



Forest Service

Rocky Mountain Region  
Recreation, Lands, Minerals, and Volunteers  
Valuation Services

1617 Cole Boulevard, Building 17  
Lakewood, CO 80401  
Mobile (720) 614-4037

File Code: 5430

Date: January 18, 2023

Route To: 5410

**Subject:** Proposed Mt. Emmons Land Exchange – Federal Parcels (Federal Parcels 1 through 3)  
Real Estate Appraisal Review

**To:** Forest Supervisor, Grand Mesa, Uncompahgre and Gunnison National Forests

In response to your request for valuation services dated July 28, 2022, please find enclosed the Technical Appraisal Review Report of the Kevin A. Chandler, MAI appraisal dated November 30, 2022, of the Federal property involved in the proposed Mt. Emmons land exchange. It is presented in four sections: 1) Appraisal Report Summary, 2) Appraisal Review Process, 3) Review Appraiser’s Analysis, Comments, and Conclusions, and 4) Review Appraiser Certification.

One extraordinary assumption was instructed in the statement of work I authored specific for the assignment, and was employed in the appraisal. The extraordinary assumption involved the Federal Parcels 2 and 3 being unaffected by recognized environmental conditions. Three hypothetical conditions were also instructed and employed in the appraisal. The first involved the assumption that the federal parcel is in private ownership, zoned consistent with similar non-Federal properties in the area. The second involves the assumption that Federal Parcel 1 is unaffected by recognized environmental conditions. The third involves the assumption that the non-Federal party-owned improvements on Federal Parcel 1 do not exist.

The appraisal complied with the statement of work relative to larger parcel determination. The analysis concluded there are three larger parcels as summarized in the chart below. Since the larger parcel determination did not include additional Federal lands, the before-and-after appraisal methodology was not applicable nor employed. The appraisal was limited to the area encumbered by the interest proposed for the voluntary exchange. Since the appraiser concluded there are multiple larger parcels, a value analyses for each larger parcel were presented, then the appraiser further analyzed and concluded the value to a single entity rather than simply the sum of the individual larger parcel values.

Property Name	Size (acres)	County	Forest	District	Ownership
Federal Parcel 1 – Lands east of MEMC patented mineral surveys	465.84	Gunnison	GMUG	Gunnison	U.S.A.
Federal Parcel 2 – Lands west of MEMC patented mineral surveys	81.49	Gunnison	GMUG	Gunnison	U.S.A.
Federal Parcel 3 – Mineral Survey Fraction north of MEMC patented mineral surveys	3.15	Gunnison	GMUG	Gunnison	U.S.A.
<b>Federal Property: maximum of 550.48 acres</b>					

Drawing upon the data available in the marketplace, the appraiser employed the Sales Comparison Approach which the Federal courts recognize as the approach to value being normally the best evidence of market value. Analysis based upon a “per acre” unit of measure was employed.



Consistent with my delegation of authority granted July 6, 2021, I approve the appraisal for agency use. Market value of the Federal property on November 21, 2022, was concluded to be:

**TWO MILLION FIVE HUNDRED FORTY THOUSAND DOLLARS**  
**\$2,540,000**

Furthermore, a unit price of \$4,614 per acre is applicable to the Federal property as a whole at a size range of 80.00 to 640.00 acres.

The approved appraisal is valid for the intended use – basis for the potential, voluntary land exchange between Mt. Emmons Mining Company as represented by Western Land Group, Inc., and the USA, as represented by USDA Forest Service.

In accordance with FSM 5410, the appraisal report will be made available when requested; however, copies are not to be retained in Regional, Forest, or District landownership adjustment files. The Valuation Services staff, in accordance with the Appraisal and Records Management handbooks, will maintain them.

I am pleased to have been of service to you. Should you have questions, I can be reached by phone at 720-614-4037, by email at charles.brown@usda.gov, or by mail in care of the USDA Forest Service, Rocky Mountain Region, RLMV, at 1617 Cole Boulevard, Building 17, Lakewood, Colorado, 80401.

A handwritten signature in black ink, consisting of a large, loopy 'C' followed by a 'B' and a '7'.

Charles Brown, MAI  
Regional Appraiser

Enc.

cc (electronic only):

Chad Stewart, Forest Supervisor  
Jason Robertson, Recreation, Lands, Minerals, & Volunteers Director  
Lew Sovocool, Regional Landownership Adjustment Program Manager  
Nicholas Szuch, Lands Program Manager  
Amy Sutton, RO Realty Specialist

# **TECHNICAL APPRAISAL REVIEW REPORT**

**OF**

**The Kevin A. Chandler, MAI Appraisal of the 550.48 Acre,  
Federal Property Involved in the Mt. Emmons Land Exchange,  
Located in Gunnison County, Colorado**

**Reviewed By: Charles Brown, MAI, Regional Appraiser**

**Date of Appraisal Report Under Review: November 30, 2022**

**Effective Date of Appraisal Under Review: November 21, 2022**

**Date of Review: January 18, 2023**

**Review Conclusion: Approved for Agency Use**

**Opinion of Market Value Concluded in Appraisal Report: \$2,540,000**

**Presented in four sections:**

- **Section One – Appraisal Report Summary**
- **Section Two – Appraisal Review Process**
- **Section Three – Review Appraiser’s Analysis, Comments, and Conclusions**
- **Section Four – Review Appraiser’s Certification**



**USDA FOREST SERVICE – ROCKY MOUNTAIN REGION  
VALUATION SERVICES**

**Appraiser:** Kevin A. Chandler, MAI of Chandler Consulting, 979 Kite Court, Grand Junction, Colorado 81505

**Client and Intended Users of the Appraisal:** As documented on page 14 of the report, the appraiser's client is the "Forest Supervisor for the Grand Mesa, Uncompahgre, and Gunnison National Forests" and, in addition to the client, the intended users of the appraisal are "Charles Brown as Regional Appraiser for the Rocky Mountain Region, Lands/Realty personnel attached to the Grand Mesa, Uncompahgre, and Gunnison National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Council personnel, representatives of the Western Land Group, Inc., and representatives of Mt. Emmons Mining Company." This is consistent with written instruction provided by a USDA Forest Service review appraiser.

**Intended Use of the Appraisal:** Also documented on page 14 of the report, the intended use of the appraisal is to "provide a value basis for the potential and voluntary land exchange between Mt. Emmons Mining Company, as represented by Western Land Group, Inc., and the USA, as represented by USDA Forest Service, of the property identified in Exhibits A and B of the Agreement to Initiate, "as if" the federal lands were in private ownership, zoned consistent with other non-federal properties in the area, and available for sale in the open market." This language is consistent with written instruction provided by a USDA Forest Service review appraiser.

**Type and Definition of Value:** As instructed, the type of opinion of value provided was Market Value as defined at 36 CFR 254, Subpart A, 254.2. That definition appears on page 14 of the report:

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

**Effective Date of the Appraisal:** The effective date of appraisal was November 21, 2022. The last date the appraiser inspected the subject property was September 12, 2022, and the appraiser confirmed on November 21, 2022, with knowledgeable parties that the physical condition had not materially changed since the previous inspection.

**Date of the Appraisal Report:** The appraisal was presented in a report dated November 30, 2022.

**Estate Appraised:** The estate appraised consisted of all rights, title, and interests subject to any outstanding rights and reservations, identified in Exhibits A and B of the Agreement to Initiate. The outstanding rights are listed on page 16-21 of the report. The report indicates on page 14:

"The Federal Land Status Report Summary (copy in addenda) states there are no encumbrances, with road easements at Parcel 1 for Trappers Crossing or Gunnison County. Legal descriptions and outstanding rights from Exhibit B are presented on the following pages. Proposed reservations include right-of-way for ditches and canals constructed by authority of the United States, easements along forest system roads and trails, as well as various items related to unpatented mining claims, County Road 12, Forest System Road 966, special use permits held by various outfitters for winter trailhead activities, grazing permit, and deed of conservation easement. These outstanding rights and proposed reservations are discussed and analyzed in the Property Data section of this report, but only a lack of road access has an adverse impact on market value."

**Legal Description:** Land description verification (LDV) forms prepared by a USDA Forest Service surveyor and dated March 9, 2022, are on pages 31 - 34 of the report. Additionally, the subject property legal descriptions begin on page 16 of the report.

**Owner of Record:** As noted on page 7 of the report, the subject property is owned by the U.S.A.

**Scope of Work Summary:** On September 12 and 13, 2022, Kevin A. Chandler, MAI inspected the subject property with Chris Franks and Todd Robertson (representatives of the proponent), Corey Wong, me, and Nicholas Szuch (representative of U.S. Forest Service).

Information on the subject parcel and the marketing area was provided by representatives of the property owner, representatives of the Federal government, and myself. Between September 8, 2022, and November 30, 2022, the appraiser completed independent research for additional due diligence materials, conducted verification interviews, and completed various analyses. The appraisal results were presented in a report transmitted to me electronically on November 30, 2022.

The appraiser considered all three traditional approaches to value but concluded that only the Sales Comparison Approach was applicable in the valuation of the subject property. Numerous land sales, listings, etc. from the subjects' market areas were investigated and those deemed most similar with respect to location, use, and time – among other factors – were analyzed.

**Extraordinary Assumptions, Hypothetical Conditions, and Jurisdictional Exceptions:** One extraordinary assumption was instructed and employed. It was cited on page 3:

The appraisal is pursuant to an extraordinary assumption that Parcels 2 and 3 are unaffected by recognized environmental conditions (the use of which may have affected the assignment results).

Three hypothetical conditions were also instructed and employed in the appraisal. They were also cited on page 3”

In analyzing the value of the federal property, the appraiser has assumed that the lands and interests are in private ownership, zoned consistent with similar non-federal properties in the area, and are available for sale on the open market in accordance with 36 CFR 354, Subpart A, 254.9(b)(1)(ii).

Since in this proposed land exchange, Federal Parcel 1 would be conveyed to the Potentially Responsible Party (PRP), Federal Parcel 1 is appraised under the hypothetical condition that the land is unaffected by recognized environmental conditions.

In analyzing the value of the federal property, the appraiser has assumed that non-federal party owned improvements, including water treatment plant, storage buildings, and tailing storage facility, do not exist.

One jurisdictional exception was instructed and employed. It is cited on page 14 of the report.

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

**Property Characteristics Summary:** The 550.48-acre subject property consists of three parcels of land located in Gunnison County. Parcel 1 contains 465.84 acres. Parcel 2 includes 81.49 acres. Parcel 3 is a 3.15-acre mineral fraction. The property borders Gunnison National Forest, 370 acres of patented mining claims at the historic Keystone Mine, which is owned by Mr. Emmons Mining Company, and 76 acres of private mining claims under different ownership. The subject parcels are located within the Coal Creek and Oh-be-Joyful drainages on the west side of the Continental Divide, between the Slate River to the east and the Irwin Townsite to the west. The property is located about two miles west of the Town of Crested Butte, on the north side of County Road 12 (Kebler Pass Road). The property is appraised as vacant land.

The natural features of the property are discussed on page 26 of the report:

Parcel 1 is situated above Coal Creek on the southeast flank of Mt. Emmons at elevation of about 9,200 to 11,100 feet above sea level, with rolling terrain at lower portions but mostly steep slopes. Parcel 2 is within the Upper Evans Basin on the southwest slope of Mt. Emmons at Gunsight Pass, at an elevation of about 10,800 to 12,100 feet above sea level, with moderate to very steep slopes. Parcel 3 is situated in the Upper Redwell Basin on the northwest slope of Mt. Emmons (just below the summit), at an elevation of about 11,600 to 12,800 feet above sea level, with very steep slopes. Parcels 2 and 3 are about one-quarter mile and three-quarter mile upslope of Parcel 1, respectively. They have mostly rugged terrain with very good views of valley below and surrounding mountain ranges, including Mount Crested Butte looking east. Vegetation includes grasses and shrubs with aspen and conifer forest, although portions above timberline are mostly scree fields on talus slopes. The subject offers valuable wildlife habitat, with very good big-game hunting on the property and surrounding national forest, but lacks a live water amenity, creeks, ponds, or fishing opportunities.

Utilities and drainage features of the property are also summarized on page 26 of the report:

Public dry utilities include electric and telephone service by local providers, which are currently available to just Parcel 1. Because distribution lines would have to be extended to Parcels 2 and 3 for some distance at considerable cost, a more viable alternative is “off-the-grid” power by solar panels with batteries, or generators. Propane gas is typically stored in tanks for heating and cooking purposes. These high-elevation parcels receive tremendous snowfall, with heavy runoff experienced during spring, but surface drainage appears to be adequate. Parcel 1 has ample uplands available for rural homesites, but development of Parcels 2 and 3 would be more difficult due to very steep terrain.

Access to the property is summarized as follows on page 27 of the report:

Parcel 1 has legal access from County Road 12 due to its direct frontage, but not Forest System Road 732 since there is no express easement. Thus, a new driveway would have to be constructed to provide vehicular ingress/egress to the interior for future rural homesites. Parcel 2 also lacks legal access from Forest System Road 732 as it follows the northeast boundary. While Parcels 2 and 3 are 140 feet and 630 feet, respectively, away from Forest System Road 585, a private landowner would have to obtain a special use authorization from the U.S. Forest Service to construct an access driveway across intervening public domain in order to develop a residence. Parcel 2 does have pedestrian ingress/egress from Forest System Trail 585 which originates nearby at Forest System Road 585, traverses the northwest corner, and continues west and then

south to its terminus at County Road 12. It is open to travel by foot, horse, and/or bicycle, but not vehicle.

Water and mineral rights are discussed on page 28 of the report. There are no adjudicated water rights to be conveyed with the property. In terms of mineral rights, the proponent owns various unpatented mining claims that cover parcels 1 and 2, which will be relinquished at closing. The appraisal concludes there is no commercial value of mineral resources at the property.

Although known reserves exist at the subject property, there are no approved permits or authorizations for mining, which would require a lengthy process to obtain that certainly will encounter major opposition from local residents and other stakeholders. Thus, the analysis assumes there are no known mineral resources at the property with commercial value, and mineral rights would be given negligible contributory value if sold on the open market.





County Road 12 (left) and FSR 732 (right) Looking West towards Parcel 1



Parcel 1 (in foreground) Looking Southeast from Upper Portion (at FSR 732)

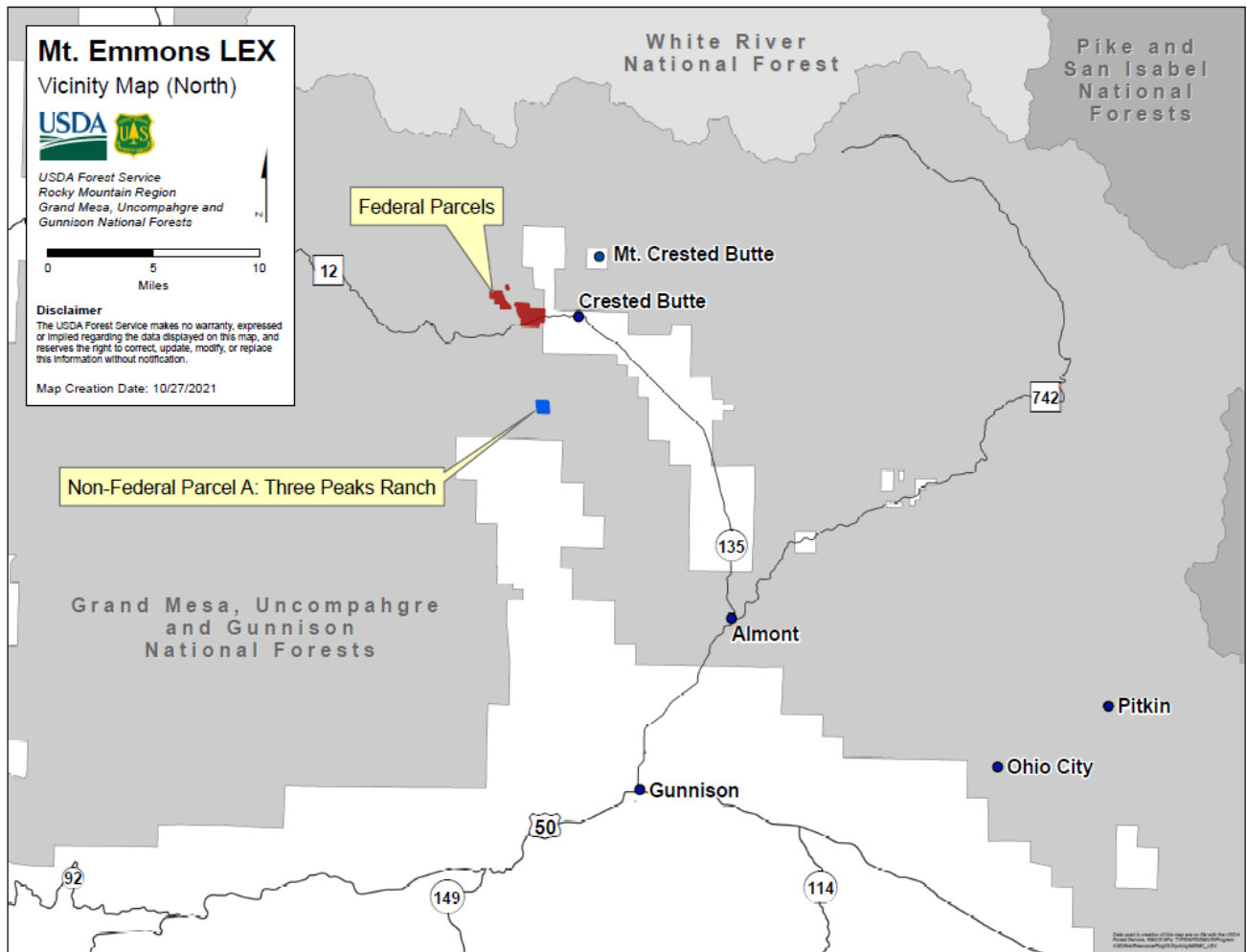


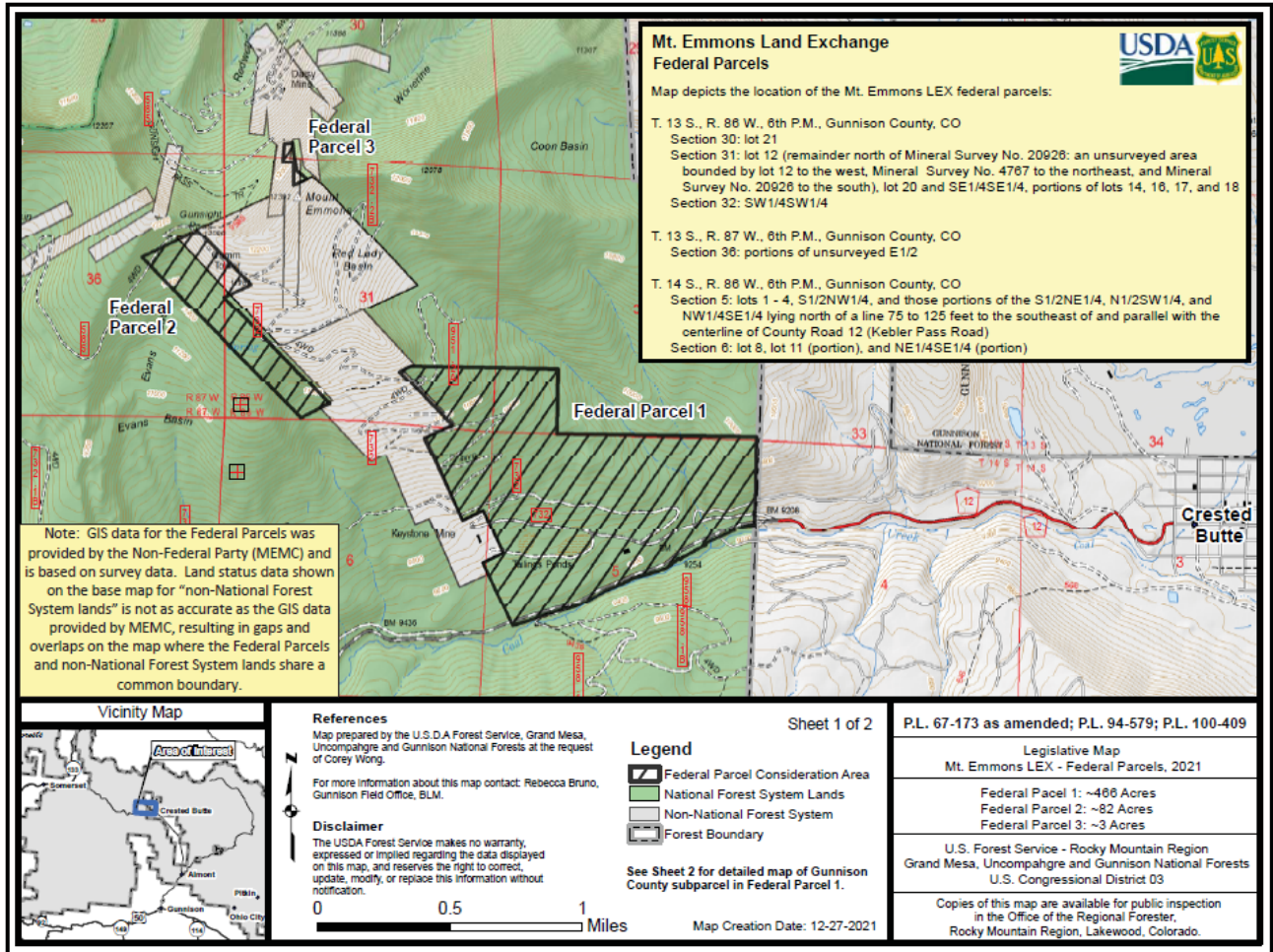


Parcel 2 (in foreground) Looking Southwest from Forest System Road 732



Parcel 3 (foreground) Looking Northwest towards Forest System Road 585





Data used in creation of this map are on file with the USDA Forest Service, OMUG NFA, T:\P\N\F\G\MUG\Program\1500NatResourcePng\GIS\Spring\MEMC\_LEX



**Larger Parcel and Highest and Best Use Summary:** After considering ownership, contiguity, and use, the appraiser concluded that each of the three Federal parcels consist of a separate larger parcel.

After analyzing the following:

- Gunnison County zoning and land development requirements
- physical attributes of the property including access, topography, and utilities availability; and
- analyses of past, present and future surrounding land uses and demand trends

the appraisal concluded the following Highest and Best Uses of the subject property appraised as three separate larger parcels:

Rural residential homesites with seasonal vehicular access at Parcels 1 and 2 (with required approvals and new driveways)

Parcel 3 is limited to recreation or assemblage by trail access

**Valuation Summary:**

The subject property consists of three separate larger parcels, identified as Parcel 1 (465.84 acres), Parcel 2 (81.49 acres), and Parcel 3 (3.15 acres). The parcels were each valued using the Sales Comparison Approach. The analysis relied on the direct comparison of six sales for parcel 1, five sales for parcel 2, and six sales for parcel 3 that were deemed to be reliable indicators of value based upon the time they were sold, location, and their respective physical attributes. A single market value conclusion was then derived for the entire Federal property, which reflects any impact on value if all three larger parcels were conveyed to one buyer in a single transaction. The comparable sales are briefly summarized below:

Parcel 1

<b>Comparable Sales</b>						
<b>Sale</b>	<b>Date of Sale</b>	<b>Seller</b>	<b>Buyer</b>	<b>Total Acres</b>	<b>Sales Price (land)</b>	<b>Price Per Acre</b>
1	10/27/22	Eagle Bluff Ranch, LLC	White Sky, LLC	660.00	\$2,600,000	\$ 3,939
2	7/14/21	Redden Ranches, Inc.	D-Bow Ranch, LLC	280.12	\$ 1,351,000	\$ 4,823
3	11/24/20	Estates of Velma Ann Rhoades	Thomas M. Turnbull	320.00	\$ 1,350,000	\$ 4,219
4	8/17/20	Richard P. Churchley	D-Bow Ranch, LLC	923.55	\$2,250,000	\$2,436
5	Pending contract	D-Bow Ranch, LLC	Confidential	1,243.67	\$ 7,975,000	\$ 6,412
6	10/30/19	Floresta Partner, LLC	Floresta Ranch, LLC	1,674.90	\$ 7,250,000	\$ 4,329

The unit of comparison used by the market was determined to be sales price per acre of land. In addition to considering financing terms of the sales, property rights conveyed, and conditions of sale, the primary elements of comparison in the analysis included market conditions (i.e., time), location, access, adjacent land uses, natural features, size, and zoning/land use.

It was concluded that there was a lack of data to derive quantified adjustments for the elements of comparison and, therefore, a “bracketing technique” was applied, using qualified (>, <, or =) comparisons of each sale overall, in relation to the subject.

After analyzing the characteristics of the sales, the following values were indicated:

- Sale 1: slightly greater than \$3,939 per acre
- Sale 2: similar to \$4,823 per acre
- Sale 3: slightly greater than \$4,219 per acre
- Sale 4: somewhat greater than \$2,436 per acre
- Sale 5: somewhat less than \$6,412 per acre
- Sale 6: slightly greater than \$4,329 per acre

The appraisal gave equal consideration to all six sales. Secondary support was also given to eight other inholding sales in the regional market area. The analysis derived a unit rate conclusion for parcel 1 of \$4,825 per acre for 465.84 acres, or an overall market value of \$2,247,678, rounded to \$2,250,000, effective November 21, 2022.

Parcel 2

<b>Comparable Sales</b>						
<b>Sale</b>	<b>Date of Sale</b>	<b>Seller</b>	<b>Buyer</b>	<b>Total Acres</b>	<b>Sales Price (land)</b>	<b>Price Per Acre</b>
1	10/27/22	Eagle Bluff Ranch, LLC	White Sky, LLC	660.00	\$2,600,000	\$ 3,939
2	7/14/21	Redden Ranches, Inc.	D-Bow Ranch, LLC	280.12	\$1,351,000	\$ 4,823
3	11/24/20	Estates of Velma Ann Rhoades	Thomas M. Turnbull	320.00	\$1,350,000	\$ 4,219
7	7/1/21	Camron Cole	Off the Grid at Fossil Ridge, LLC	160.00	\$495,000	\$ 2,438
8	11/4/21	Black Hills Energy Services Company	Deadman’s Gulch, LLC	170.33	\$270,000	\$ 1,585

The unit of comparison used by the market was determined to be sales price per acre of land. In addition to considering financing terms of the sales, property rights conveyed, and conditions of sale, the primary elements of comparison in the analysis included market conditions (i.e., time), location, access, adjacent land uses, natural features, size, and zoning/land use.

It was concluded that there was a lack of data to derive quantified adjustments for the elements of comparison and, therefore, a “bracketing technique” was applied, using qualified (>, <, or =) comparisons of each sale overall, in relation to the subject.

After analyzing the characteristics of the sales, the following values were indicated:

- Sale 1: similar to \$3,939 per acre
- Sale 2: slightly lower than \$4,823 per acre
- Sale 3: similar to \$4,219 per acre
- Sale 7: similar to \$2,438 per acre
- Sale 8: somewhat more than \$1,585 per acre

The appraisal gave equal consideration to all five sales. Secondary support was also given to eight other inholding sales in the regional market area. The analysis derived a unit rate conclusion for parcel 2 of \$3,500 per acre for 81.49 acres, or an overall market value of \$285,215, rounded to \$285,000, effective November 21, 2022.

**Parcel 3**

<b>Comparable Sales</b>						
Sale	Date of Sale	Seller	Buyer	Total Acres	Sales Price (land)	Price Per Acre
A	4/28/21	Bochain Trusts	Crested Butte Land Trust	20.66	\$26,750	\$ 1,295
B	9/4/20	Robert Stuplich	Sweeney and Sanderford	8.26	\$ 18,000	\$ 2,179
C	11/14/19	John Denys	Ruby Chute, LLC	10.33	\$ 16,000	\$ 1,549
D	9/7/18	Worthy Family Trust	Peter Smith	10.32	\$ 15,000	\$ 1,453
E	5/11/18	Western Foundation	Erich M. Ferchau	10.33	\$ 17,500	\$ 1,694
F	11/7/17	Jesse Irons	Nobel Holdings	10.33	\$ 16,000	\$ 1,549

The unit of comparison used by the market was determined to be sales price per acre of land. In addition to considering financing terms of the sales, property rights conveyed, and conditions of sale, the primary elements of comparison in the analysis included market conditions (i.e., time), location, access, adjacent land uses, natural features, size, and zoning/land use.

The appraisal gave equal consideration to all six sales. The analysis derived a unit rate conclusion for parcel 3 of \$1,600 per acre for 3.15 acres, or an overall market value of \$5,040, rounded to \$5,000, effective November 21, 2022.

In accordance with the statement of work, the appraisal estimated the value of all three larger parcels to a single hypothetical buyer. The appraisal analyzed the limited market area data available of multiple-parcel sales and concluded neither a premium nor a discount was indicated for the valuation of the parcels as a package. Therefore, the final opinion of value for the entire property was concluded as \$2,540,000, as of November 21, 2022.

Finally, as requested in the statement of work, the appraisal provided unit pricing applicable to the Federal property as a whole and acreage ranges in which those unit values remain valid for use. **“Furthermore, a unit price of \$4,614 per acre is applicable to the Federal property as a whole at a size range of 80.00 to 640.00 acres.”**



**Client:** The review appraiser's client is the Forest Supervisor for the Grand Mesa, Uncompahgre, and Gunnison National Forests.

**Intended Users:** Intended users of this technical review report are, in addition to the client, Lands/Realty personnel attached to the Grand Mesa, Uncompahgre, and Gunnison National Forests, Lands/Realty personnel attached to the Rocky Mountain Regional Office, Office of General Council personnel, representatives of the Western Land Group, Inc., and representatives of Mt. Emmons Mining Company.

**Intended Use:** The intended use of this review is in connection with the qualification of the appraisal as a basis for the proposed Mt. Emmons land exchange.

This review report documents:

1. a summary of the appraisal report and the corresponding value conclusion,
2. the results of the technical appraisal review of the Kevin A. Chandler, MAI appraisal dated November 30, 2022, with an effective date of value of November 21, 2022 of the three Federal parcels totaling 550.48 acres.

This report does not set forth independent opinions of value by the review appraiser, nor is it intended to.

**Type of Opinion:** The purpose of this review report is to develop an opinion of the appraiser's compliance with the *Uniform Appraisal Standards for Federal Land Acquisitions* and the *Uniform Standards of Professional Appraisal Practice* in effect as of the date of value, as well as the statement of work developed specifically for the assignment. It was also prepared to develop an opinion as to the completeness of the appraisal report under review within the scope of work applicable to the appraisal assignment, to develop an opinion of the adequacy and relevance of the data compiled by the appraiser and the adequacy of market support for any adjustments to the data, to develop an opinion as to the appropriateness of the appraisal methods and techniques used, to develop an opinion as to whether the analyses, opinions, and conclusions in the appraisal report under review are appropriate, reasonable, and adequately supported by market data, and, finally, to describe the reasons for any disagreement.

**Appraisal Review Report Date:** The date of this appraisal review report January 18, 2023.

**Subject of the Assignment:** An appraisal of 550.48 acres located in Gunnison County, Colorado, prepared by Kevin A. Chandler, MAI, with an effective date of value of November 21, 2022 and a report date of November 30, 2022.

**Assignment Conditions:**

1. This Technical Appraisal Review Report is based on information and data contained in the appraisal report that is the subject of the review. Data and information from other sources may be considered. If so, they are identified and noted as such.
2. I assume that such data and information are factual and accurate.
3. I reserve the right to consider any new or additional data or information that may subsequently become available.
4. Unless otherwise stated, all assumptions and limiting conditions contained in the appraisal report that is the subject of this appraisal review are also assumptions and conditions of this review. This includes one extraordinary assumption regarding Federal parcels 2 and 3 being unaffected by hazardous materials, three hypothetical conditions regarding assumptions that the federal property is in private ownership zoned consistent with similar non-Federal properties in the area, that Federal parcel 1 is unaffected by recognized environmental conditions, and that the non-Federal party-owned improvements of Federal parcel 1 do not exist. One jurisdictional exception is also involved regarding development of a specific exposure time.

**Scope of Work:** Upon receipt of a Request for Appraisal Services dated July 28, 2022, I developed a draft statement of work specifically for an appraisal with an intended use of supporting the proposed Mt. Emmons land exchange in accordance with ATI, regulations, and appraisal standards. On or about September 8, 2022, Kevin A. Chandler, MAI was awarded the appraisal assignment by Western Land Group, Inc. On September 12, 2022, I conducted a pre-work meeting that included Todd Robertson representing Western Land Group, Inc., Kevin Chandler, Corey Wong, Chris Franks representing Mt. Emmons Mining Company, and Agency personnel including Nick Szuch, Lew Sovocool, Jason Robertson, and myself. The draft statement of work I prepared specifically for the appraisal assignment was utilized to guide the pre-work discussion and was finalized on September 28, 2022, once the parties involved had a chance to provide input regarding factual accuracy. On September 12, 2022, I participated in the site inspection of the subject property but did not inspect all of the comparable sales.

An appraisal report was provided to me electronically on November 30, 2022, and that report, with an effective date of value of November 21, 2022, and a report date of November 30, 2022, is the subject of this review.

My review of the appraisal is based upon the material submitted, discussions with the appraiser, discussions with knowledgeable Forest Service personnel and other parties, and my personal knowledge of the real estate market. I checked the report for completeness and mathematical accuracy. I also considered consistency between the appraisal and the legal description and title work prepared specifically for this case.

I performed a partial field review, having only inspected the subject property but not the comparable sales utilized in the Sales Comparison Approach to value. Furthermore, I did not independently verify the accuracy of all of the data presented.

No information pertinent to the appraisal of the subject properties was available to me as the review appraiser that was not available to the appraiser. Furthermore, it was not necessary to expand the scope of work to make corrections or to cure a deficiency that would have resulted in the development of my own opinion of value. However, I did interact on behalf of my client with the appraiser that prepared the work to obtain clarification on any questions I had.

The development and reporting of this review complies with the editions of the *Uniform Appraisal Standards for Federal Land Acquisitions* and the *Uniform Standards of Professional Appraisal Practice* in effect as of the date of review.

**Review Appraiser Competence:** Implementing regulations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 require an appraisal review process that begins with a qualified review appraiser. Furthermore, Standard 3-1(a) of the 2020-2021 edition of the *Uniform Standards of Professional Appraisal Practice* provides that the review appraiser must be aware of, understand, and correctly employ those methods and techniques that are necessary to produce a credible appraisal review. I, Charles Brown, have been employed by the USDA Forest Service since September of 2018, first as a Senior Review Appraiser (September 2018 – July 2021) and as Regional Appraiser (since July 2021). I was directly involved with appraisals and review appraisals as an employee of the US Army Corp of Engineers from April 2015 through September 2018. Furthermore, I have been involved with both appraisals and reviewing appraisals of various property types beginning in 1989. In addition, I am familiar with area around the subject property and the larger region and am familiar with the local real estate market and its drivers. Therefore, I am qualified and possess the appraisal and review related knowledge and experience – including familiarity with the specific type of property, market, and geographic area, analytic methods, and applicable laws, regulations, and guidelines – to competently perform this review assignment. (See attached qualifications)

FSM 5410.6 cites the Office of Management and Budget Bulletin No. 92.06 regarding guidance to Federal agencies on standards and practices for real estate appraisals and real estate appraisal training. “The Bulletin provides that Federal staff appraisers need only be licensed or certified in one State or territory to perform real estate appraisal duties as Federal employees in all States and territories. Therefore, Forest Service staff appraisers only need to be certified in one State or territory to perform their duties as staff appraisers in all States or territories.” Because I am recognized by the State of Maryland as a Certified General Appraiser, I meet certification guidance to perform this review as a Federal employee.

**Review Appraiser’s Analysis and Comments:**

- 1) The appraiser complied with instructions regarding the definition of market value to be used, the appropriate level of verification of market information including comparable sales, the correct use and analysis of the estate to appraise and legal description, and the statement of work prepared specifically for this assignment.
- 2) Consistent with the *Uniform Standards of Federal Land Acquisitions*, larger parcel analysis considered unity of ownership, contiguity, and use. The conclusion that there are three separate larger parcels is supported and reasonable.
- 3) The highest and best use analysis covered the four standard tests – physically possible, legally permissible, financially feasible, and maximally productive. As it is an economic use and is based on the market evidence presented in the report, the final highest and best use conclusion is adequate and reasonable: “Rural residential homesites with seasonal vehicular access at Parcels 1 and 2 (with required approvals and new driveways). Parcel 3 is limited to recreation or assemblage by trail access”.
- 4) The sale, use, and rental history of the subject parcels was reported. The underlying land has been federally owned since 1935. “The subject property has historically been used during the past ten years for mining reclamation activities (in accordance with a submitted Plan of Operation), with no public access allowed except for trail at the northwest corner of Parcel 2. It has not been leased during the previous three years.”
- 5) All three approaches to value – cost, income, and sales comparison – were considered in the appraisal. The Cost Approach was not applied since the property was valued as vacant land with no improvements. Land in the area was reportedly not typically considered income producing, and the Income Approach was not applied. The appraiser appropriately chose only to employ the relevant Sales Comparison Approach when concluding an overall final opinion of value.

It is apparent by reading the appraisal report that the appraiser did a thorough job of researching the marketplace for comparable sales. Consideration was made for possible adjustments for financing of the sales, property rights conveyed, conditions of sale, market conditions (i.e., time), location, size, access, adjacent land uses, utility availability, natural features, and zoning/land use. I analyzed sale data stratification, the accurateness of the sale analyses, the bracketing of the subject with the sales, and the value indications obtained from the sales, and find that the sales comparison approach as reported was completed accurately and adequately.

- 6) The mineral estate was appropriately considered in the analysis. No separate contributory value could be isolated in the marketplace specifically allocable to the presence or absence of minerals, particularly given the property’s highest and best use.
- 7) The presentation of the Introduction, Factual Data, and Analysis and Conclusions was, overall, well done. The Sales Comparison Approach was technically correct and as well supported as the available data made possible. Overall, the valuation analysis is reasonable and convincing. Finally, the information contained in the Addenda was pertinent and supported the report.

- 8) The *Uniform Standards for Federal Land Acquisitions* direct that value opinions must not be linked to a specific exposure time contrary to direction in the *Uniform Appraisal Standards of Professional Appraisal Practice* (USPAP). The appraiser appropriately invoked the Jurisdictional Exception Rule of USPAP for Standards Rule 1-2(c).
- 9) Kevin A. Chandler, MAI is a State Certified General Appraiser in the State of Colorado, License Number CG40022860. A copy of the certification is included in his qualifications at the end of the appraisal report. He is competent to complete an appraisal of this complexity and has had the seminar on the *Uniform Appraisal Standards for Federal Land Acquisitions*.

**Review Conclusions:**

In my opinion, the appraisal analyses are appropriate given the requirements applicable to the appraisal assignment. Furthermore, the appraisal presents relevant evidence in a logical manner to support its opinions, and conclusions.

The appraisal was prepared in compliance with 1) the 2020-2021 edition of the *Uniform Standards of Professional Appraisal Practice*, 2) the 2016 edition of the *Uniform Appraisal Standards for Federal Land Acquisitions*, and 3) a statement of work written specifically for the assignment. Furthermore, the appraisal report documents credible support for the value conclusion. In my opinion, the appraisal report is appropriate and is not misleading.

**Review Appraiser Certification:** I certify that, to the best of my knowledge and belief:

- the facts and data reported by the review appraiser and used in the review process are true and correct.
- the analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this report, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the properties that are the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment with the exception of a consultation I prepared on March 28, 2022 for use in a feasibility analysis in connection with the proposed exchange.
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- the appraisal review was made and the review report prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*. Furthermore, it conforms to the requirements of the U.S. Forest Service's Appraisal Handbook, specifically Chapter 7 - Appraisal Review. It also conforms to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- my analyses, opinions, and conclusions were developed, and this review report was prepared, in conformity with the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice* (USPAP), except to the extent that the *Uniform Standards for Federal Land Acquisitions* (UASFLA) required invocation of the Jurisdictional Exception Rule of the USPAP as described in Sections 1.2.4 and 4.2.1.2 of the UASFLA.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- I personally inspected the subject property of the appraisal under review.
- I have not personally inspected, verified, or analyzed all of the market data presented in the Cost, Sales Comparison, and Income approaches contained in the appraisal report under review unless stated otherwise.



- no one provided significant real or personal property appraisal or appraisal review assistance to the person signing this certification.
- the appraisal is adequately documented with market evidence supporting the conclusion of value, as defined and as presented.

A handwritten signature in black ink, consisting of a stylized 'C' and 'B' with a vertical line through them, all enclosed within a hand-drawn oval.

Charles Brown, MAI  
Regional Appraiser, Rocky Mountain Region

January 18, 2023

State of Maryland, Certified General Real Property Appraiser  
Certificate No. 10158 – Expires May, 2025

Professional Qualifications

**Charles Brown, MAI**

Regional Appraiser, USDA Forest Service

[charles.brown@usda.gov](mailto:charles.brown@usda.gov)

Professional Experience

September 2018 – Present

Regional Appraiser (July 2021 – Present)  
Senior Review Appraiser (September 2018 – July 2021)  
USDA – Forest Service  
Rocky Mountain Region  
Recreation, Lands, Minerals, and Volunteers

April 2015 – September 2018

Appraiser  
U.S. Army Corps of Engineers  
North Atlantic Division, Baltimore District  
Real Estate Division, Technical Services Branch

November 1995 – April 2015

President - Appraiser  
Brown Appraisal Company  
Wilmington, Delaware

August 1989 – November 1995

Appraiser/Vice President  
Advisory and Appraisal Company  
Wilmington, Delaware

August 1983 – November 1989

Sales Agent/Broker  
B. Gary Scott Realtors  
Wilmington, Delaware

Professional Designation, Certification

MAI, Appraisal Institute

Certified General Real Property Appraiser, Maryland

Education

University of Delaware, BA

Property Type Appraisal Experience

Commercial

Industrial

Office

Institutional

Undeveloped land

Subdivision development

Multi-unit residential

Single-unit residential

Agricultural

Recreational

Special purpose

Going concern (Business valuation)

Partial interest