

APPRAISAL REPORT
OF
LESSEE'S INTEREST
IN
REAL ESTATE AND PERSONALTY
IN THE
COOKHOUSE, BUNKHOUSE AND TACK ROOM

AT
TAYLOR RANCH
BIG CREEK, IDAHO

FOR
UNIVERSITY OF IDAHO

ON
JUNE 10, 1982

BY
TERRY R. RUDD, M.A.I.
WESTERN APPRAISALS AND SURVEYS

Western
Appraisals
and Surveys
A DIVISION OF CONSERVATION, INC.



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1106 Idaho Street
Lewiston, Idaho 83501
(208) 746-9891

June 10, 1982

Ernest D. Abels
Associate Dean for Academics
University of Idaho
Wildlife and Range Sciences
Moscow, Idaho 83843

RE: Fair Market Value Estimate of
Lessee's Interest in Cookhouse,
Bunkhouse and Tack Room
Taylor Ranch
Big Creek, Idaho


Dear Mr. Abels:

Enclosed is the appraisal report of my valuation estimate on the above referenced project as requested. As you know, I physically inspected the property on June 7th with yourself and estimated the value on our return at approximately \$18,000. As I mentioned, I did not know the additional costs of air freight and had forgotten about loading and unloading. My initial estimate was fairly accurate, but the added freight pushed the actual fair market value of the three buildings in place and depreciated to their current condition as of June 10, 1982 at: ----- \$20,155.

I may have expended an excessive amount of effort in evaluating these buildings, and if so, please let me know. It is fairly easy to estimate the value of such buildings, but as you can see, an itemized evaluation is almost a necessity to obtain superior accuracy for buildings which must be constructed from air lifted materials. I also spent more time than usual contacting additional cost references and updating data that was obsolete in our files and in my head.

Sincerely,

WESTERN APPRAISALS AND SURVEYS


Terry R. Rudd, M.A.I.

TRR:gj

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APPENDIX

Appraiser's Experience and Qualifications

III. PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the fee simple interest of the lessee in real estate and certain personalty (as specifically indicated in the Cost Approach) at the Taylor Ranch owned by the University of Idaho. Fair market value is the objective in this appraisal and is defined as: "The highest reasonable price that a seller could expect to maintain in a normal market being offered for a reasonable length of time and purchased by a party knowledgeable of the market and under no compulsion to act." The value of all properties in a free society are actually a bell curve with the most probable being the center portions of the curve. Different levels in the curve are selected for different purposes by our firm and in this case, I have selected the median of the bell curve as the fairest to both lessee and potential purchaser, lessor.

IV. DATE OF APPRAISAL

The property was fielded June 7, 1982 with ensuing cost and market information gathered to the final date of writing June 10, 1982.

V. VALUATION METHOD

The Cost Approach was selected from the three basic approaches, Cost, Income and Market Data. When the Cost Approach is used without obtaining depreciation from the market, the calculations will often produce figures other than market value. We have developed a system of obtaining depreciation from market sales, so that through the use of the Cost Approach, we arrive at not just depreciated replacement cost, DRC, but fair market value. Obviously, there is judgement in estimating depreciation which includes physical, functional and economic, but more over includes appreciation, tax shelter and other benefits not normally considered by appraisers. Therefore, when depreciation is stated in any of our appraisals, it automatically combines all the factors into one figure which adjusts the replacement cost new, RCN, to a figure that the market would be willing to pay.

VI. DESCRIPTION OF SUBJECT

A. SUBJECT PHOTOGRAPHS



Photograph No. 1: This is a view of the cookhouse from the south side.



Photograph No. 2: Cookhouse interior looking west from main entrance.

A. SUBJECT PHOTOGRAPHS, cont'd.



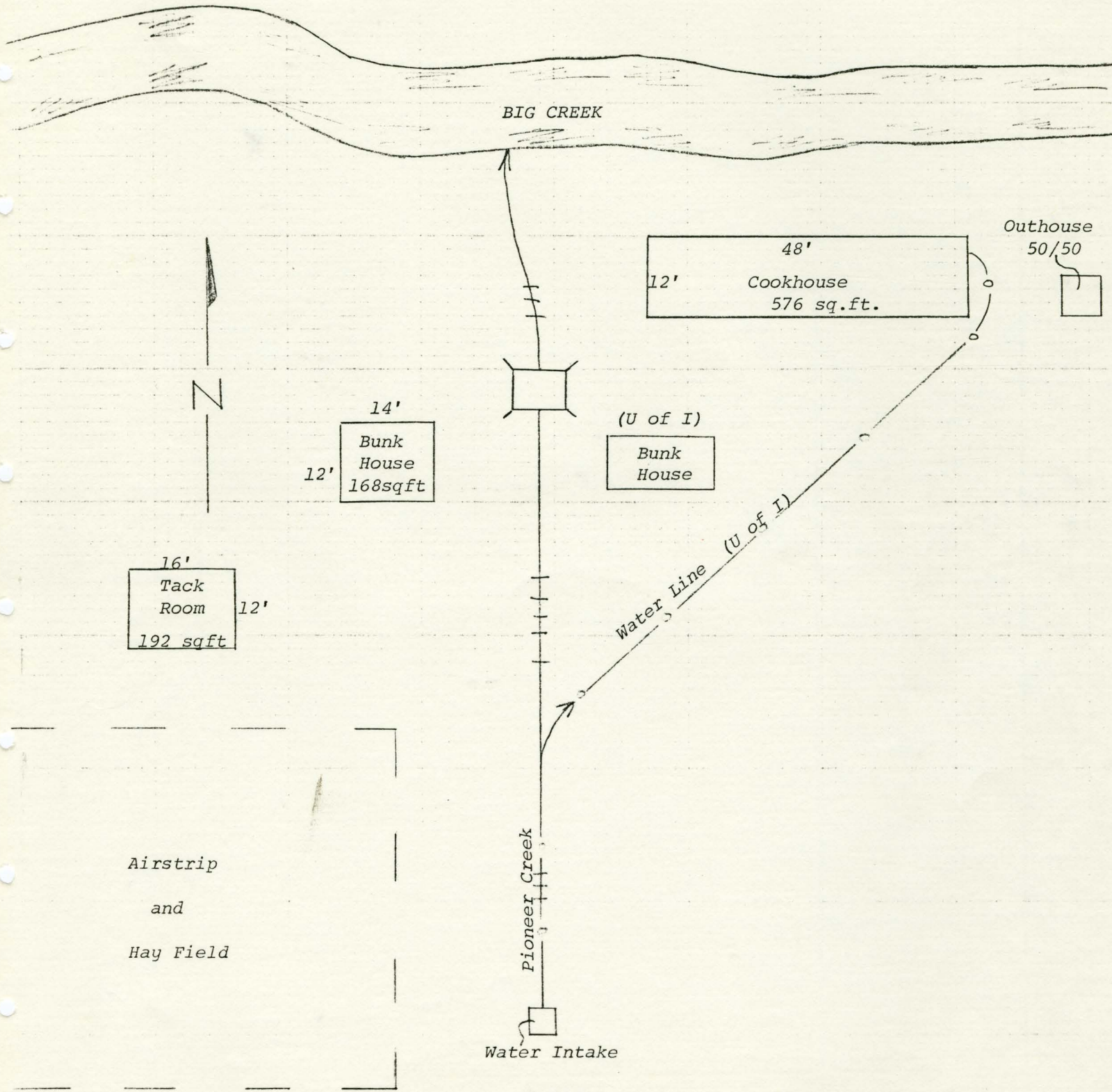
Photograph No. 3: View of subject bunkhouse.



Photograph No. 4: View of subject tack room.

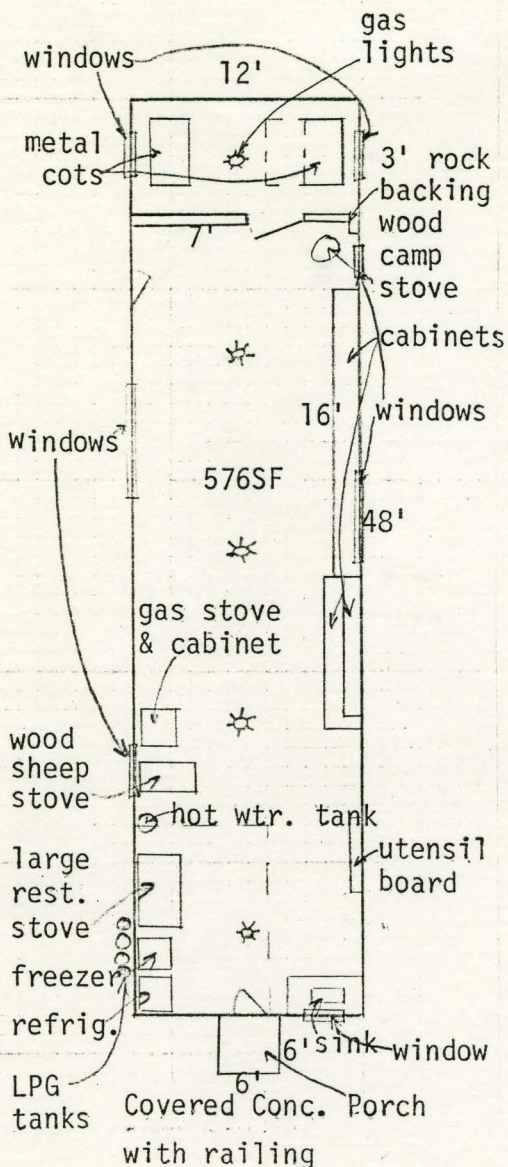
B. SUBJECT MAPS

1. SITE MAP



2. FLOOR PLANS

COOKHOUSE



Site: Cleared and level
 Foundation: Concrete perimeter
 Framing: Wood 2x4 and 2x6
 Flooring: Joist with sheeting and linoleum (depreciate)
 Exterior Wall: Sawn shakes furnished by U of I & lessee installed
 Roof: Corrugated metal
 Interior Walls: 7' panelled with full trim around all doors and windows.
 Ceiling: Open gable with no finish
 Insulation: Walls and ceiling
 Materials: Furnished to site by U of I
 Furniture: Not included

Gas stove, cabinet, wood sheep stove and hot water tank owned by U of I.

Large restaurant stove (Wolf), upright freezer and refrigerator (Servell) owned by lessee.

Sheeting: 1/2 inch plywood on building when purchased by lessee.

Building was moved to site from another location.

Waterline from Pioneer Creek is owned by U of I.

Cabinets freighted in pieces and assembled and in excellent condition.

Fuel: Good LPG system consisting of four bottles and lines to five lights, stove, freezer and refrigerator

Plumbing: Hot water system heated by wood stove and plumbed to sink overhead for frost protection.

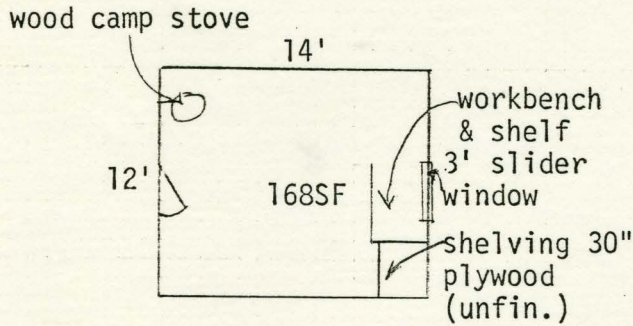
Interior decoration consisting of mirrors, cabinets, utensil board, valance, curtains, coat racks of horseshoes, towel racks - in very good condition.

Lavatory is an outhouse to the east which materials were furnished by the U of I and labor by the lessee, donated by the lessee.

Additional wood stove with rock backing protection and double wall stovepipe protectors installed on both wood stoves through the roof. Hood over restaurant stove belongs to U of I.

2. FLOOR PLANS, cont'd.

BUNKHOUSE AND SHOP



Pier foundation, frame construction with gabled metal roof, sawn cedar shake exterior covering.

Interior walls and ceiling insulated.

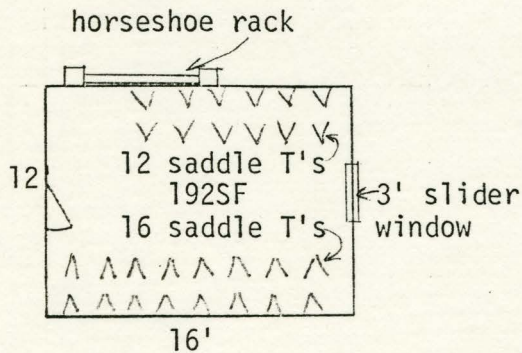
U of I purchased 50 percent with lessee purchasing 50 percent and installation.

Flooring is 5/8 inch plywood and walls are 1/2 inch plywood, both unfinished.

No LPG, electricity or plumbing.

Other features include a wood camp stove, 3 foot workbench across the east wall with 30 inch shelving and 3 foot slider window. The interior wall is 7 feet. The plywood was furnished by the U of I and installed by lessee.

TACK ROOM



Pier foundation, frame construction with gabled metal roof. Exterior siding is painted plywood. Flooring is 5/8 inch plywood, unfinished.

Interior is unfinished open frame construction with no insulation, LPG, plumbing or stove. There are 28 saddle T's inside along with a 3 foot slider window and a horseshoe rack attached outside.

VII. VALUATION ESTIMATES

The Cost Approach is based on estimating replacement cost new, today rather than reproduction cost, which may be more expensive but less efficient. I updated information from our files through two local contractors, one who builds in the back country and correlated this with the Marshall Valuation Service and the Idaho appraisal manual (Oregon's system). I also contacted two local restaurant suppliers, Petrolane Gas, Craft Wall Lumber Company, Highland Glass, and Erb Hardware regarding current prices.

Secondly, I used the reappraisal guide constructed from Nez Perce County for 1980 valuations, in which depreciation was abstracted from some 600 sales of residential properties. Studies from which the depreciation rates, actually market factors as indicated early, were obtained from dual axis studies of age and condition (reflecting quality of construction and maintenance). After arriving at a DRC for each item which should actually be FMV, fair market value, I subtracted any remaining contribution of the U of I that might have been included at arriving at the lessee's interest.

After completing the DRC estimates for each of the buildings which are subtalled as follows, I evaluated the air freight costs and prorated the lessee's portions for both the flights and the extra loading and unloading not included in the basic RCN.

Please refer to the following pages.

COOKHOUSE

ITEM	DESCRIPTION	NO.	UNITS	RCN		DEP. %	DRC FMV	LESSEE'S		
				PER UNIT	TOTAL ITEM			CONTRIBUTION	%	AMOUNT
Site Prep.	Leveling	576	SF	\$.25	\$ 144	0	\$ 144	Lessee	100	\$ 144
Foundation	Conc. Perimeter	120	LF	6.00	720	0	720	U of I	0	0
Frame	2x4 & 2x6	576	SF	2.60	1,498	15	1,273	Lessee	100	1,273
Floor	Wd. Joists & Sheathing	576	SF	2.93	1,688	15	1,435	Lessee	100	1,435
Floor Covering	Linoleum	576	SF	1.13	651	60	260	Lessee	100	260
Porch	Open Fame with rail	36	SF	8.88	320	5	304	Lessee	100	304
Exterior Wall	Sawn Shakes	900	SF	3.41	3,069	10	2,762	Sheathing Shakes-Labor	100 60	1,657
Roof Cover	Metal	672	SF	1.22	820	5	779	Lessee	100	779
Partition	Frame w/panel	14	LF	8.90	124	5	118	Lessee	100	118
Gas Lites and Lines		5	EA	\$37.95 + \$10-Lines 47.95	240	10	216	Lessee	100	216
LPG Cylinders	25 Gallon	5	EA	132.70	664	25	498	Lessee	100	498
Plumbing	Tank to Sink and Stove	30	LF	2.10	63	35	41	Lessee	100	41
Sink and Cabinet		4	LF	16.75	67	50	34	Lessee	100	34
Cabinets	2' x 33"	8	LF	35.00	280	5	266	Lessee	100	266
Cabinets	1' x 3'	8	LF	25.00	200	0	200	Lessee	100	200
Cabinets	20" x 33"	16	LF	30.00	480	5	456	Lessee	100	456
Cabinets	14" x 7'	7	LF	15.00	105	20	84	Lessee	100	84
Mirrors	Decor Panels	18	Panel	2.60	47	0	47	Lessee	100	47
Stove	Wood	1	EA	50.00	50	25	38	Lessee	100	38
Stove Backing	Rock	3	LF	9.00	27	0	27	Lessee	100	27

VII. VALUATION ESTIMATES, cont'd.

Western Appraisals and Surveys

COOKHOUSE, cont'd.

ITEM	DESCRIPTION	NO.	UNITS	RCN		DEP. %	DRC FMV	LESSEE'S			
				PER UNIT	TOTAL ITEM			CONTRIBUTION	%	AMOUNT	
Insulation	Paper Back	1,572	SF	\$.37	\$ 582	5	\$ 553	Labor Only	70	\$ 387	
Stove	Wolf-Restaurant	1	EA		1,300		500	Lessee	100	500	
Freezer & Refrig.	Servel/Gas	2	EA	900.00	1,800	60	720	Lessee	100	720	
Windows-Sliders	2'	2									
	3'	3	25LF	15.00	375	0	375	Lessee	100	375	
	6'	2									
Cabinet, Curtains, Utensil Bd., Etc.				LSE	250	20	200	Lessee	100	200	
Interior Walls	Panelling	840	SF	1.57	1,319	10	1,187	Lessee	100	1,187	
Doors	1-24", 2-32"	3	w/hdwr	90.00	270	15	230	Lessee	100	230	
					<u>\$17,153</u>		<u>21.5%</u>	<u>\$13,467</u>			
TOTAL COOKHOUSE (Less Freight):				-----				(\$19.92/Sq.Ft.)			<u>\$11,476</u>

85% Lessee

VII. VALUATION ESTIMATES, cont'd.

Western Appraisals and Surveys

BUNKHOUSE

ITEM	DESCRIPTION	NO.	UNITS	RCN		DEP. %	DRC FMV	LESSEE'S			
				PER UNIT	TOTAL ITEM			CONTRIBUTION	%	AMOUNT	
Foundation	Piers	52	LF	\$ 3.00	\$ 156	10	\$140	Lessee	100	\$ 140	
Frame	2x4	168	SF	3.61	605	10	544	Lessee	100	544	
Floor	Wd. Joist & Plywood	168	SF	2.93	492	10	443	Lessee	100	443	
Exterior Wall	Sawn Shakes	400	SF	2.41	964	0	964	Labor Only	60	578	
Roof Cover	Metal	196	SF	1.22	239	5	227	Lessee	100	227	
Interior Walls	Plywood	364	SF	.50	182	10	164	Labor Only	50	82	
Insulation		560	SF	.37	207	0	207	50% Material Lessee Labor	80	166	
Window Slider		3	LF	15.00	45	0	45	Lessee	100	45	
Workbench & Shelving	3'x3'x12'		LF	31.25	375	15	319	Lessee	100	319	
Door & Stove	30"	1	EA	125.00	125	20	100	Lessee	100	100	
					<u>\$3,390</u>						
						<u>7%</u>				<u>\$3,153</u>	
TOTAL BUNKHOUSE (Less Freight):				-----				(\$15.74/SQ.FT.)			<u>\$2,644</u>

84% Lessee

TACK ROOM

ITEM	DESCRIPTION	NO.	UNITS	RCN		DEP. %	DRC FMV	LESSEE'S		
				PER UNIT	TOTAL ITEM			CONTRIBUTION	%	AMOUNT
Foundation	Piers	56	LF	\$ 3.00	\$168	10	\$151	Lessee	100	\$ 151
Frame	2x4	192	SF	3.61	693	10	624	Lessee	100	624
Floor	Wood Joists & Plywood	192	SF	2.93	563	10	506	Lessee	100	506
Exterior Wall	Plywood	232	SF	2.41	559	0	559	Lessee	100	559
Roof Cover	Metal	224	SF	1.22	273	5	260	Lessee	100	260
Window	Slider	3	LF	15.00	45	0	45	Lessee	100	45
Saddle Tees		28	EA	7.50	210	10	189	Lessee	100	189
Horseshoe Rack				LSE	35	10	32	Lessee	100	32
Door	30"	1	EA	70.00	70	10	63	Lessee	100	63
					<u>\$2616</u>		<u>7%</u>			<u>\$2429</u>

TOTAL TACK ROOM (Less Freight): ----- (\$12.65/SQ.FT.) \$2,429

Grand Total: \$23,159 17.7% \$19,049 \$16,549
86.9% Lessee

VII. VALUATION ESTIMATES, cont'd.

AIR FREIGHT

Air Unlimited operates a Beaver from Challis at \$175 per hour and it takes one house round-trip. There is very little opportunity for back haul, so the 2,000 pound capacity both interior and exterior cargo racks indicates a rate of \$.0875 per pound.

Arnold Aviation in Cascade operates a 206 with 1,000 pound capacity and charges \$130 per hour charter and 50 percent on back haul. It is anticipated that half of the material could be back hauled at an average cost of \$100 per hour and it is also an hour round-trip.

Subject Weights:

Cookhouse ----- 12.75 Tons
Bunkhouse ----- 3.80 Tons
Tack Room ----- 2.90 Tons

TOTAL: ----- 19.45 Tons

At an average rate from both Challis and Cascade shipping points of:

\$.09375 per lb. X 19.45 Tons = ----- \$3,647

LOADING AND UNLOADING

Additional costs not included in the RCN are based on movement of:

4 Ton/Man Day @ \$5.00/Hour for 19.45 Tons = ----- \$ 389

The U of I contribution of construction items is as follows:

Cookhouse; foundation, siding and insulation = ----- 1.27 Tons
Bunkhouse; siding, plywood & 50% insulation = ----- .80 Ton

Lessee's Contribution = $\frac{17.38 \text{ Tons}}{19.45 \text{ Tons}}$ X \$4,036 = ----- \$3,606+ \$16,549

GRAND TOTAL OF LESSEE'S INTEREST IN REAL ESTATE AND PERSONALTY: ----- \$20,155

IX. CERTIFICATION

The Appraiser certifies and agrees that:

1. The Appraiser has no present or contemplated future interest in the property appraised and that neither the employment to make this appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the parties involved.
3. The Appraiser has personally inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed herein, and that according to the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and that the Appraiser has not knowingly withheld any information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in this report).
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears in this appraisal report. No changes of any item of the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.



Terry R. Rudd, M.A.I.

June 10, 1982

DATE

A P P E N D I X

APPRAISER'S EXPERIENCE AND QUALIFICATIONS

NAME: Terry R. Rudd, M.A.I., President, Western Appraisals and Surveys

EDUCATION:

Oregon State University, 1958, B.S.F.E.

Technical Training: American Institute of Real Estate Appraisers
Courses: 1-A, 1-B, II, V and VI

LICENSES:

Real Estate Broker, States of Idaho and Oregon
Registered Land Surveyor, States of Washington and Idaho

EXPERIENCE:

1962 to Present: Western Appraisals and Surveys

Fee Appraiser. Private fee appraisals and real estate counseling throughout the western United States, Tennessee, Mississippi and Alabama. Commercial, industrial, residential and rural property appraisals, rights of way appraisals for highways, powerlines, access roads, flooding rights, avigation rights and utility easements. Mass appraisals for county, state, federal and quasi-government organizations throughout the United States. Included are 30 county-wide ad valorem projects and approximately 25 projects over \$100,000, 10 projects over \$250,000 and 5 projects over \$400,000, with 2 projects over \$1,000,000 in services.

1958 to 1962: U.S. Department of Agriculture, Forest Service. Timber appraisals, road rights of way and land exchange.

Legal Testimony: Property condemnation trials, damage and trespass trials in both district and federal courts,

Engineering: Residential and recreational subdivisions, Idaho and Washington.

ASSOCIATIONS:

Member of the American Institute of Real Estate Appraisers, M.A.I.
American Society of Farm Managers and Rural Appraisers
Idaho Society of Farm Managers and Rural Appraisers
National Association of Real Estate Brokers
Lewiston Board of Realtors
Society of American Foresters
National Association of Mass Appraisers

The American Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. M.A.I.'s and R.M.'s who meet the minimum standards of this program are awarded periodic educational certification. I am certified under this program through December 31, 1983.