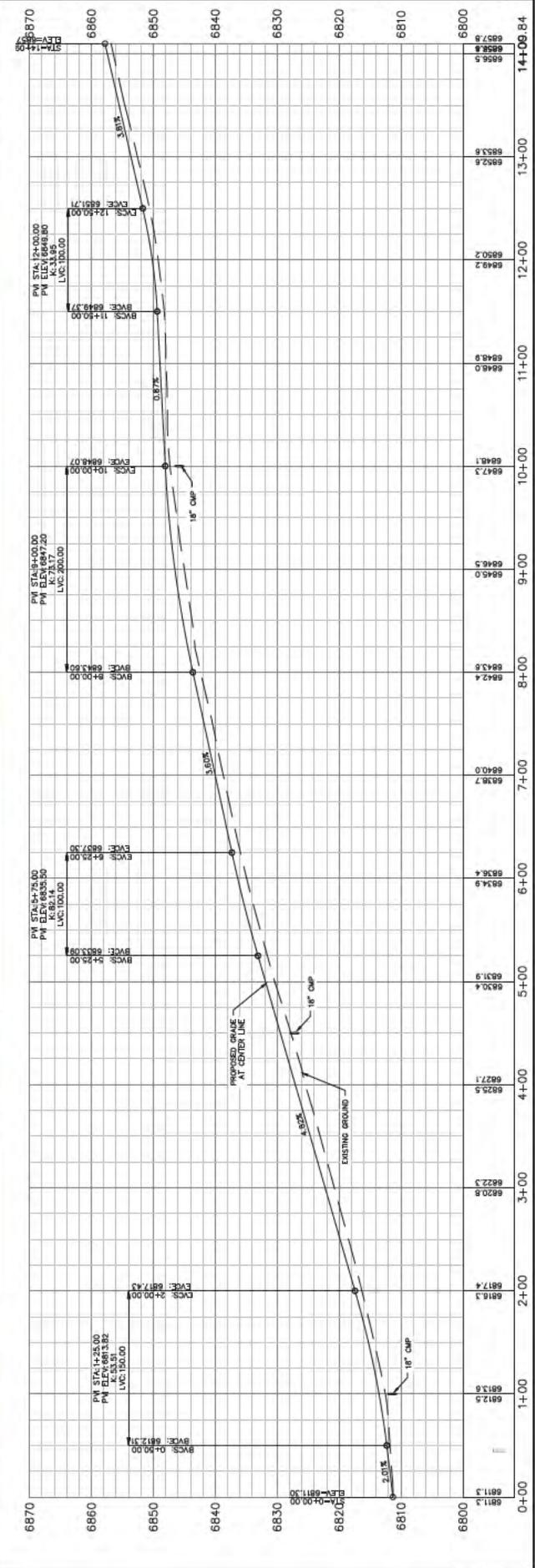
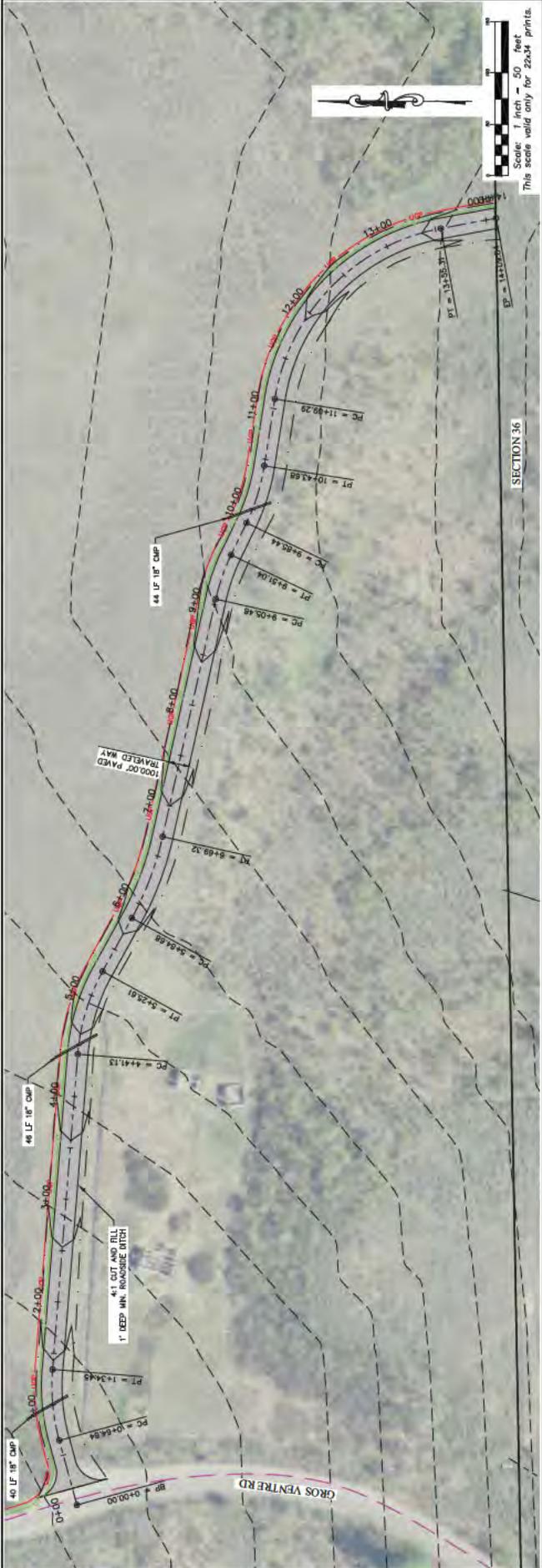
REVISION	DATE	BY	APPROVED

SECTION 36 ACCESS
 PLAN AND PROFILE
 STA: 0+00 TO STA: 14+10

GNTF State Land Parcels
 Infrastructure Cost Option
 John Frome and Associates
 Teton County, Wyoming

JORGENSEN ASSOCIATES, PC
 713.336.9574 • 2000 E. 10th St., Suite 200 • Jackson, Wyoming 83202
 jorgensenassociates.com

PROJECT NUMBER
 03026.01
 SHEET
 C2.3





United States Department of the Interior
OFFICE OF THE SECRETARY
Office of Valuation Services

OFFICE OF MINERALS EVALUATION
12136 W. Bayaud Avenue, Suite 120
Lakewood, Colorado 80228

August 18, 2014

Memorandum

To: Bureau of Land Management, Wyoming State Office

From: Ryan Z. Taylor, Geologist *RZT*

Through: *rd* Robert Davidoff, Chief OME
CHRISTINE SADLER, RPA

Subject: Mineral Potential Report for the State of Wyoming Land Exchange with the Grand Teton National Park

The attached mineral valuation report is in response to a request from the Chief, Office of Valuation Services for the BLM, Wyoming State Office, dated August 7, 2014, (also see attached SOW). This report estimates the mineralization and development potential of minerals associated with the following lands:

Legal Description:

Tract 05-121, Section 16 (Antelope Tract), T. 43 N., R. 115 W., 6th PM; and
Tract 06-102, Section 36 (Kelly on Gros Ventre Road Tract), T. 43 N., R. 115 W., 6th PM,
Teton County, Wyoming.

If you have any questions, you may contact Robert Davidoff at (303) 969-5937.

Attachments

CC Tim Hansen

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**U.S. Department of the Interior
Office of Valuation Services**

**National Park Service,
Grand Teton National Park
IVIS Request: 65217 and 65218
State of Wyoming Land Exchange
Mineral Potential Evaluation**

August 2014

**Office of Minerals Evaluation
12136 West Bayaud Avenue
Suite 120
Lakewood, Colorado 80228
303-969-5944**

**BLM-2014-03
IVIS Request #65217 and #65218**

Office of Minerals Evaluation

Guiding Principle

The guiding principle of the Office of Minerals Evaluation is to provide unbiased information through mineral assessments and market analyses as it pertains to the role of minerals on Federally managed and entrusted lands. This information and these methodologies stand alone or are used to support the appraisal process to estimate fair market value.

Goals

The goals of the Office of Minerals Evaluation are to:

- Provide the Department of the Interior with the minerals expertise to make the final estimation on the minerals contribution to resource issues.
- Support the Indian Land Consolidation Act (ILCA), American Indian Probate Reform Act (AIPRA), and other relevant directives by providing expert analysis of minerals information.
- Establish and maintain a system of records in accordance with trust responsibilities.
- Employ the appropriate level of analysis that considers economies of scale and the use of the best available minerals information to support fair market value estimation.
- Operate under good business principles by providing high-quality services in a cost effective and timely manner.
- Support the Buy-Back Program (BBP).

NOTICE!



1. ACCESS TO THESE RECORDS IS LIMITED TO ***AUTHORIZED PERSONS ONLY.***
2. INFORMATION MAY NOT BE DISCLOSED FROM THIS FILE UNLESS PERMITTED PURSUANT TO 43 CFR 2.56.
3. THESE RECORDS MAY NOT BE ALTERED OR DESTROYED EXCEPT AS AUTHORIZED BY 43 CFR 2.52.
4. THE PRIVACY ACT CONTAINS PROVISIONS FOR CRIMINAL PENALTIES FOR KNOWINGLY AND WILLFULLY DISCLOSING INFORMATION FROM THIS FILE UNLESS PROPERLY AUTHORIZED.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF VALUATION SERVICES
OFFICE OF MINERALS EVALUATION

MINERAL POTENTIAL REPORT

REQUESTING AGENCY: Bureau of Land Management, for the Grand Teton National Park, National Park Service
PURPOSE OF VALUATION: IVIS CASE # 65217 and #65218
SUBJECT: Mineral Potential Evaluation for the State of Wyoming Land Exchange
REQUEST DATE: August 7, 2014
AREA: Teton County, Wyoming

PROPERTY REVIEWED: State of Wyoming; Tracts 05-121 (Antelope Flats), and Tract 06-102 (Kelly on Gros Ventre Rd), Teton County, Wyoming.

LEGAL DESCRIPTION: Section 16 and 36, T. 43 N., R. 115 W., 6th PM, Teton County, Wyoming.

ACRES: 1280 ± Total Acres

IS PROPERTY IN PRODUCTION.....No

SUMMARY:

<u>Commodity</u>	<u>Potential of Occurrence</u>	<u>Potential for development</u>
Oil and Gas	No currently recognized potential	No currently recognized potential
Sand, Gravel, Aggregates	Low	No currently recognized potential
Geothermal	Moderate	Low

REPORT AND CONCLUSIONS

PURPOSE

The purpose of this mineral potential report is to estimate the occurrence and development potential of any valuable mineral deposit associated with the Subject Tracts. The Subject Tracts described herein are currently owned by the State of Wyoming (see **Figure 1**):

Legal Description:

Tract 05-121, Section 16 (Antelope Tract), T. 43 N., R. 115 W., 6th PM; and
Tract 06-102, Section 36 (Kelly on Gros Ventre Road Tract), T. 43 N., R. 115 W., 6th PM,
Teton County, Wyoming.

GEOLOGY

According to the Geologic Map of Wyoming¹, Tract 05-121 is located in Quaternary gravels, and alluvial fan deposits. The bedrock geology of that parcel is not known. Tract 06-102 also contains Quaternary alluvial and colluvial deposits as well the Miocene Teewinot Formation, which is a lacustrine clay, tuff, and limestone. See **Figure 2** for the geology of the Subject Tracts.

SUBJECT'S LOCATION RELATED TO OIL AND GAS FIELDS / FORMATIONS / DEVELOPMENT OR CONSERVATION AREAS

The subject tracts are not located within any know oil or gas field or development area. In fact, according to *IHS Enerdeq*, there are no oil and gas wells with reported production in Teton County.

LEASING

BLM LR2000 as well as the Wyoming Office of State Land and Investments websites were searched for the presence of leases. None were found in the vicinity of the Subject Tracts.

OIL AND GAS POTENTIAL

Within 6 miles of the Subject Tracts, *IHS Enerdeq* has record of 5 wells being drilled. Two of these wells were drilled in the 1940s, two in the 1950s, and one in 1976. All five wells are abandoned, and have never produced any hydrocarbons.

There are no indications that the Tracts contain any geologic formation capable of oil and gas in economic qualities.

At the time of this report there is no currently recognized potential for the presence of oil and gas in economic quantities within the Subject Tracts. **Therefore there is no currently recognized potential for the development of oil and gas on the subject tracts.**

¹ Love, J.D., and Christiansen, A.C., 1985, Geologic map of Wyoming: U.S. Geological Survey Geologic Investigations Series; 1:500k.

SAND / GRAVEL / AGGREGATE MINERALIZATION

As mentioned previously, the subject tracts are mapped to contain gravel and alluvial deposits². However, detailed geologic mapping, drilling, sampling, and engineering testing would be required to determine the quality and quantity of the underlying mineral material (sand, gravel, building stone, and other aggregate) resources.

Based on inspection of aerial photography and information from soil survey data from the NRCS, a better picture of the on the ground conditions can be estimated.

Data points from the Gridded Soil Survey Geographic Database, and soil survey WY666³, indicate that the Subject Tracts have areas rated both “Fair” and “Poor” for sand and gravel resources (see **Figure 3**). There are no current operations near the Subject Tracts, however the soil database does show minor historic reclaimed gravel pits near them, most likely associated with initial development of county infrastructure in the area.

In 2009, Teton County updated a previous county-wide study on gravel supply and demand within the county⁴. In that study, they determined that through 2014, the current gravel supply is likely to meet the demand. Teton County has very restricted zoning and permitting conditions. The 2009 report also examined potential gravel extraction and processing sites for the entire county. The subject tracts were not identified near any potential extraction or processing sites.

In speaking with the Teton County Road and Levee Department, it was their assessment that county needs are currently being met with existing operations.

The Wyoming Department of Transportation website was checked for planned highway / state work within the vicinity of the Subject Tracts; no projects were identified.

In looking at the development potential of any gravel resources, the Wyoming Game and Fish Department has designated the area around the Subject Tracts as a crucial habitat priority area⁵. Viewing the Wyoming Interagency Spatial Database and Online Management System report for the lands involved show that the tracts are within 0.6 miles of a sage-grouse lek, and is within crucial habitat of bighorn sheep, elk, moose, and mule deer. It also overlaps with critical habitat of the Canada Lynx.

These wildlife concerns would make any attempt for surface disturbing operations associated with mining operations very unlikely due to costly environmental analysis and mitigation measures.

² Love, J.D., and Christiansen, A.C., 1985, Geologic map of Wyoming: U.S. Geological Survey Geologic Investigations Series; 1:500k.

³ Soil Survey Staff, Survey WY666, and WYgSSURGO, Natural Resources Conservation Service, United States Department of Agriculture. Web Soil Survey. Available online at <http://websoilsurvey.nrcs.usda.gov/>. Accessed 08/2014.

⁴ <http://www.tetonwyo.org/plan/docs/staffreports/2009/mfs/gravelstudy10-15-9.pdf>

⁵ <http://gf.state.wy.us/habitat/portal/index.asp>

SAND / GRAVEL / AGGREGATE POTENTIAL

The Subject Tracts are located in a rural, undeveloped area, where market demand for aggregate (sand and gravel) commodities is generally low, or expected to remain the same for the foreseeable future. Urban areas within 30 miles of the Subject Tracts, where demand may be higher include the town of Jackson (pop. 9,577) and Victor (pop. 1,928), with and the unincorporated Moose (pop. 1,812), and Teton Village (pop. 333).

There are 6 permitted sand and gravel mines already in production that are serving the Jackson market, which is the largest in the area (see **Figure 4**).

It is highly unlikely a new aggregate operation on or near the Subject Tracts would be economic, or even permitted given: 1) the potentially unfavorable geology of the area; 2) initial start-up capital costs; 3) competition from established operations; 4) restriction zoning within the county; 5) environmental concerns associated with the area for wildlife (elk, sage grouse, and others).

Therefore at the time of this report, the potential for gravel and aggregate resources to be present on the Subject Tracts is low, however for the reason listed above there is no currently recognized potential for those resources to be developed.

GEOHERMAL OCCURENCE

Wyoming is certainly known for some of its geothermal hotspots; Yellowstone National Park, Hot Spring State Park in Thermopolis, and Satatoga Springs, are well known for its thermal springs. The area around the Subject Tracts contain some potential for thermal resources.

Within 1.5 miles of the Tract 06-102, the existence of two thermal springs has been identified. Both in T. 42 N., R. 115W, one named Teton Valley Warm Springs has reported temperatures are in the 17-21°C range⁶, and the other named Kelly Warm Springs has temperatures in the 25-27°C range⁷ (see **Figure 5**).

There have been no thermal waters identified on the Subject Tracts.

GEOHERMAL POTENTIAL

The Relative potential for Enhanced Geothermal System development was estimated by the National Renewable Energy Laboratory (NREL)⁸. The dataset they produced is a qualitative assessment of geothermal potential for the US based on levelized Cost of Electricity, with CLASS 1 being most favorable, and CLASS 5 being least favorable. The area around the Subject Tracts was given a rating of CLASS 3, which is more toward the less favorable side of the spectrum.

⁶ Breckenridge, R.M., Hinckley, B.S., 1978, Thermal Springs of Wyoming: Wyoming Geological Survey Bulletin 60, 104 p.

⁷ http://waterdata.usgs.gov/nwis/inventory/?site_no=13013570&agency_cd=USGS&

⁸ http://www.nrel.gov/gis/data_geothermal.html

The temperature of both nearby thermal springs is within the range for direct use⁹. However, neither spring is currently being used for any commercial purposes.

Kelly Warm Springs is owned by the Grand Teton National Park, and is therefore unlikely to be developed. Teton is privately owned by Gros Ventre Warm Springs Holdings, LLC, the extent of any geothermal development on this land is unknown, however other than holding title to the property no commercial activities appear to be taking place.

There are geothermal resources relatively near Tract 06-102, however due to the fact that no thermal water exists on the subject tracts, the potential for geothermal resources to occur is moderate.

Discovering and utilizing geothermal resources on the subject tracts would require exploration drilling and extensive testing. It is highly unlikely a commercial geothermal operation on the Subject Tracts would be economic, given: 1) currently lack of identified geothermal waters on the Tracts; 2) initial costs of exploration and testing; 3) distance to markets, and lack of nearby commercial facilities (for direct use); 5) environmental concerns associated with the area for wildlife (elk, sage grouse, and others; see above). **Therefore the development potential of geothermal resources on the Subject Tracts is low.**

OTHER MINERALIZATION / POTENTIAL

Other than the commodities listed above, there is no currently recognize potential for any other metal or nonmetal mineral commodity on the Subject Tracts.

⁹ <http://www.nrel.gov/docs/fy04osti/36316.pdf>

IVIS Request #65217 and #65218, State of Wyoming Land Exchange, Bureau of Land
Management for the Grand Teton National Park

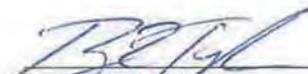
A site visit was not conducted by this office, nor was a site visit review of the Subject Tracts available at the time of this report.

SUMMARY

Based on the best available data there is limited potential for minerals of current economic value occurring on or adjacent to the Subject Tracts. The findings of the Office of Minerals Evaluation are summarized as:

<u>Commodity</u>	<u>Potential of Occurrence</u>	<u>Potential for development</u>
Oil and Gas	No currently recognized potential	No currently recognized potential
Sand, Gravel, Aggregates	Low	No currently recognized potential
Geothermal	Moderate	Low

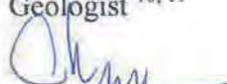
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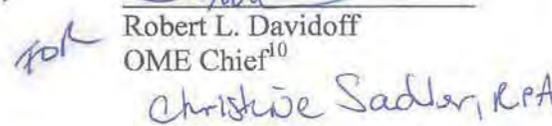


Ryan Z. Taylor
Geologist^{10, 11}

8/18/2014
Date

Technical Reviewer:



Robert L. Davidoff
OME Chief¹⁰
for 

8/18/14
Date

¹⁰ Certifications, Assumptions, and Limiting Conditions

- 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 and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest or bias in the property(ies) that is(are) the subject of this report, and I have no personal interest with respect to the parties involved.
- My engagement and compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this evaluation. No one provided significant business and/or intangible asset evaluation assistance to the person signing this certification.
- The information, estimates, and opinions furnished by the author and contained in this report were obtained from sources considered reliable and are believed to be true and accurate.
- The legal descriptions for the parcel requiring analysis assumed to be correct.
- The analysis also assumes that this parcel has been plotted correctly within the township, range, and section identified by the Tulsa Solicitor Field Office.
- This report is to be used in its entirety and only for the purpose of providing an opinion of fair market value for mineral resources on the subject lands for the owners of the estate and other governmental entities with a need for such information.
- This report is considered Federal Records and therefore the data collected and reports and conclusions supplied within this report are for the exclusive use of the U.S. Government. No disclosure is allowed of any conclusions, in whole or in part to any persons other than representatives of the U.S. Government and / or the property owner.

¹¹ Author's Statement of Qualifications, resume and signatures (where required) are on-file at the Office of Minerals Evaluation, 12136 W. Bayaud Ave., Suite 120, Lakewood, CO 80228

IVIS Request #65217 and #65218, State of Wyoming Land Exchange, Bureau of Land
Management for the Grand Teton National Park

DEFINITIONS, ASSUMPTIONS, AND LIMITING CONDITIONS:

A. DEFINITIONS:

1. Abandoned Well is a well no longer in use because it was either a dry hole, ceased to produce, or cannot be operated.
2. Barrel shall mean 42 (U.S.) gallons at 60° F at atmospheric pressure.
3. Barrel of Oil Equivalent or BOE, gross recoverable barrels in the ground of both oil and oil-equivalent gas.
4. Bonus is the amount paid for the right to lease property for oil and gas, and mineral exploration.
5. Condensate, liquid hydrocarbon recovered from natural gas.
6. Division Order, instrument showing percentage of royalty or rental divisions among royalty owners.
7. Flowing Well shall mean any well from which oil or gas is produced naturally and without artificial lifting equipment.
8. Force Pooling is the bringing together, as required by law or a valid order or regulation, of separately owned or separate interest in small tracts sufficient for the granting of a well permit under applicable spacing rules.
9. Gas shall mean any petroleum hydrocarbon existing in the gaseous phase.
10. Lease Term is the primary terms of the lease contract agreed upon by the lessor and lessee.
11. Lessee, the person who is getting the oil and gas leasehold.
12. Lessor, the mineral owner giving leasing rights.
13. Market Value is the most probable price in terms of money which a property should bring in competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
14. Mcf of Gas, 1,000 cubic feet of gas.
15. Mineral Deed, conveys ownership of ALL interest in and to all oil, gas and other minerals in and under the real property, together with the right of ingress and egress for the purposes of exploring, drilling, operating and developing said lands for oil, gas and other minerals. May be held separately from surface ownership and surface minerals.
16. Non-producing Status, a lease without producing wells or a lease with wells that have been temporarily shut-in.

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Management for the Grand Teton National Park

17. Oil or Crude Oil, any petroleum hydrocarbon, except condensate, produced from a well in liquid form by ordinary production methods.
18. Operator, the person who is duly authorized and in charge of the development of a lease or the operation of a producing property.
19. Paid Up Lease, all future rentals paid with the cash bonus at the time lease is first acquired.
20. Royalty Rate is the percentage of the proceeds paid to the lessor for the exploration of specified natural resources.
21. Surface Warranty Deed conveys ownership of the surface only, including surface mineral deposits such as sand and gravel. Does not convey subsurface values of a mineral deed. May be specified as: Less and except all of the oil, gas and other minerals lying therein and thereunder.
22. Spacing Unit, area allocated to a well by a spacing order.
23. Tight Hole, well information restricted at the order of the operator.
24. Unitization, joint operation of all or some parts of a producing reservoir.
25. Working Interest, operating interest under oil and gas lease bearing all costs of exploration and development.

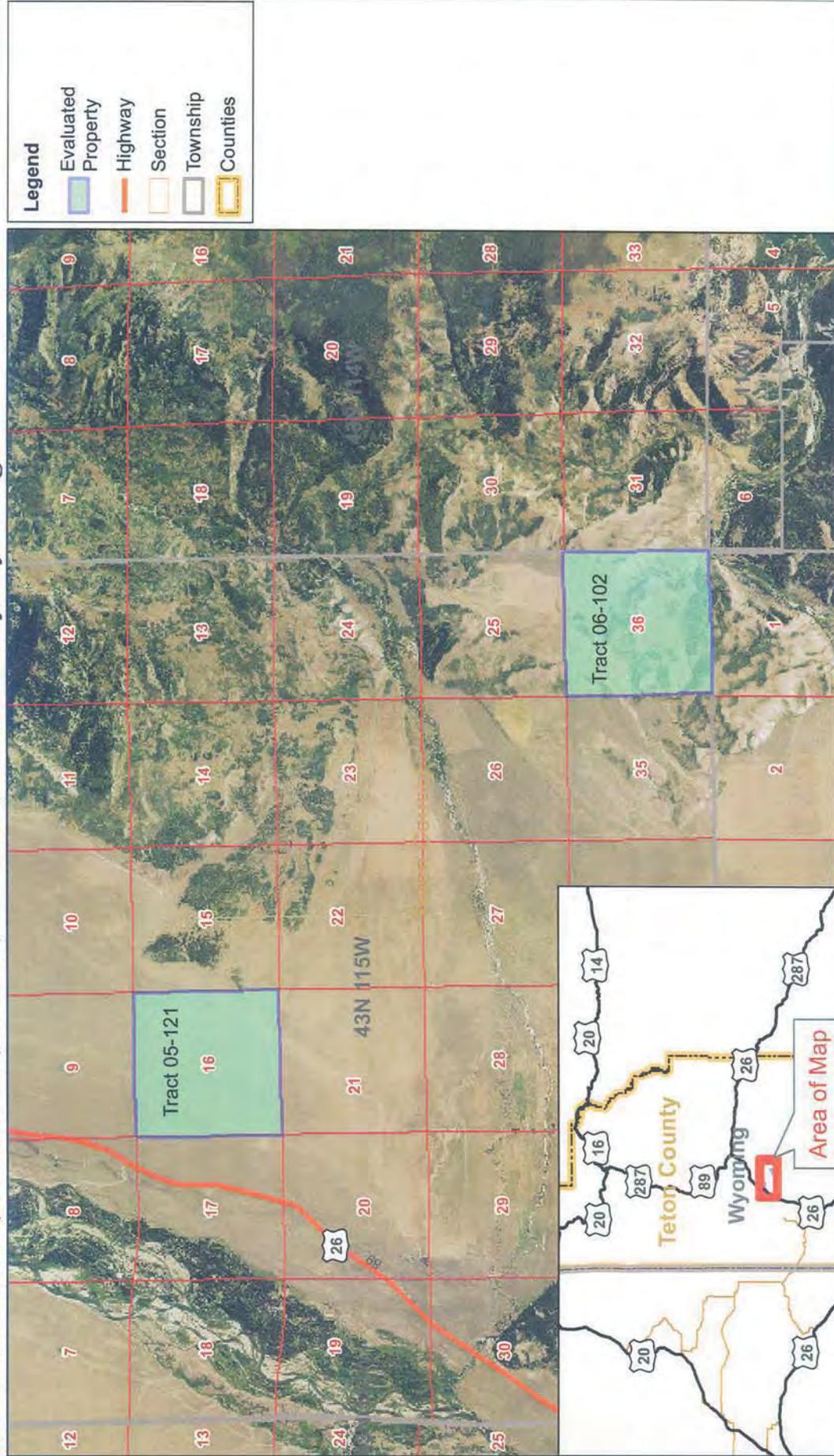
B. ASSUMPTIONS:

1. No responsibility is assumed for the legal descriptions or for other matters including legal or title considerations.

C. LIMITING CONDITIONS:

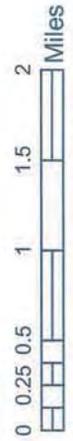
1. The information, estimates, and opinions furnished by the author and contained in this report were obtained from sources considered reliable and are believed to be true and accurate. However, the author assumes no responsibility for the accuracy of the information obtained.
2. This report is to be used in its entirety and only for the purpose of advising individual Indian petitioners involved in the reference case, the court having jurisdiction in the reference case, authorized Bureau of Indian Affairs personnel, and personnel of the Regional Office of the Solicitor.
3. This report is based in part upon material which is copyrighted under the statutes of the United States and reproduction without the express written permission of the copyright owner is prohibited.
4. SCOPE OF VALUATION: This valuation was completed after analysis of the subject area and surrounding area, and a collection of comparable sales, cost data, income data, bonuses, royalty rates, terms of lease, and other information in relationship to the subject property.

Figure 1. General location map of Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



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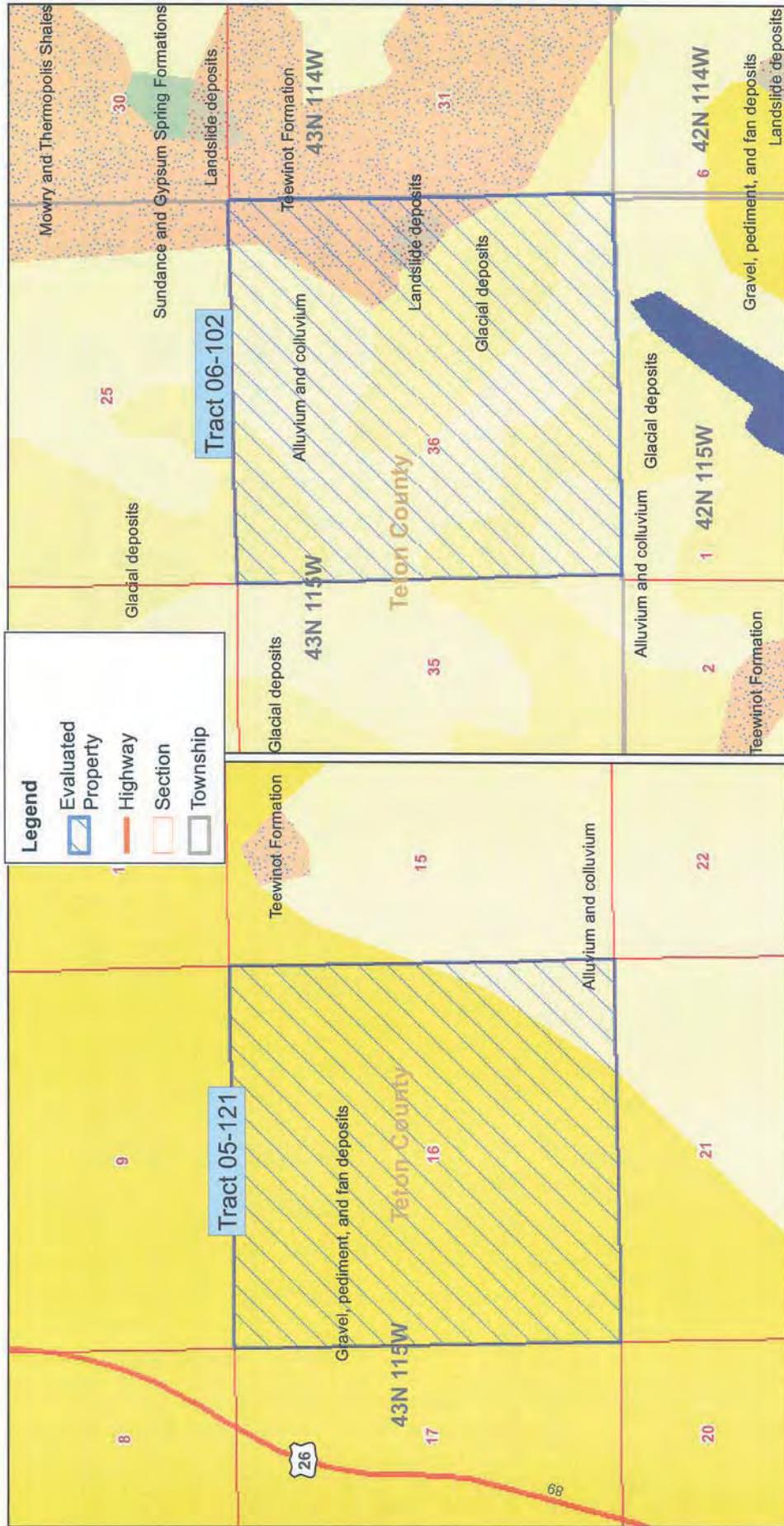
Office of Minerals Evaluation
MIS Case #65217 and #65218
August, 2014



Coordinate System: NAD 1983 UTM Zone 12N
Projection: Transverse Mercator
Datum: North American 1983

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Figure 2. General Geology of Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



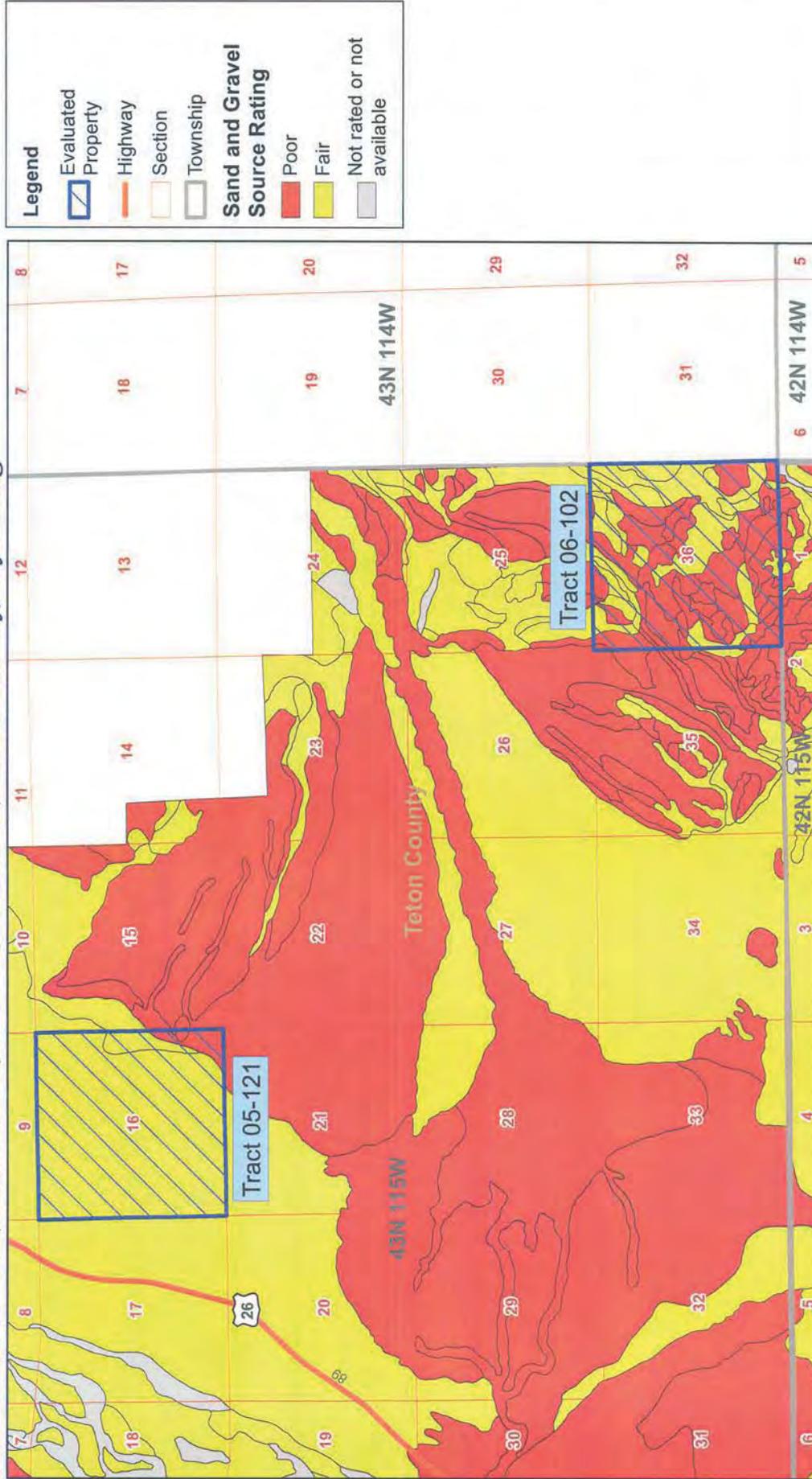
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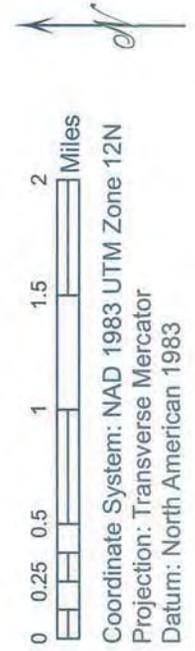
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Figure 3. Sand and Gravel Source Rating of Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



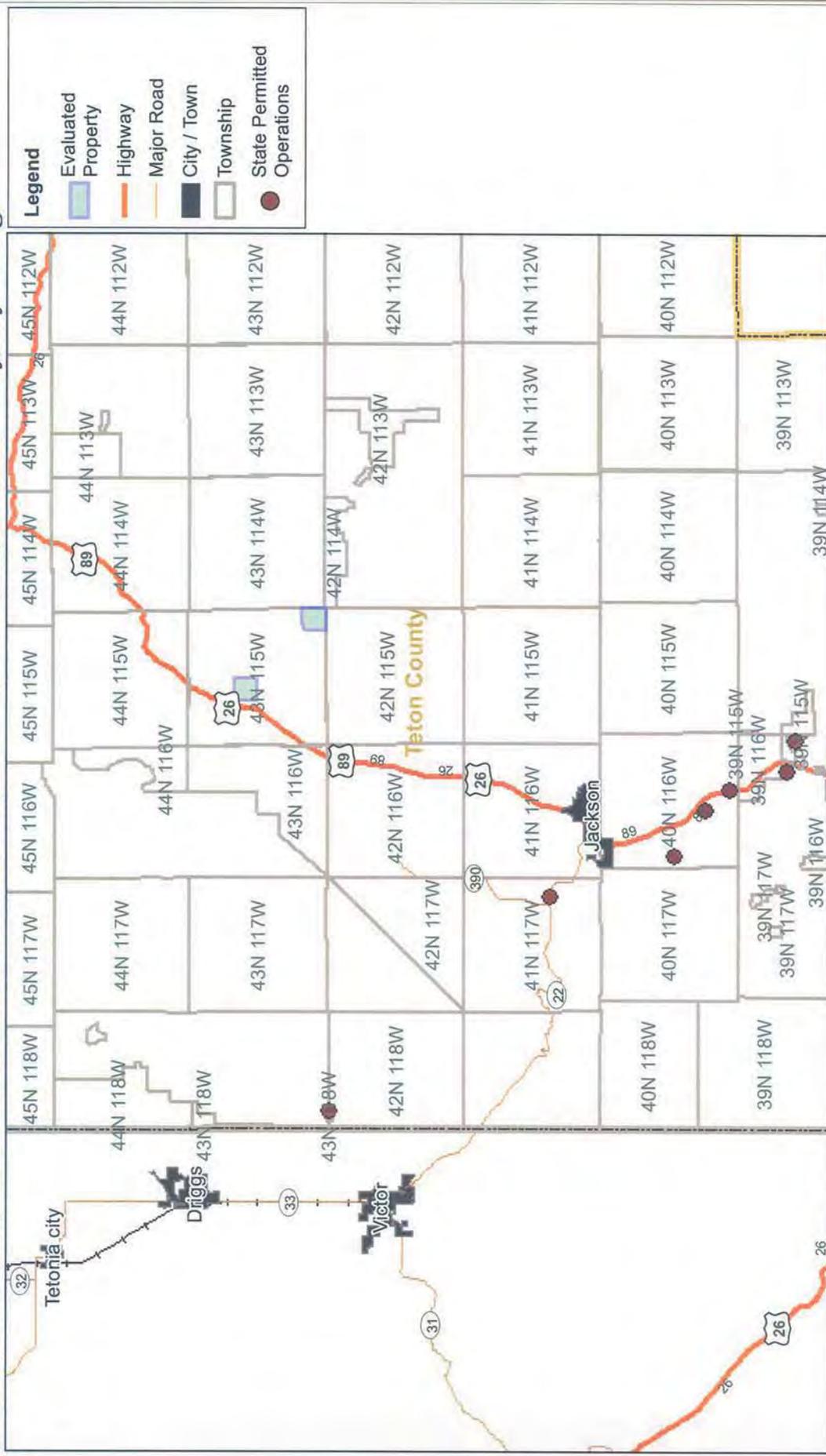
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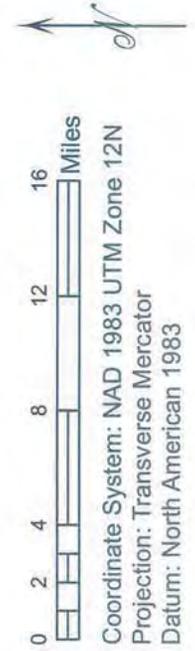
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Figure 4. Permitted Aggregate Operations Proximate to Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



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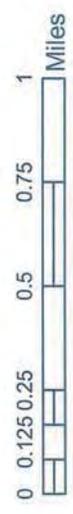
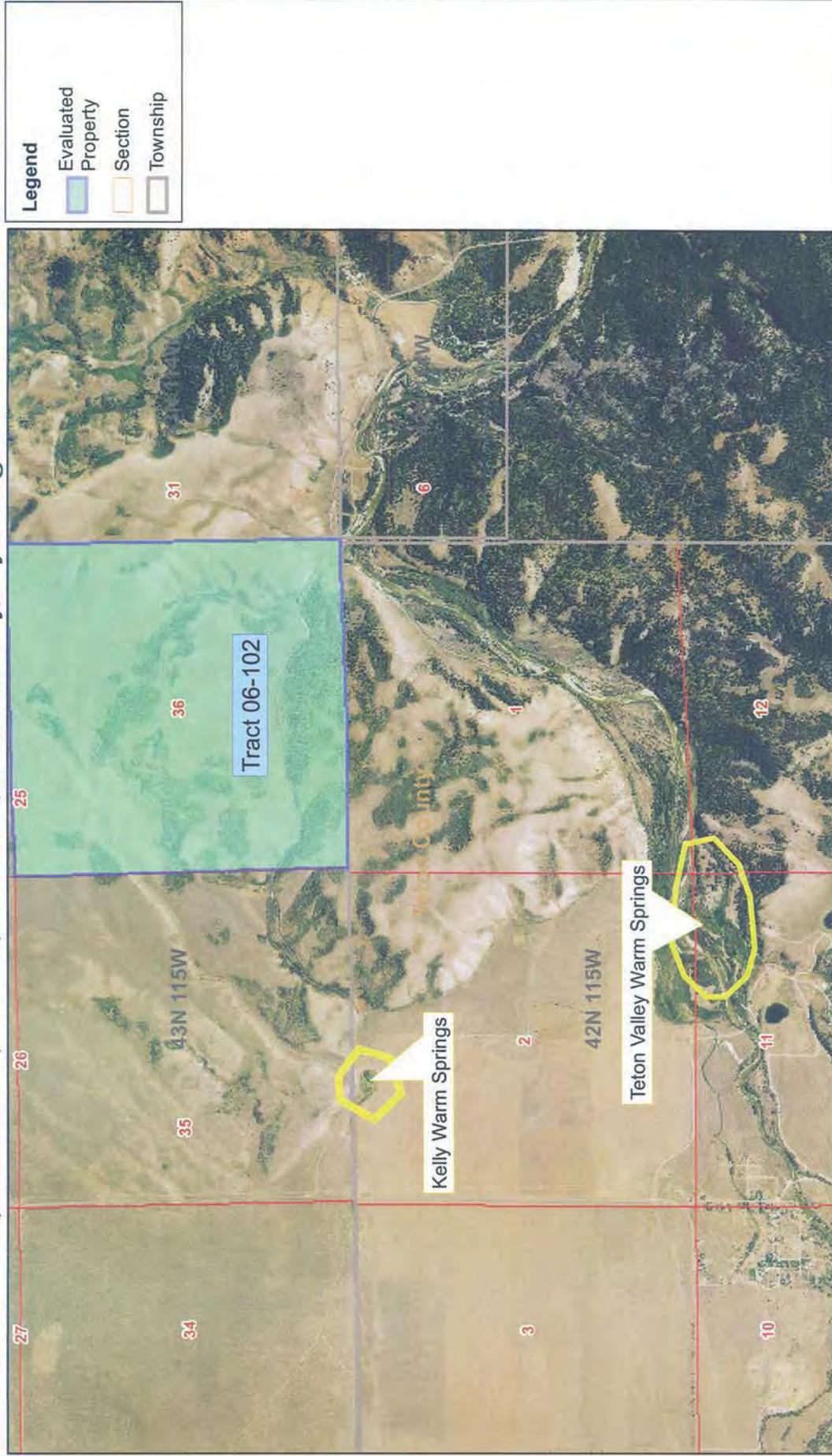
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August, 2014



Coordinate System: NAD 1983 UTM Zone 12N
Projection: Transverse Mercator
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Figure 5. Thermal Springs Proximate to Tract 05-121, Section 16, T. 43 N., R. 115 W., and Tract 06-102, Section 36, T. 43 N., R. 115 W., Teton County, Wyoming



Coordinate System: NAD 1983 UTM Zone 12N
 Projection: Transverse Mercator
 Datum: North American 1983

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