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Harris Family Limited Partnership
c/o Lenir Limited
Mr. Doug Fowler
877 W. Main Street, Suite 501
Boise, ID 83702

Re: Letter Addendum to the Appraisal of the Wetlands Conservation Easement
Located on Eckert Road at Harris Ranch in Boise, Idaho

Dear Mr. Fowler,

As requested, I am providing an addendum with additional explanations with regard to an appraisal I completed on August 13, 2008, with a retrospective appraisal date as of November 12, 2007.

The appraisal report was directed to the Harris Family Limited Partnership. The intended use of the appraisal was to document the value of a property to be conveyed to the Ada County Highway District which was considered a qualified recipient of that easement and no other use. As such, the appraisal was prepared in accordance with the Uniform Standards of Professional Appraisal Practice. The appraisal is also intended to comply with the United States Internal Revenue Guidelines with regard to qualified appraisals completed by qualified appraisers should the client wish to do a charitable non-cash donation. The appraisal was retrospective in that the date of the appraisal report was nine months after the effective date of valuation.

Extraordinary assumptions made included that the property was in a similar condition to that observed during the actual inspection on August 13, 2008. It was noted in the report that between the date of value and the date of the report that some of the wetland areas had been developed. Additionally, the appraisal assumed that no development rights would be transferred out of the conservation area to adjoining land areas in the larger parcel, which is a key assumption based on my research at the time whereby density could have been transferred without that restriction. In other words, ACHD was required to mitigate wetland loss and therefore have no interest in acquiring existing wetlands.

According to my recollections, it was possible under the Harris Ranch Development Agreement to transfer development rights in various parts of the development including wetlands and potential floodway

ownerships. However, upon reviewing the photographs and aerial views of the subject, it appears that the larger parcel was not in an actual floodway or riverbed. During my inspection, I noted that the entire property was what would be considered a wet meadow or irrigated pasture.

The appraisal also invoked a hypothetical condition that the conservation easement was assumed not to exist as of the effective date of value, or conversely, that the easement did exist as of the effective date of value. As such, it was possible for the appraiser to do a before and after valuation analysis of the subject property to estimate a diminution in value.

The purpose of the conveyance was to provide the Ada County Highway District with a means to create more wetlands to mitigate the wetlands loss during the construction of the East Parkcenter bridge. Thus, wetlands were created on the subject conservation easement area after the effective date of the donation. Therefore, any revised flood maps would indicate that the conservation easements are in fact in a floodway or flood hazard area. Nevertheless, based on my recollections, density transfers were possible out of flood zones to allow for cluster development in upland areas.

As further support for the comparable characteristics of the sales used for valuing the subject, all were riparian types of sites with similar influences. Therefore, possible flood plain and floodway influences were apparent in most of the sales according to my recollection.

In the before condition, the subject included 86.245 acres as the larger parcel. The conservation easement area for the creation of wetlands included approximately 10 acres of land. The property was appraised in the before condition at a value of \$17,249,000. The after valuation was \$15,270,000 for an estimated diminution in value of \$1,979,000. In the after valuation, additional sales were used to value the recreational value of the conservation area as a low economic use compared to the much higher economic use as a subdivision parcel. The subject parcel in the before condition was considered a multiple use parcel which has borne out in the last 15+ years.

In conclusion, it was assumed that the subject land areas in the conservation easement area were either developable or potentially holding transfer rights to adjoining land areas. It appears that some of the wetland construction had commenced between the date of value and the effective date of the appraisal report. Thus, it was not extremely apparent that any of the subject property was located in the actual channel or floodway of the Boise River. The procedure used to value the subject's diminution in market value was appropriate and is supported by both the Internal Revenue Service as well as other government agencies as it would pertain to the estimation of a diminution in market value as a result of a conservation easement. Furthermore, even if the subject easement was not a donation site, the value conclusion would remain the same regardless of the intended use of the appraisal. I therefore stand by my original estimate.

Hopefully, these comments are helpful in further explaining the appraisal process conducted in 2008. Additionally, this letter and addendum is considered by reference a part of the original report and is subject to the Assumptions and Limiting Conditions set forth therein.



If you should have any further questions or if I may be of additional assistance, please do not hesitate to call upon me. Thank you for this opportunity to be of service.

Respectfully,
Mountain States Appraisal, LLC

A handwritten signature in blue ink, appearing to read 'Joe Corlett', is written in a cursive style.

G. Joseph Corlett, MAI, SRA
Senior Appraisal Manager
Idaho, Certification # CGA-7
Certificate Expires 03/11/2024

Certification – Joe Corlett

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of 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. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made a current exterior inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



G. Joseph Corlett, MAI, SRA
Senior Appraisal Manager
Idaho, Certification # CGA-7