

Idaho State Board of Land Commissioners Open Meeting Checklist

Meeting Date: May 20, 2025

Regular Meetings

Date	Action
4/29/2025	Meeting Notice posted in Idaho Department of Lands (IDL) Boise Director's office five (5) or more calendar days before meeting.
4/29/2025	Meeting Notice posted in IDL Coeur d'Alene staff office five (5) or more calendar days before meeting.
4/29/2025	Meeting Notice posted at meeting location five (5) or more calendar days before meeting.
4/29/2025	Meeting Notice posted electronically on IDL website (https://www.idl.idaho.gov) five (5) or more calendar days before meeting.
4/29/2025	Meeting Notice published on Townhall Idaho website (https://townhall.idaho.gov) five (5) or more calendar days before meeting.
5/14/2025	Agenda posted in IDL Boise Director's office forty-eight (48) hours before meeting.
5/14/2025	Agenda posted in IDL Coeur d'Alene staff office forty-eight (48) hours before meeting.
5/14/2025	Agenda posted at meeting location forty-eight (48) hours before meeting.
5/14/2025	Agenda posted electronically on IDL website (https://www.idl.idaho.gov) forty-eight (48) hours before meeting.
5/14/2025	Agenda published on Townhall Idaho website (https://townhall.idaho.gov) forty-eight (48) hours before meeting.
2/27/2025	Revised Land Board annual meeting schedule posted—Boise Director's office, Coeur d'Alene staff office, and IDL website (https://www.idl.idaho.gov).

Certification



Recording Secretary

May 14, 2025

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING MAY 2025

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, May 20, 2025 in **the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise**. The meeting is scheduled to begin at 9:00 AM (MT).

Please note meeting location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

Meeting will be streamed live via IPTV: <https://www.idahoptv.org/shows/idahoinsession/>

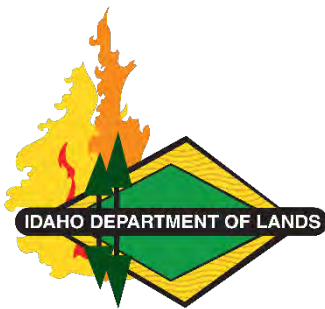
Register to attend the Zoom webinar:

https://idl.zoom.us/webinar/register/WN_ACOMQ2IDSnaOywLY4-F45w

Notice Posted: 4/29/2025 Boise; 4/29/2025 Coeur d'Alene

This notice is published pursuant to Idaho Code § 74-204. For additional information regarding Idaho's Open Meeting Law, please see Idaho Code §§ 74-201 through 74-208.

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0200



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

Final Agenda

State Board of Land Commissioners Regular Meeting

May 20, 2025–9:00 AM (MT)

State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing,
700 W. Jefferson St., Boise, Idaho

Please note meeting location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

[Meeting will be streamed live via IPTV:](https://www.idahoptv.org/shows/idahoinsession/) <https://www.idahoptv.org/shows/idahoinsession/>

[Register to attend the Zoom webinar:](https://idl.zoom.us/webinar/register/WN_ACOMQ2IDSnaOywLY4-F45w)

https://idl.zoom.us/webinar/register/WN_ACOMQ2IDSnaOywLY4-F45w

Reports

1. Department Reports—presented by Dustin Miller, Director
 - A. Timber Sales Revenue—April 2025
 - B. Leases/Permits Transactions and Revenue—April 2025
 - C. Pre-Season Fire Brief
2. Endowment Fund Investment Board—presented by Tom Wilford, EFIB Chairman; Chris Anton, EFIB Manager of Investments
 - A. Manager's Report
 - B. Investment Report
 - C. Semi-Annual Report

Consent—Action Item(s)

3. Approval of Draft Minutes—April 15, 2025 Regular Meeting

Regular—Action Item(s)

4. Timber Reclass: Benewah Parcels—Presented by Jim Elbin, Division Administrator-Trust Lands

Information

None

Executive Session

None

Resolution in Memoriam: Senator Carl Crabtree

This agenda is published pursuant to Idaho Code § 74-204. The agenda is subject to change by the Land Board. To arrange auxiliary aides or services for persons with disabilities, please contact Idaho Department of Lands at (208) 334-0200. Accommodation requests for auxiliary aides or services must be made no less than five working days in advance of the meeting. Agenda materials are available on [IDL's website](https://www.idl.idaho.gov/land-board/) at <https://www.idl.idaho.gov/land-board/>.



Idaho Statutes

Idaho Statutes are updated to the website July 1 following the legislative session.

TITLE 74
TRANSPARENT AND ETHICAL GOVERNMENT
CHAPTER 2
OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS - WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To acquire an interest in real property not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1) (a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote.

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

STATE BOARD OF LAND COMMISSIONERS

May 20, 2025
Trust Land Revenue

Timber Sales

During April 2025, the Idaho Department of Lands (IDL) sold seven endowment timber sales at auction. Five of the endowment sales had competitive bidding. The net sale value represents a 62% increase over the appraised price.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Fudge Cedar	SJ	1,950	0	0	\$ 466,754.50	\$ 1,097,168.20	\$562.65	PotlatchDeltic
Lahey Ton	PAY	1,990	0	0	\$ 152,810.59	\$ 152,810.59	\$76.79	IFG Timber LLC
McCarter Creek Salvage	EI	800	0	0	\$ 16,700.00	\$ 16,700.00	\$20.88	LTO Logging LLC
Lower Eagle Cedar	MICA	7,570	0	0	\$ 3,186,152.00	\$ 3,796,473.00	\$501.52	IFG Timber LLC
Cool Hand Lew	MC	9,595	295	0	\$ 1,491,598.00	\$ 2,291,035.00	\$231.65	IFG Timber LLC
Phone Home Cedar	SJ	4,770	0	0	\$ 860,351.50	\$ 1,925,737.00	\$403.72	IFG Timber LLC
Feline	PLK	6,830	0	0	\$ 978,391.50	\$ 2,294,888.00	\$336.00	IFG Timber LLC
Endowment		33,505	295	0	\$7,152,758.09	\$11,574,811.79	\$342.45	

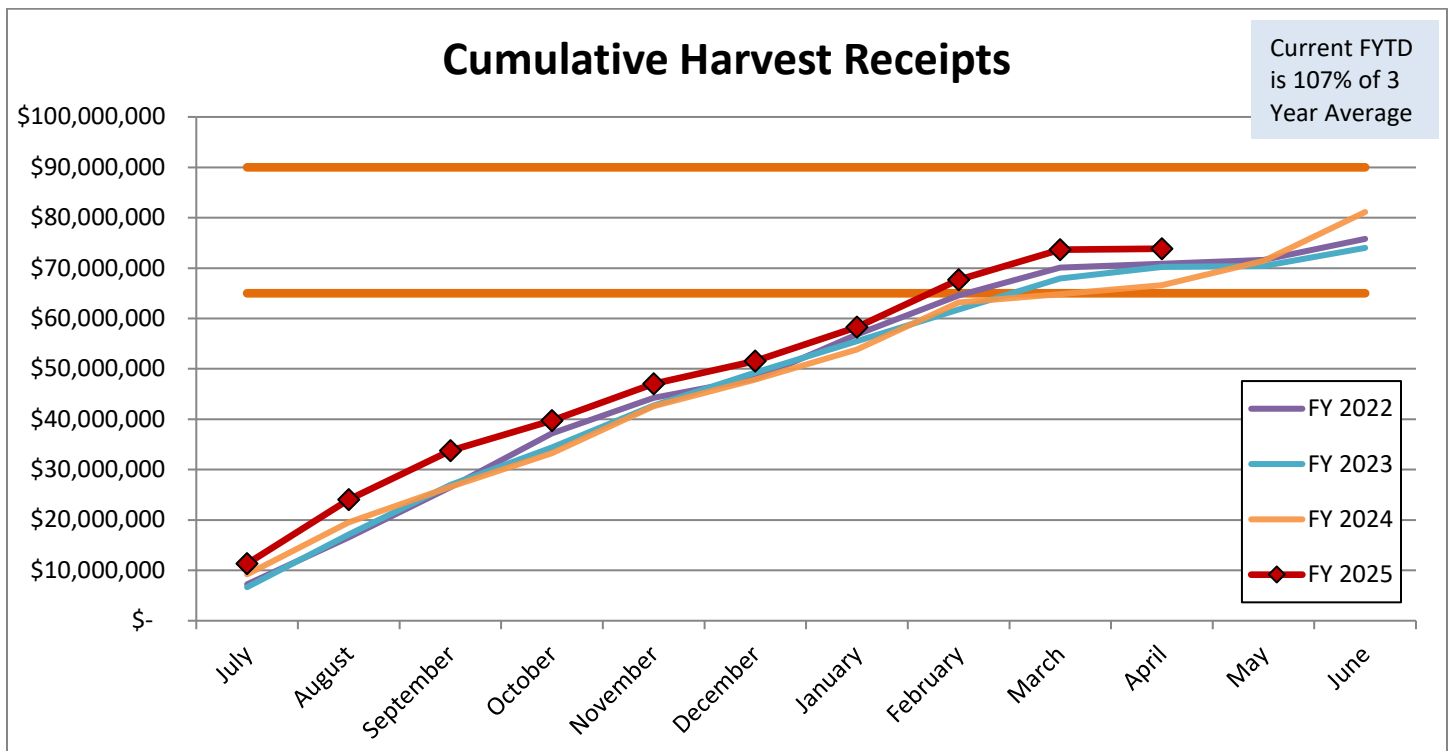
PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Scheduled Auction Date
North Operations				
Forgotten Fox Cedar	5,355	\$ 1,905,773.50	POL	5/6/2025
Purdue High Cedar	7,765	\$ 1,899,319.50	POND	5/14/2025
Moose Stew	4,835	\$ 641,622.00	POND	5/14/2025
Peakabou Pulp	2,775	\$ 300,148.50	PL	5/15/2025
NOSR Delivered Products	2,125	\$ 1,516,175.00	PL	5/20/2025
Totals	22,855	\$ 6,263,038.50		
South Operations				
Flat Fire GNA Salvage	2,415	\$ 108,520.95	BNF	5/8/2025
Big Creek OSR	9,380	\$ 1,177,466.00	CLWR	5/28/2025
Totals	11,795	\$ 1,285,986.95		

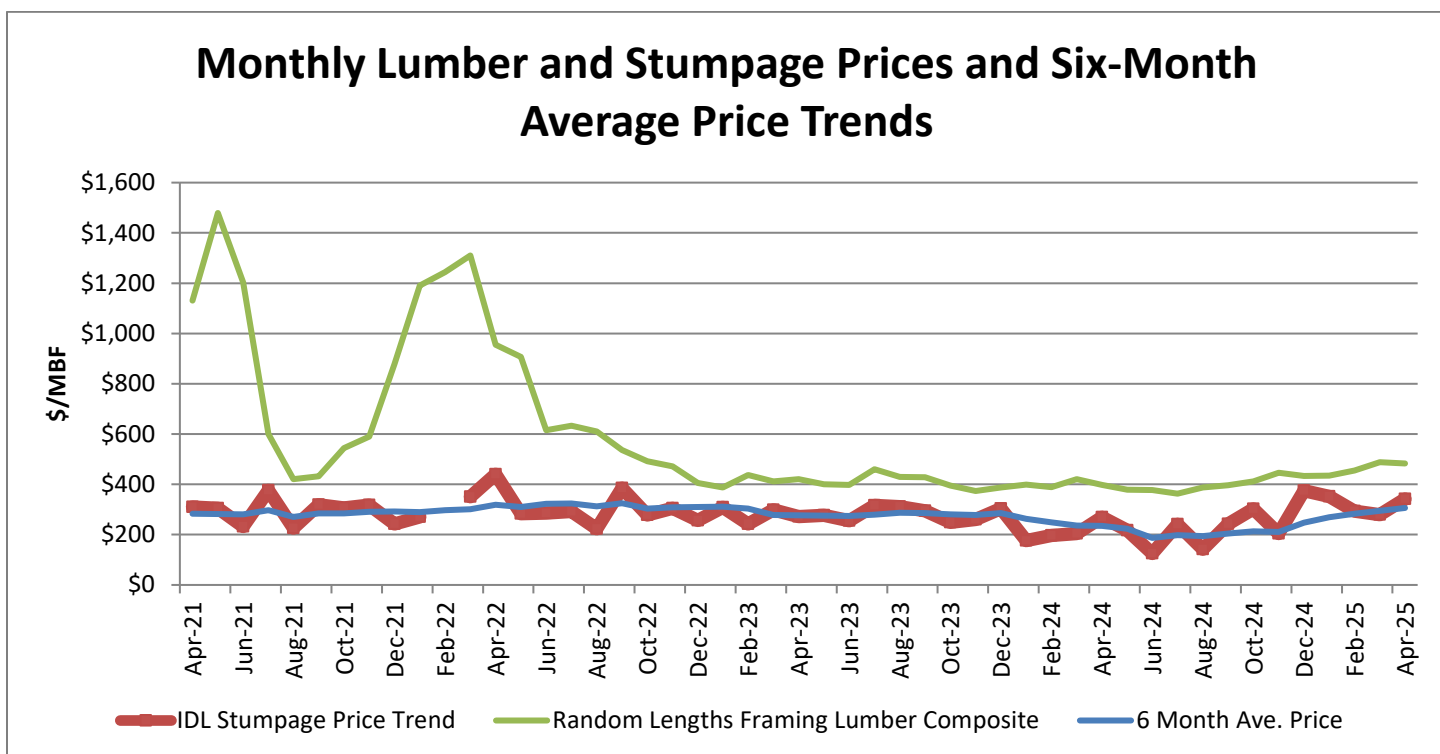
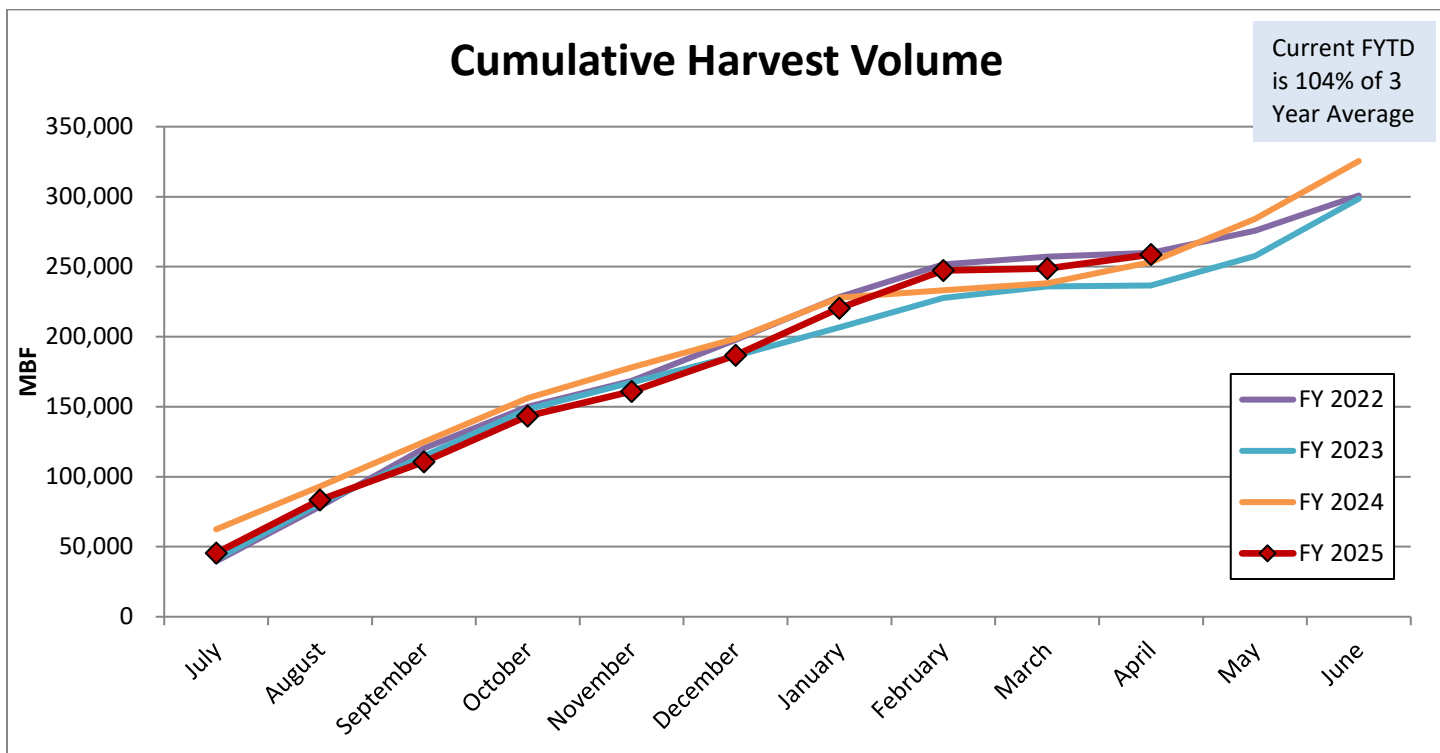
VOLUME UNDER CONTRACT as of April 30, 2025				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			164	163
Total Residual MBF Equivalent	306,040	172,232	478,272	514,642
Estimated Residual value	\$81,998,672	\$50,682,267	\$132,680,939	\$139,834,144
Residual Value (\$/MBF)	\$267.93	\$294.27	\$277.42	\$271.71

	TIMBER HARVEST RECEIPTS				
	April		FY to date	May Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 146,732.62	\$ 17,228.13	\$ 46,274,204.43	\$ 1,770,757.50	\$ 186,446.23
Pooled	\$ 37,685.38	\$ 2,755.69	\$ 27,569,655.45	\$ 693,390.61	\$ 61,435.02
General Fund	\$ 0.01	\$ -	\$ 4,163.56	\$ 0.01	\$ -
Totals	\$ 184,418.01	\$ 19,983.82	\$ 73,848,023.44	\$2,464,148.12	\$ 247,881.25

	Status of FY2025 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of April 30, 2025	88,349	98,250	186,599	12,734	9,546	22,280
Currently Advertised	25,614	18,296	43,910	1,468	1,792	3,260
In Review	48,022	11,518	59,540	1,365	1,000	2,365
Did Not Sell*	4,775	0	4,775	0	0	0
TOTALS	166,760	128,064	294,824	15,567	12,338	27,905
FY2025 Sales Plan			328,000			20,000
Percent to Date			90%			140%

* After three attempts at auction.

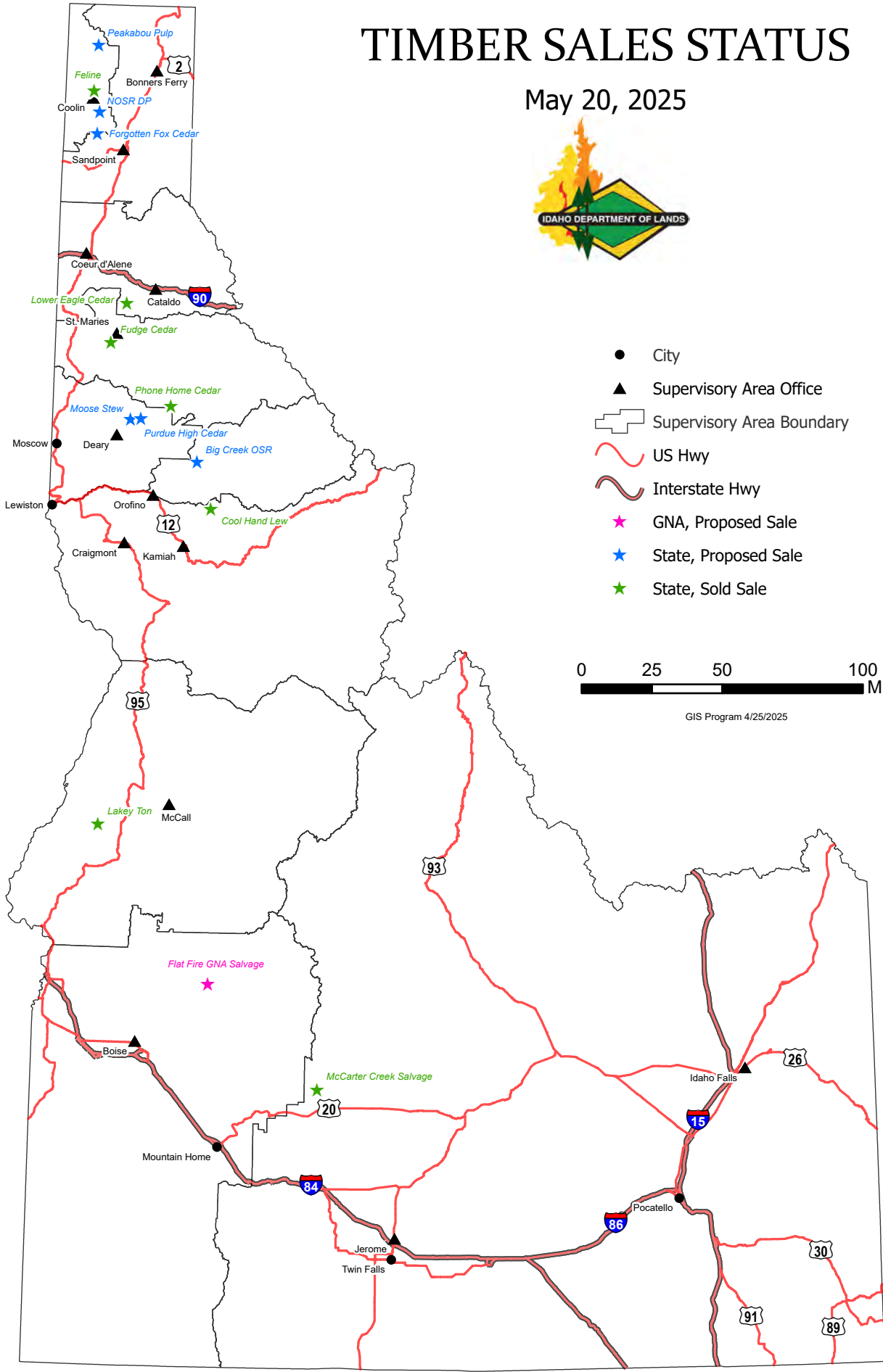




April 2025 6-month average price is \$306.16.
 April 2024 6-month average price was \$235.38.

TIMBER SALES STATUS

May 20, 2025



- City
- ▲ Supervisory Area Office
- ▭ Supervisory Area Boundary
- US Hwy
- Interstate Hwy
- ★ GNA, Proposed Sale
- ★ State, Proposed Sale
- ★ State, Sold Sale

0 25 50 100 Miles

GIS Program 4/25/2025

STATE BOARD OF LAND COMMISSIONERS

May 20, 2025

Endowment Transactions

Leases and Permits

FISCAL YEAR 2025 – LEASING & PERMITTING TRANSACTIONS BY MONTH through April 30, 2025													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture		-	-	-	-	-	-	-	-	-	-	-	0
Assignments	-	-	-	-	-	-	1	-	-	-	-	-	1
Communication Sites	1		-	-	-	-	-	1	-	1	-	-	3
Assignments	-	4	-	-	-	-	-	-	-	-	-	-	4
Grazing	-	3	-	2	-	-	-	-	2	-	-	-	7
Assignments	4	2	11	2	3	-	1	1	2	11	-	-	37
Residential	-	9	1	8	3	6	4	1	-	2	-	-	34
Assignments		2	2	1	-	1	-	-	-	-	-	-	6
COMMERCIAL													
Alternative Energy	-	-	-	-	-	-	2	-	-	-	-	-	2
Industrial		-	-	-	-	-	-	-	-	-	-	-	0
Assignments	-	-	-	-	-	-	1	-	-	-	-	-	1
Military	-	-	-	-	-	-	-	-	-	-	-	-	0
Office/Retail	-	-	-	-	-	-	-	-	-	-	-	-	0
Recreation	-	-	-	1	-	-	-	-	-	-	-	-	1
Assignments	1	-	-	-	-	-	-	-	-	-	-	-	1
OTHER													
Conservation	-	-	-	-	-	-	-	-	-	-	-	-	0
Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	0
Minerals	2		-	2	-	1	-	-	2	1	-	-	8
Assignments	-	-	-	-	-	-	4	-	-	-	-	-	4
Non-Comm Recreation		-	-	-	-	-	-	-	-	-	-	-	0
Oil & Gas	-	-	-	-	-	-	-	-	-	-	-	-	0
PERMITS													
Land Use Permits	9	11	10	7	2	7	11	11	4	3	-	-	75
TOTAL INSTRUMENTS	17	31	24	23	8	15	24	14	10	18	0	0	184

Real Estate

FISCAL YEAR 2025 – REAL ESTATE TRANSACTIONS BY MONTH through April 30, 2025													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	1	-	-	-	-	-	1	-	-	-	-	2
Deeds Granted	-	-	-	4	8	-	-	-	-	1	-	-	13
Deeds Granted - Surplus	-	1	-	2	-	-	-	-	-	-	-	-	3
Easements Acquired		-	-	1	-	1	-	1	-	-	-	-	3
Easements Granted	-	-	-	-	1	-	1	-	-	-	-	-	2
<i>Notes : Cottage Site Deeds: 1 Site, Priest Lake VAFO</i>													

TRUST LAND MANAGEMENT DIVISION
FY2025 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through April 30, 2025

	REVENUE YTD AS OF 04.30.2025	REVENUE EXPECTED BY 04.30.2025*	REVENUE EXPECTED BY 06.30.2025
SURFACE			
AGRICULTURE	\$ 457,013	\$ 678,710	\$ 678,710
COMMUNICATION SITES	\$ 1,058,960	\$ 1,090,000	\$ 1,100,000
GRAZING	\$ 1,132,709	\$ 1,854,000	\$ 2,089,000
RESIDENTIAL LEASES	\$ 1,350,962	\$ 1,322,000	\$ 1,557,115
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 87,420	\$ 117,340	\$ 117,340
COMMERCIAL INDUSTRIAL	\$ 280,796	\$ 125,000	\$ 130,000
COMMERCIAL MILITARY FACILITIES	\$ 111,775	\$ 150,000	\$ 150,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 773,961	\$ 890,000	\$ 950,000
COMMERCIAL RECREATION	\$ 1,305,938	\$ 933,000	\$ 1,120,000
OTHER			
CONSERVATION LEASES	\$ 100,161	\$ 73,295	\$ 73,595
GEOTHERMAL	\$ -	\$ 5,006	\$ 5,006
MINERAL LEASES	\$ 279,253	\$ 110,494	\$ 110,494
OIL AND GAS LEASES	\$ 6,155	\$ 2,989	\$ 3,029
Sub Total	\$ 6,945,104	\$ 7,351,835	\$ 8,084,289
REAL ESTATE SERVICES (ER)	\$ -	**	
Grand Total - Earnings Reserve	\$ 6,945,104		

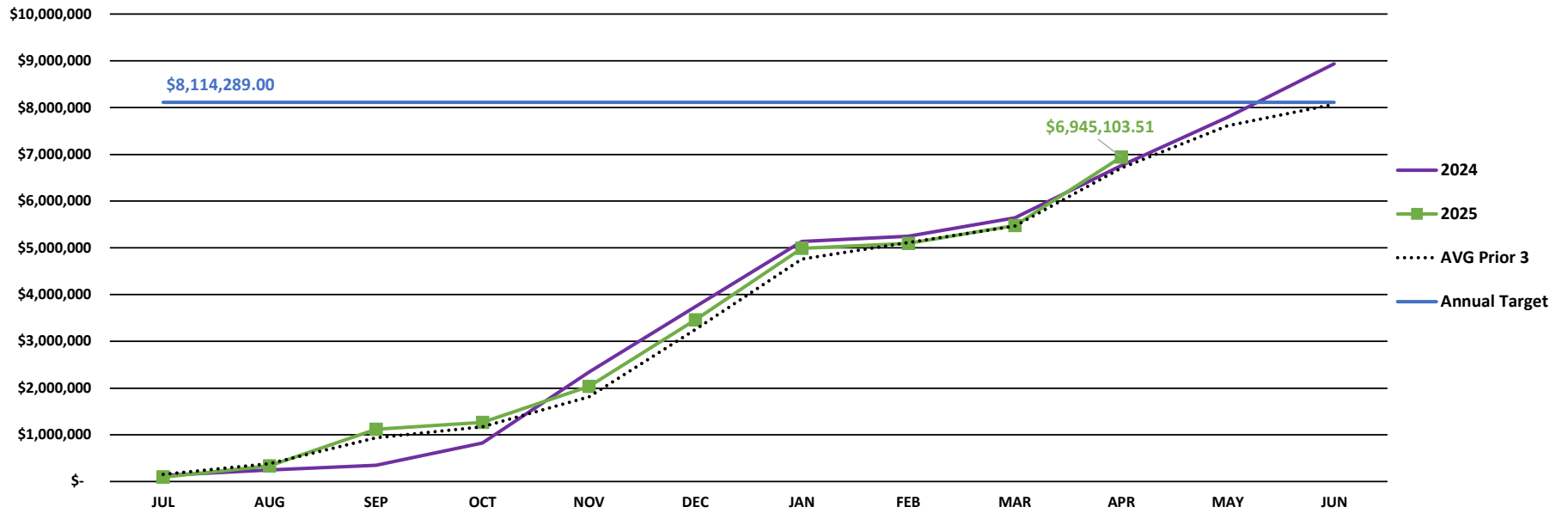
PERMANENT FUND REVENUE	
MINERALS (PF)	\$ 2,329,116 ***

*These figures are based on historic timing of revenue/billing as well as estimates of upcoming lease and permit revenue.

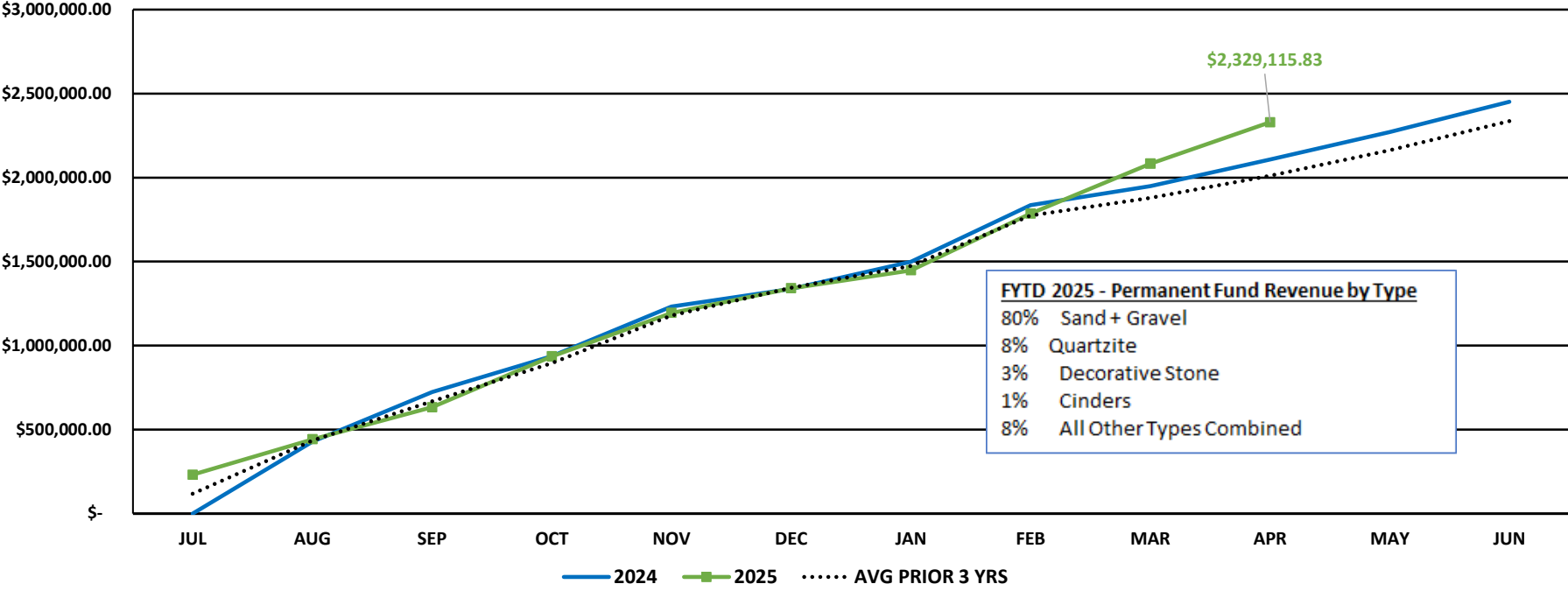
** This category is not included in the annual forecast.

***This category is not included in the annual forecast and represents minerals revenue to the permanent fund.

Cumulative Trust Land Program Receipts
Earnings Reserve - All Programs Excluding Timber
FYTD 2025



Trust Land Permanent Fund Revenue & Royalties
(Excluding Land Bank and Timber Program)
FYTD 2025



STATE BOARD OF LAND COMMISSIONERS

May 20, 2025

Department Report

Pre-Season Fire Brief: May-August 2025

The current Significant Wildland Fire Potential Outlook for Idaho is "Normal" throughout Idaho for May with increasing amounts of "Above Normal" areas across the state. The "Above Normal" areas begin in northern Idaho in June and work south until nearly all areas of the state are "Above Normal" by August. The far eastern edge of the state is forecasted to remain normal through August. Long range forecasts indicate above average temperatures and below average precipitation through September. Moderate drought and abnormally dry conditions exist for portions of northern Idaho and along the Idaho-Montana border. If these conditions persist, an earlier fire season at all elevations is possible. Snowpack in nearly all areas of the state is above 75% of normal, however, rapid snow loss at mid and lower elevations could negate the effect of higher elevation snowpack. This information relies on several variables and will become more accurate over the next several months.

As of May 13, Idaho Department of Lands (IDL) has had 43 fires for 40.7 acres, mostly due to debris and grass burning. IDL has sent resources to 8 states already this season.

IDL Resources

IDL is concluding the solicitation of an exclusive use contract for a Type 1 helicopter for the upcoming fire season. Once awarded, the contract will ensure the state retains the same helicopter capacity as it had during the last fire season. The response from contractors interested in working with IDL has been positive thus far. A final update, including the contract awarded and details, will be given in June. IDL will maintain the same aerial assets as last season, including four (4) Single Engine Water Scoopers (SEWS) based in Coeur d'Alene. Additionally, four (4) Single Engine Air Tankers (SEATs) will be stationed within the state—two (2) in McCall and two (2) in Grangeville.

In terms of ground resources, IDL will have the following personnel and equipment:

- A 20-person Type 2-IA hand crew based in Deary (Teakean Crew).
- A 6-person Northern Idaho Suppression Module based in Sandpoint.
- A fleet of 50 engines distributed throughout the district and timber protective association (TPA) offices. This includes five (5) newly approved Strategic Engines. By the start of the fire season, 26 engines will be fully staffed, with qualified Engine Bosses. With the expected fire season conditions and staffing, the potential for contracting additional engines to meet operational needs is under evaluation.

The East Idaho FPD has made significant progress, with a Fire Warden and Assistant Fire Warden already hired. The district is currently recruiting staff to fill three vacant positions:

- One (1) Assistant Fire Warden
- Two (2) Resource Foreman-Engine Captain positions

The district's boundary has been defined and approved, and IDL is actively finalizing local agreements and operating plans with federal partners and Fire Service Organizations (FSOs) within the district. As part of its preparations for the fire season, the district is planning to hire a seasonal crew of 8 to 10 individuals.

IDL continues to recruit for the upcoming fire season. Currently, 20 out of 29 permanent Resource Foreman positions are filled. Between the TPAs and IDL, 15 of 19 Assistant Fire Warden positions are staffed, as well as all 13 Fire Warden roles.

The District Readiness Reviews are scheduled to begin this month and will be completed by the end of June. Despite these staffing efforts, there remain gaps in key positions, including Engine Boss and Incident Commander Type 4 roles. With only 40 to 60% of engines being fully staffed with seasonals and Resource Foremen, there is a need for additional fire management support for 7-day coverage. Non-fire IDL staff will need to assist in backfilling engine staffing while maintaining their regular responsibilities.



Thomas J. Wilford :: Chairman
Jerry F. Aldape Mary Pat Thompson
Robert M. Donaldson Chuck Winder
Joseph Forney Kenny Wroten
Irving Littman Brian Yeargain
Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through April 30, 2025

Month: 0.7% Fiscal year: 4.0%

Financial markets were volatile during April as tariff uncertainty raised concerns about inflation and supply chain disruptions and President Trump put pressure on the Fed Chair Powell to cut interest rates, which called into question the independence of the Fed. Financial markets expressed relief when “reciprocal” tariffs, other than those imposed on China, were suspended for 90 days and President Trump indicated that he had no plans to terminate Fed Chair Powell prior to the end of his term in 2026. The economy showed some signs of softening as GDP declined 0.3% during the first quarter of calendar 2025 as businesses rushed to stockpile goods ahead of the imposition of tariffs. Labor markets, however, have remained resilient with the addition of 177,00 jobs in April and an unemployment rate of 4.2%.

Status of endowment fund reserves

Distributions for FY2025 and FY2026 are well secured.

Significant actions of the Endowment Fund Investment Board

Brian Yeargain’s term on the Board expired in April. He will be replaced by David Dean.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None.

Material legal issues: None.

Changes in board membership or agency staffing:

None.

Upcoming issues/events

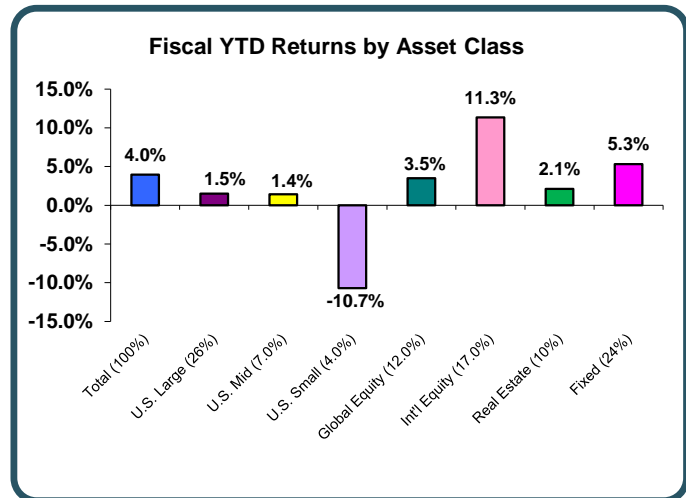
Board Meeting – May 20, 2025

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	3,319,516,610	\$ 3,254,002,699
Distributions to Beneficiaries	(8,601,800)	(86,268,000)
Land Revenue net of IDL Expenses	7,854,501	58,924,025
Change in Market Value net of Investment Mgt. Expenses	23,386,402	115,496,989
Current Value of Fund	\$ 3,342,155,713	\$ 3,342,155,713

<u>Gross Returns</u>	<u>Current Month</u>	<u>Calendar Y-T-D</u>	<u>Fiscal Y-T-D</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Total Fund	0.7%	0.7%	4.0%	8.3%	6.6%	9.3%	7.3%
Total Fund Benchmark*	0.6%	0.3%	4.7%	9.5%	7.1%	8.9%	7.0%
Total Fixed	0.3%	3.1%	5.3%	8.1%	2.0%	0.3%	1.7%
BBG U.S. Agg. (Ag)	0.4%	3.2%	5.2%	8.0%	2.0%	-0.3%	1.7%
Total Equity	0.8%	-0.3%	3.7%	9.1%	9.9%	13.8%	9.7%
56% R3 25.8% Ax 18.2% AC	0.7%	-0.9%	5.1%	11.8%	10.4%	13.5%	9.4%
Domestic Equity	-0.9%	-6.1%	0.1%	6.4%	9.6%	14.4%	11.0%
Russell 3000 (R3)	-0.7%	-5.4%	3.2%	11.4%	11.4%	15.1%	11.7%
Global Equity	0.4%	0.9%	3.5%	8.7%	9.9%	12.8%	8.6%
MSCI ACWI (AC)	0.9%	-0.4%	5.1%	11.8%	10.3%	13.1%	8.6%
Int'l. Equity	4.7%	12.2%	11.3%	15.0%	10.4%	12.9%	7.4%
MSCI ACWI ex-US (Ax)	3.6%	9.0%	8.9%	11.9%	8.0%	10.1%	4.8%
Real Estate	0.7%	1.6%	2.1%	2.1%	-4.4%	1.9%	
NCREIF ODCE Index		0.9%	0.3%	-2.3%	-3.1%	1.9%	

* Benchmark: 37% Russell 3000 17% ACWI ex-US 12% AC 24% BB Agg. 10% OD

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,163.6	34.8%
Large Cap	821.5	24.6%
Mid Cap	226.1	6.8%
Small Cap	115.9	3.5%
Global Equity	409.8	12.3%
Int'l Equity	600.5	18.0%
Fixed Income	799.8	23.9%
Real Estate	352.8	10.6%
Cash	15.7	0.5%
Total Fund	\$ 3,342.2	100.0%



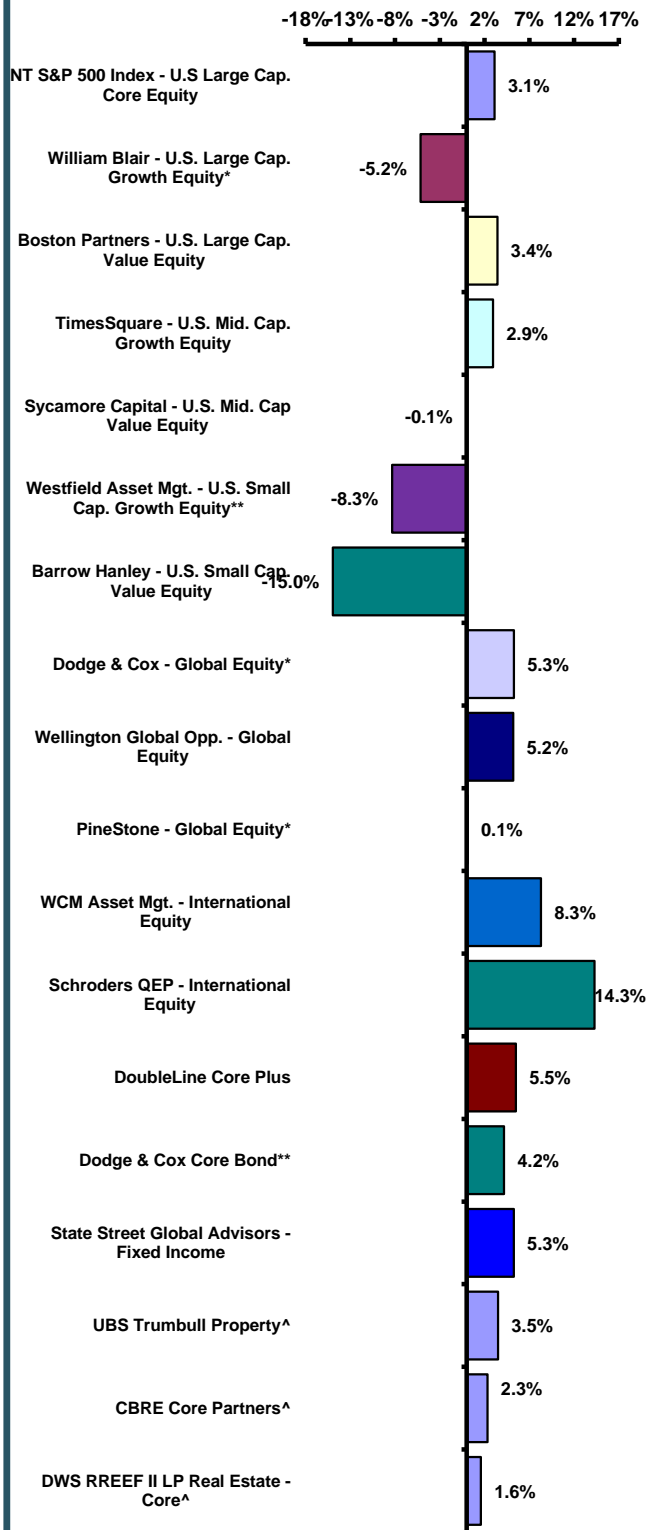
Endowment Fund Staff Comments:

Financial markets were volatile during April as tariff uncertainty raised concerns about inflation and supply chain disruptions and President Trump put pressure on the Fed Chair Powell to cut interest rates, which called into question the independence of the Fed. Financial markets expressed relief when "reciprocal" tariffs, other than those imposed on China, were suspended for 90 days and President Trump indicated that he had no plans to terminate Fed Chair Powell prior to the end of his term in 2026. The economy showed some signs of softening as GDP declined 0.3% during the first quarter of calendar 2025 as businesses rushed to stockpile goods ahead of the imposition of tariffs. Labor markets, however, have remained resilient with the addition of 177,00 jobs in April and an unemployment rate of 4.2%.

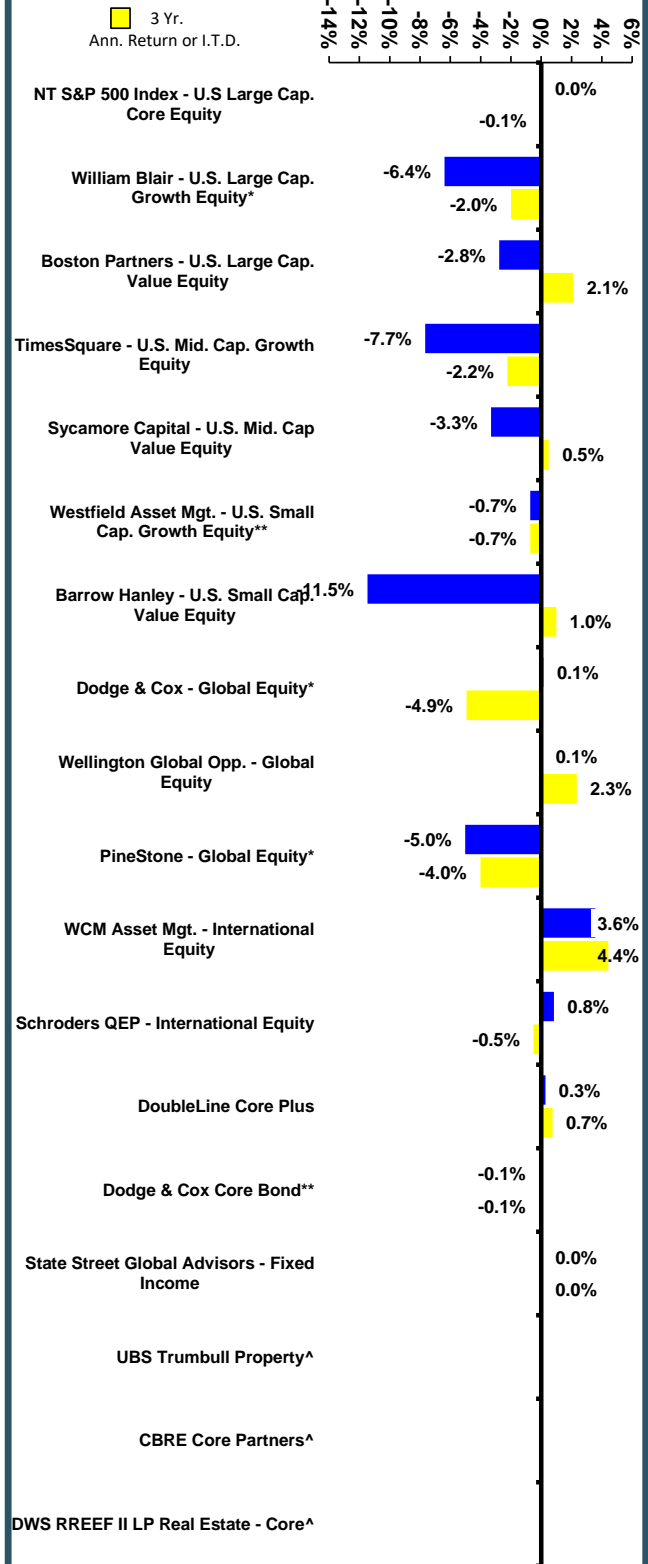
April 30, 2025

INVESTMENT REPORT

FYTD Manager Returns*



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



** Westfield Started 7/19/24, Dodge & Cox 2/1/25

^ Most recent valuation. * I-T-D if no FYTD or 3-yr. history

Semi-Annual Report to the Board of Land Commissioners

Endowment Fund Investment Board

May 20, 2025



Mission: Endowment Fund Investment Board

**Provide outstanding investment
management services to our
stakeholders consistent with our
constitutional and statutory mandates.**

Assets Overseen by the Investment Board April 30, 2024

	Assets	Percent of
	<u>(\$ Millions)</u>	<u>Total</u>
Land Grant Endowmen	\$ 3,342	72.7%
State Insurance Fund	1,061	23.1%
DEQ	132	2.9%
Fish & Game	57	1.2%
Parks & Rec.	6	0.1%
ID Dept. of Lands	<u>1</u>	<u>0.0%</u>
Total	<u>\$ 4,599</u>	<u>100.0%</u>

Endowment Fund Investment Board

Organization

Board

Tom Wilford - Chair

Jerry Aldape - Chair of Audit Committee

Dave Dean

Bob Donaldson

Joe Forney - Chair of Compensation Committee

Irv Littman

Representative James Petzke

Mary Pat Thompson

Senator Jim Woodward

Callan

Alex Browning

Evan Williams

Staff

Chris Anton

Chris Halvorson

Kathy Van Vactor

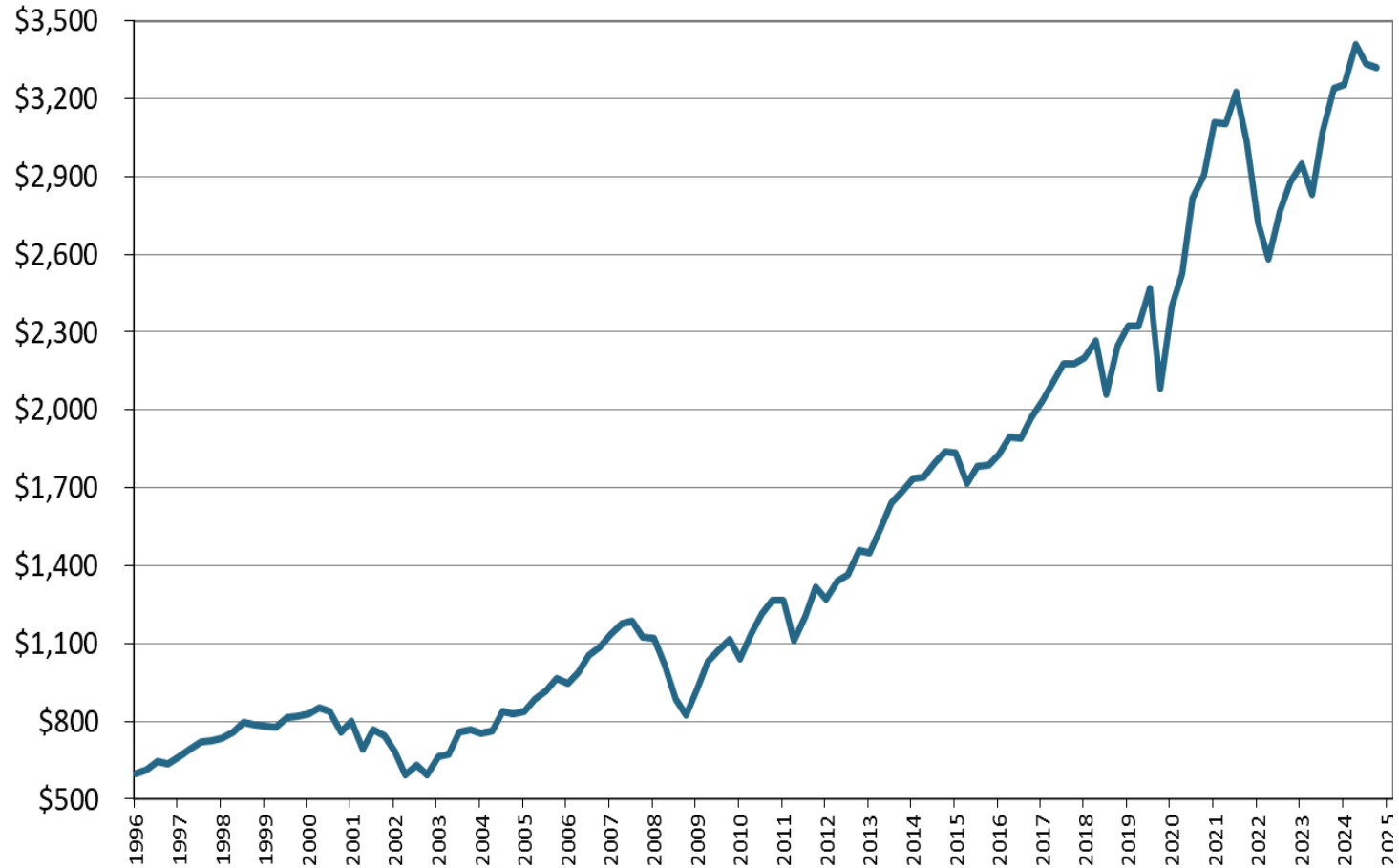
Liz Wieneke

Financial Summary – Land Grant Endowments

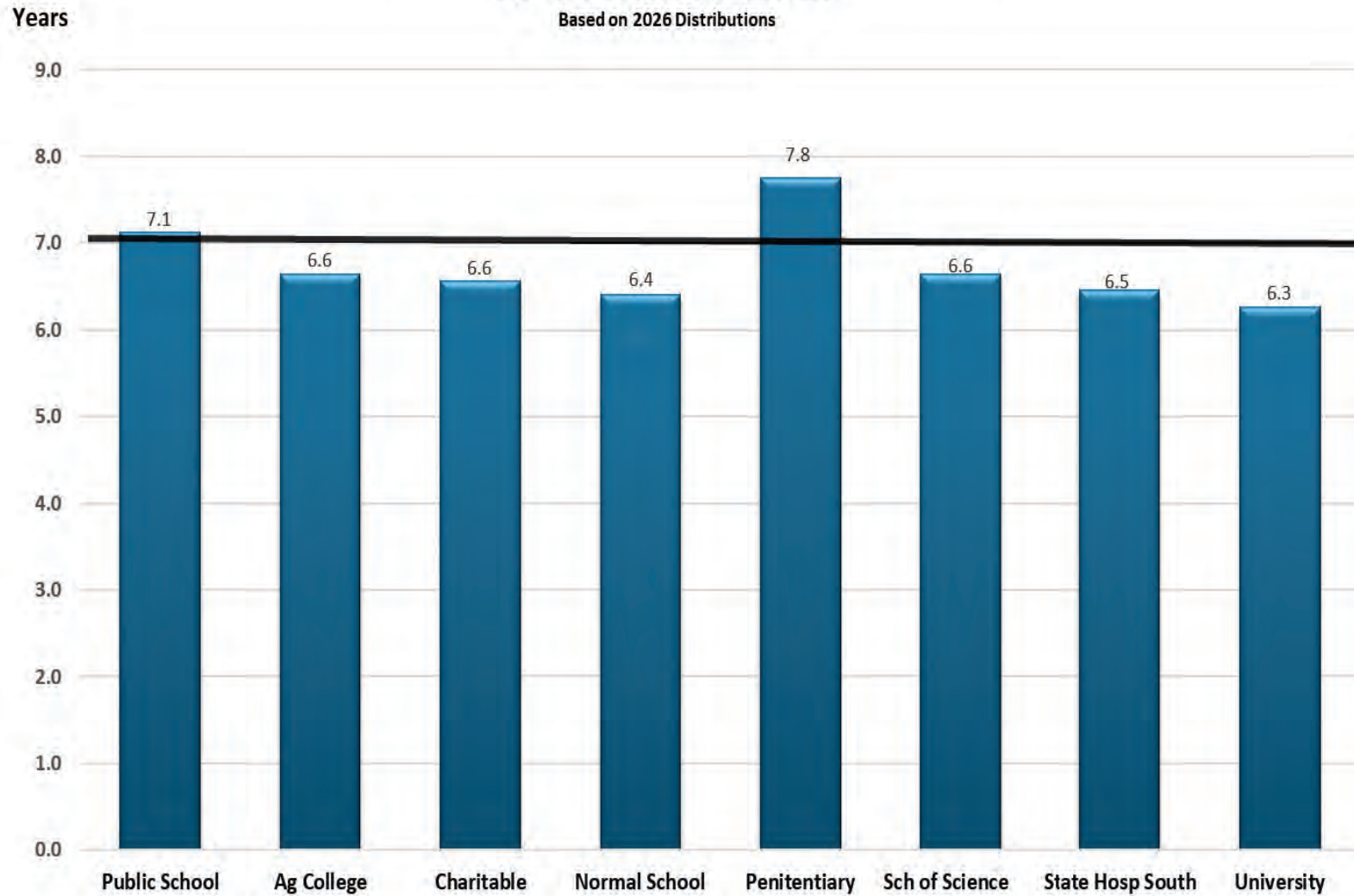
Ten Months Fiscal Year-to-Date 2025

- Total investment return of 4.0% for the first ten months of fiscal 2025.
- Compared to the previous fiscal year end:
 - Total land grant endowment fund balance has grown by \$88 million.

Total Land Grant Endowment Fund Assets
June 1996 - March 2025
(in millions)

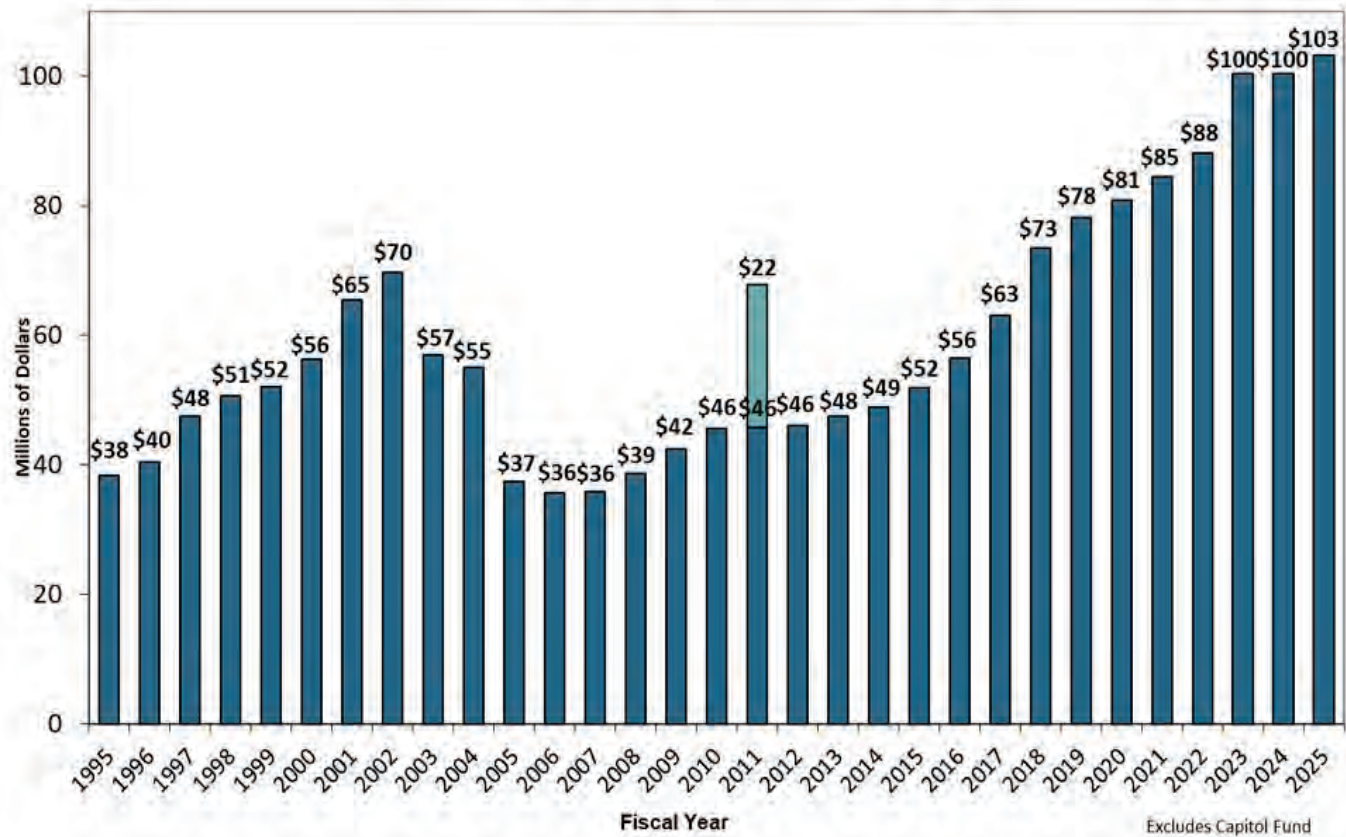


Years of Reserve and Desired Target as of March 2025



Beneficiary Distributions 1995-2025

(includes special Public School distribution in 2011 of \$22M)



School Bond Credit Enhancement Program

EFIB administers a Credit Enhancement program that allows eligible voter-approved school bonds to be issued with a Aaa rating by Moody's. The State of Idaho is now rated Aaa, but bonds issued by school districts through the Idaho Bond Bank Authority without EFIB's credit enhancement are often rated Aa1.

- EFIB will provide credit enhancement on up to \$1.2 billion in bonds. Currently, \$475 million in outstanding commitments.
- The limit per school district is \$40 million.
- Backed by \$300 million in Public School Endowment Fund assets.
- Aaa rating currently lowers the issuer's interest rates approximately 0.05% points annually (material savings on multi-million dollar issues).



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

Be it remembered that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.

Draft Minutes

State Board of Land Commissioners Regular Meeting

April 15, 2025

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, April 15, 2025 at the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little

Honorable Secretary of State Phil McGrane

Honorable Attorney General Raúl Labrador

Honorable State Controller Brandon Woolf

Honorable Superintendent of Public Instruction Debbie Critchfield

All Land Board members were present at the physical location.

Reports

1. Department Reports—presented by Dustin Miller, Director
 - A. Timber Sales Revenue—March 2025
 - B. Leases/Permits Transactions and Revenue—March 2025
 - C. Legislative Summary—Final
 - D. Land Bank Aging

Discussion: Superintendent Critchfield asked how current or proposed tariffs will impact the Department. Director Miller replied that already the Department is seeing some tariff impacts on seedlings which are sown and grown in Canada and will continue to monitor the situation. Governor Little wondered if the Department would need more resources with the passing of Senate Bill 1183 by Idaho's legislature. Director Miller explained the Department's role will be to help review and provide input on the wildfire mitigation plans provided to the Public Utilities Commission (PUC) from utility companies. That will put pressure on the Department's mitigation specialist, who recently received a national award, and other staff to ensure that these wildfire mitigation plans address some of the Department's concerns. Director

Miller added that staff may need additional assistance in working through those plans depending on how many and the timing of these plans being submitted to the PUC. Governor Little remarked that it would be helpful for the Department to talk with the PUC and at the next Land Board meeting present an assessment of how many plans are anticipated and what resource constraints the Department does or does not have.

2. Endowment Fund Investment Board—presented by Chris Anton, EFIB Manager of Investments
 - A. Manager's Report
 - B. Investment Report

Discussion: Mr. Anton noted it has been an interesting period. In late March President Trump announced that he would be rolling out his tariff plan on April 2, 2025, what he termed Liberation Day. There was some sell off in the market in late March, with the uncertainty of where the tariffs would be set. The plan as announced on April 2nd included a base level of 10% tariffs for all countries and what President Trump termed reciprocal tariffs on top of that. It is fair to say the tariffs were higher than most people had anticipated. The market responded by selling off; the equity market at one point was down 20%; the S&P was down below 5,000, and there was pressure on the President with the market moving that quickly down. The President then announced a 90-day suspension on the reciprocal tariffs and kept the base tariffs, with the exception of China. The reciprocal tariffs with China have escalated back and forth and are still in place, but the market felt some relief with the 90-day period to negotiate the reciprocal tariffs. In addition, President Trump granted some exceptions for consumer electronics and for auto parts. The market bounced back; it is now down about 10%, a much healthier place. Mr. Anton reported the portfolio, through yesterday [4/14], is still up 0.8% for the fiscal year, down about 2.4% during the month of April. Given the volatility, the portfolio is in a reasonable place. Mr. Anton mentioned that in addition to the volatility in the equity market, there has been stress in the bond market due to concern that tariffs could be inflationary, which puts the Federal Reserve in a tough spot. The Federal Reserve cannot continue to cut interest rates until the tariff plan and the impact on inflation is understood. So, bond yields have moved up. The yield on the 10-year Treasury was down about 3.9%; it has moved up to about 4.5% this morning, which means bond prices have come down as well. Usually bonds diversify the equity losses, but both have been going down which has been challenging. The other concern is how the consumer is going to weather this if there are high levels of tariffs. Mr. Anton recalled that going into the Federal Reserve's rate hiking cycle, there were two job openings for everyone looking for work; that is now pretty balanced. There were excess consumer savings because during the pandemic people received the Covid support checks; most savings have gone down. Providing some certainty to tariffs is important because the consumer is starting to respond more cautiously and slowing down spending. Many of the big retailers in recent quarterly announcements have reduced forecasted earnings and sales. Clarity is the most important thing for the markets and consumers. Mr. Anton stated that reserves through yesterday are in a healthy place. Governor Little asked how the portfolio is doing relative to benchmark and if Callan or the Investment Board are thinking about any changes given the volatility in the markets. Mr. Anton replied that fiscal year-to-date the fund is right on benchmark and at this point the portfolio allocation will remain the same.

Consent—Action Item(s)

3. March 12, 2025 Live Auction, Mineral Lease E700060—presented by Jason Laney, Section Manager-Leasing

Recommendation: Direct the Department to award mineral lease E700060 to Sluder Construction, Inc., the high bidder at the auction.

Discussion: None.

4. Approval of Draft Minutes—March 18, 2025 Regular Meeting

Consent Agenda Board Action: A motion was made by Controller Woolf that the Land Board approve and adopt the Consent Agenda. The motion carried on a vote of 5-0.

Regular—Action Item(s)

5. Gloria Ford Property Disposal (Idaho Department of Fish and Game)—introduction by Zane Lathim, Section Manager-Real Estate; presented by Sal Palazzolo, State Habitat Manager, IDFG

Recommendation: Direct the Department to transfer ownership of the Property from the Idaho Department of Fish and Game to the Land Board, then transfer ownership of the Property from the Land Board to the United States Forest Service.

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board direct the Department to transfer ownership of the property from the Idaho Department of Fish and Game to the Land Board and then transfer ownership of the property from the Land Board to the United States Forest Service. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

6. Energy Lease M600110 (Hornstone Solar)—presented by Jason Laney, Section Manager-Leasing

Recommendation: Direct the Department to finalize and advertise lease number M600110.

Discussion: Superintendent Critchfield asked about notification for the grazing lessee. Mr. Laney commented that the lessee has already been notified; the existing lease requires 180 days' notice. Controller Woolf inquired what the next steps are in this process. Mr. Laney replied that the energy lease is finalized, next step is to advertise the lease for auction; that would be a 30-day advertisement on the Department's website and in local papers. If competing applications from qualified applicants are received, the lease will go to auction and then the auction results and the lease are brought back to the Land Board. If it does not go to auction, the Department will come back in the next month or two and seek approval for the lease. Controller Woolf asked about impact to neighbors and involvement of county commissioners. Mr. Laney answered the developer is in the early phases of obtaining a permit and

has only had a pre-meeting with the county. That is part of the reason for including this development phase into the lease so the developer can go through this large and in-depth process with the county. That process has yet to take place, but in that process they are going to hold public meetings, fulfill all the county requirements, and also meet with planning and zoning and county commissioners, probably several times. Controller Woolf wondered what type of solar farm this project is: solar panels like on a roof or a solar thermal system, that latter of which has been tried other places and not been successful. Mr. Laney replied this project is for photovoltaic solar panels.

Board Action: A motion was made by Controller Woolf that the Land Board direct the Department to finalize and advertise lease number M600110. Attorney General Labrador seconded the motion. The motion carried on a vote of 5-0.

7. Spiked Out Timber Sale: Clearcut Harvest Unit (FY2025 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Approve the Spiked Out Timber Sale.

Discussion: Superintendent Critchfield inquired how many trees would be in 157 acres, to help her visualize what that looks like. Mr. Greenwood said the number of trees in a stand varies, but the Department expects to harvest 20,000 board feet per acre out of those 157 acres, which is about 3.3 million board feet. Controller Woolf clarified this clearcut sale is separate from the ones later on today's agenda because it is in the FY2025 sales plan. Mr. Greenwood said that is correct.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Spiked Out Timber Sale. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

8. FY2026 Timber Sales Plan—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Direct the Department to proceed with implementation of the FY26 Timber Sales Plan.

Discussion: Controller Woolf mentioned that last year the Land Board had a discussion of the 5-, 10-, and then the 50-, 100-year plan. How does this plan tie into that future planning. Mr. Greenwood remarked this is in alignment with the Department's forest asset management plan that the Land Board approved in August 2024. That is a 5-year time horizon with a harvest of around 329 million board feet on average, plus or minus 5%. As the end of that 5-year window gets closer, the Department will see the depletions and growth from its endowment timber acreage base, and then staff will look at the next 5 years. Controller Woolf noted the 29,000 cedar pole harvest target in the FY2026 sales plan and asked if the Land Board should look in the future at changing the number of cedar poles that are harvested. Mr. Greenwood said it is worth looking at eventually. The Department is working through some older age classes which have these cedar poles. The 20,000-pole policy is from 1986 when timber harvest level was 220 million board feet. Harvest level has increased by 55%; 29,000 cedar poles is a 45% increase from 20,000, so as harvest

has increased in older stands, the poles would follow that harvest volume. Secretary of State McGrane mentioned he has noticed, up on the foothills, that Idaho Power is replacing all of the poles with steel as part of their fire risk mitigation efforts. Wildfire has become such a risk, is there a potential that utilities will shift the types of poles. They probably will always use cedar poles, but will there be any changes.

Mr. Greenwood answered that as specific products become less available, people will look at alternatives: steel; laminating cedar together to make a pole as is being used on Highway 95 south of Coeur d'Alene. There will be adjustments with industry; that comes along with advancements in technology and what products are available.

Superintendent Critchfield wondered if there would be more interest in clearcut sales due to tariffs or other market changes. Mr. Greenwood commented that when the tariffs got announced on Canada where a lot of the softwood lumber comes from, there was a huge spike in lumber by about 20%; in the last month, it has gone down 10%. Lumber is usually stable and does not have those large swings, but lumber markets are seeing that due to the large unknowns. Mr. Greenwood noted that interest in endowment sales comes down to competition in the marketplace and who is available. It is unlikely there will be any new market players or mills developing infrastructure in Idaho based upon short-term political tariffs and items like that.

Governor Little said it is undeniable that the current administration is going to fast-track more GNA sales; how does that factor into the Superintendent's question.

Mr. Greenwood indicated that with the President's order to do more GNA sales, the Department has done an early analysis on that. There are certain markets that would be a little more at risk, those are mainly in the Payette-Boise area due to the lack of mills and the capacity those mills can take compared to some of the ones up north.

With the sales that the Department provides, and through GNA in that region, markets are probably at capacity as evidenced through lower bidding, and fewer bidders to the table. The capacity is still there up to the north. The latest order showed a 25% increase over current timber harvest on federal ground; if that is the case, there is still mill capacity in those upper north Idaho locations. The other concern is the workforce issue; are there loggers and haulers to increase that wood at that rate. It is a dual edge, the mill capacity plus the workers to get the products moved; the Department sees the biggest risk in that Boise-Payette region.

Board Action: A motion was made by Controller Woolf that the Land Board direct the Department to proceed with implementation of the FY2026 Timber Sales Plan.

Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

9. Clearcuts Over 100 Acres (FY2026 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Approve the Caesar Ton, Headwaters Cedar, Macs Drive Thru, Signal Hauser Scraps, Palantir Cedar, Aldridge Cedar, Super Spur, East Town Cedar, and Lower Rainy timber sales.

Discussion: Controller Woolf asked about impacts to viewsheds on any of these sales or any concerns from citizens. Mr. Greenwood replied that Palantir Cedar is adjacent to a highway, for Signal Hauser Scraps, approximately 40 acres can be seen from Hauser Lake, and in the next agenda item Almost Round Cedar timber sale, the 100-acre clearcut can be seen from Highway 2 and the Pend Oreille River.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Caesar Ton, Headwaters Cedar, Macs Drive Thru, Signal Hauser Scraps, Palantir Cedar, Aldridge Cedar, Super Spur, East Town Cedar, and Lower Rainy timber sales. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

[Editor's note: the Discussion portions, if any, for the following agenda items may be written in first-person format. This is not a verbatim transcript.]

10. Almost Round Cedar Timber Sale: Clearcut Harvest Unit and Public Comment (FY2026 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management

Recommendation: Approve the Almost Round Cedar Timber Sale.

Discussion:

Governor Little: When we do a clearcut it is obviously the green trees or the not too distance green trees, and I assume we take out some of the other dead trees, maybe not all of them because of the fire risk. Would that be a correct assumption?

Mr. Greenwood: Even in the clearcut stands, if that tree is dead and does not have any merchantability material, we try to leave those as wildlife snags. We have that in our contract terms.

Superintendent Critchfield: Regarding the public comment, do you ever hear back from those individuals.

Mr. Greenwood: It depends on the person and how they view our response. There was one that wanted further comments and feedback and a public meeting; that was in that packet as well.

Superintendent Critchfield: For the area that is impacted around the lake, clearly the concern is over disturbing or disrupting the recreational area; what I am seeing referenced in the comments is that it disrupts or will change the recreational area of Round Lake. What portion or percentage of the entire area is affected by the logging.

Mr. Greenwood: If you look at Attachment 7, it shows the Round Lake State Park in blue and then shows our timber harvest to the west. There are some stewardship trails that were developed in conjunction with Idaho Parks and Recreation that citizens are probably commenting on. Along that trail, there are certain signs to describe some of our timber management activities and provide an educational opportunity for the folks that visit the park. I think those trails would be impacted but it provides us to redo some of those stewardship signs and talk about management, that public outreach for our timber harvest on endowment land.

Superintendent Critchfield: For trails that are impacted, can we or Parks and Recreation redo trails or re-establish other areas around the lake.

Mr. Greenwood: Those trails will stay intact where they are at. As you can see, a lot of those are kind of the sale boundaries, and so working with the Parks and Recreation Department, we will just continue those trails where they are located today on endowment ground; those are the trails that will remain.

Secretary of State McGrane: Just reading the feedback provided, I get the sense in terms of the response there is a desire to not do anything; that is obviously not our obligation as a Board, but also there seems that there is underlying concern about the clearcut. I see in the response the arguments for it, but is the clearcut necessarily the only approach. Governor, I see Director Buxton, I do not know if Parks has any thoughts on this because obviously it is adjacent to the park, but some of the response does seem somewhat dismissive of the concerns, but I can appreciate the residents up there having concerns.

Mr. Greenwood: A lot of their concerns may have been a misnomer of what a clearcut and a seed tree is, so we are trying to clarify what those different silvicultural prescriptions' definitions are; a lot of the concerns were actually in that seed tree unit, which they called a clearcut. There is an alternative treatment, whether it be a clearcut or seed tree and we are choosing the most economical decision of getting trees established soon and growing for the next rotation. That is how these sales are set up when deciding between a clearcut and something that is naturally generated through a seed tree prescription.

Director Miller: I really appreciate David's work on this as well as the work of our area field staff in terms of communicating to the public, telling our story, responding to their comments. They spend a great deal of time explaining the endowment mission, why we do what we need to do, and working with the public; I appreciate bureau staff and area staff for doing that, going above and beyond.

Secretary McGrane: Governor, just asking, can we see if Director Buxton has any thoughts on it? And maybe she does not.

Governor Little: Director Buxton, do you want to have any input on this matter?

Director Susan Buxton: Governor, members of the Land Board, my name is Susan Buxton, I am the director of the Department of Parks and Recreation. I did not know this was on the agenda, but I did actually tour the site, the park itself, where the delineations of the timber sale will be; I did that with one of our board members, Chuck Roady. Chuck Roady is an established forester here in the state of Idaho, nationally acclaimed, and we looked at that. Certainly, there is quite a need of treatment within areas of the park. When you are talking about the trail...there was an MOU that was in place between the two agencies in about 2008 to work together with regard to issues for recreation, the viewshed, as well as the recreation trail that was established from that situation. I know that our forester Keith Jones has been working with IDL with regard to this as well as with the public. We are certainly in support of it, though one issue that we are worried about is the viewshed, but in talking to IDL they will go back in and help reforest that. If you look at pictures of Round Lake you will see there is one big dock, and the timber sale is going to be right at the end of it. But in looking at it after standing there myself, I think that with IDL working together with us we will be able to make that grow back quickly and look good, but it is definitely in need of some help in that area. Thank you for the opportunity to visit with you and happy to stand for any questions. I would also add there is one trail there with this timber sale, it would open up some areas on IDL land that we would be happy to do some more interpretive work and trail work to add to

the trail system across from that viewshed which would probably make it a little bit more attractive after the sale, too; we would like to work with IDL on that project.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Almost Round Cedar Timber Sale. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

11. Land Bank Fund Transfer—Principal and Earned Interest—presented by Bill Haagenson, Deputy Director-Resource Management

Recommendation: The Department recommends the transfer of \$8,234,920 of principal and \$1,221,580 of accrued interest, plus any additional interest earned by those amounts, from the Land Bank to the permanent endowment fund, as detailed in the memo.

Discussion:

Secretary of State McGrane: I have been clear in terms of my desire to use Land Bank funds to look for acquisition opportunities along the way and the early transfer of these funds does not seem to align with that, so I am inclined not to support the transfer. I am a little bit concerned because I remember asking about this just recently, so I went back and looked at the minutes from our February 18th meeting. On page 2 sub item C, it talks about me asking specifically about the \$8 million that is about to time out in a year. At that time Mr. Elbin came up and said that there were projects in the pipeline over the next year to be able to potentially use those funds. Here we are two months later and what you just presented was that there are not any projects. What am I supposed to believe; what is the position of the Department.

Mr. Haagenson: Governor and Mr. Secretary, the position of the Department remains that we want to acquire timberland with these funds when those transactions are made available. What has not happened in the past year is any transactions that have reached the finish line so that we can use those funds. There are a couple out there that are small transactions that are pending; one is for the purchase of the seed orchard, that one potentially could close during this timeframe. The other one that we are looking into is acquisition by the endowments of general fund property, in this case a parcel of General Fund owned property that is surrounded by Public School endowment in the Priest Lake area. We still have some issues to figure out in terms of the process for making that acquisition and making sure that we can do that, and if we can we will be bringing that forward soon to the Land Board for consideration. Those two together are a little over a million dollars that could be utilized, maybe, in this window of time. There is going to be additional funds coming into the Land Bank and opportunities for acquisitions are going to continue over a period of years; we are still optimistic. Nationally, the pace of timberland transactions has slowed over the last couple of years. In '23 and '24 nationally about a million acres changed hands and that is down from years prior when the average was about 3 million acres. There are issues with valuation and the ability for investors to meet their own hurdle rates in acquisition of these parcels, and that continues to be a struggle for us to get a willing seller at a price that we can meet our hurdle rate and make a good acquisition for the endowments.

Secretary of State McGrane: To that end, though, the policy position and the creation of the Land Bank is to give that 5-year window to work through many of the issues and the things you described. Cutting an additional year for these funds...even the million-dollar transaction that you mentioned, it would be helpful to have the additional year to spend that money out of the Land Bank. I recognize there are other funds in the Land Bank, but those are for potentially future transactions over the 5-year period that those funds were placed into the bank.

Mr. Haagenson: The two amounts in this case do expire in the first and second quarters of fiscal year 26.

Secretary of State McGrane: Almost a year from now, though, in January and February of next year according to the report.

Mr. Haagenson: Just after the start of this next fiscal year on July 1 the first amount and then the second amount in the following quarter.

Governor Little: Fiscal year, not calendar year.

Secretary of State McGrane: Okay, fair enough; I will leave it at that.

Controller Woolf: My question is on the interest piece as we go forward. Do we have a policy on how those are handled, separate from the principal amounts. Do we have a good understanding or a policy direction of how that interest is handled going forward? We have almost \$5 million sitting there that is interest based.

Mr. Haagenson: The Department has kept the interest tied to the original deposit; if you look at each of those amounts on the aging report it ties back to a parcel or more that were disposed of at a fixed point in time, and that deposit in the Land Bank then starts that 5-year close. If those funds are expended on land, or if they are transferred to the permanent fund, we would then, in the case of an acquisition, transfer that interest to the permanent fund because the principal is now gone. In the case of a transfer like this, we would calculate the interest that is tied to those original deposits and transfer that interest at the same time. Our fiscal group, if the Board approves, will calculate and make that transfer as soon as possible. There is some difficulty to the calculation given that the interest rate on the funds in the Land Bank changes on a monthly basis and each of those amounts in the Land Bank is generating some portion of the total interest accrual; there is some math involved to get to the right number, or as close to the right number as we can get.

Controller Woolf: Is there anything saying that interest is tied to a potential acquisition in the pipeline. That is what I am trying to understand.

Mr. Haagenson: The interest could be expended for acquisitions as well, there is no policy that I am aware of that stops that. It has been customary to keep the interest tied to the original deposits as I described.

Superintendent Critchfield: I want to make sure that I understood what you were saying to the Secretary. For potential purchases, you believe that in addition to this transfer there will be or are funds available if those other purchases make their way to the end or come to us, that those would still be on the table as far as what funds are available regardless of whether this is transferred.

Mr. Haagenson: Governor and Superintendent, that is correct. Even this transfer, when the final amount is removed, would leave about \$75 million in the Land Bank. Over time there will be more cottage sites still to dispose of and there will be potentially other real estate transactions that feed money into the Land Bank. This would continue to have sufficient funds available for a large transaction if something became available.

Secretary of State McGrane: In terms of the transfer, and I want to be clear on the 5-year schedule, I would support the transfer, that is the policy and how it is set up, it is just the early transfer that I am concerned about. Maybe this is a question for Mr. Anton: if we make the transfer, the investment of the funds thereafter by the EFIB, I am curious, because the EFIB report today talked about how the market has been down; the Dow Jones is down 5% in the last six months. Mr. Anton commented on the need for clarity and some resolution to the tariff situation. I think there is a lot of instability, the Governor kind of alluded to that if anybody had a crystal ball it would help all of us. How does this work considering the uncertainty in the market right now; we are doing this in advance, I am assuming to put the money into the market even though there is that lack of clarity.

Mr. Haagenson: Governor and Mr. Secretary, the funds would go to the permanent fund for investment by EFIB. The exact timing and where those investments go would be much better answered by Mr. Anton than by me.

Mr. Anton: Governor, Secretary of State, yes, when we receive the money we will invest it in the portfolio. We would look at where we are at relative to our asset allocation at the time it came over and put the money to work. We typically do not sit on cash, so we are not trying to time it perfectly. I think when this first came up it was a bit more opportunistic because we were down about 20% but the S&P is still down about 10% so it is a reasonable opportunity.

Secretary of State McGrane: The question there is, even watching our own portfolio let alone the market at large, who knows where we are, because there could be more tariffs, less tariffs. That is one of the concerns I have on behalf of the beneficiaries: is this a prudent decision in terms of the timing of it, versus where it is sitting it is not causing any harm necessarily either. To your point, there is potentially some opportunity, but there is also the opportunity for loss just the same, with the whole idea of the uncertainty.

Mr. Anton: I can only express my opinion and rationale for my vote on the Investment Subcommittee. We cannot time it perfectly, but as Mr. Haagenson indicated, when they look at the acquisition pipeline, there are not any opportunities that would allow them to execute transactions over the next six months when all this will transfer, the first batch in three months, the next in six months. Given that, and the fact that the market is down, and I think it has been the custom of the Land Board when there are no opportunities to exercise it, we have transferred it over to EFIB. If there are opportunities, great, I think we are all supportive of acquisition opportunities.

Board Action: A motion was made by Controller Woolf that the Land Board follow the Department's and Investment Subcommittee's recommendations to transfer \$8,234,920 of principal and \$1,221,580 of accrued interest, plus any additional

interest earned by those amounts, from the Land Bank to the permanent endowment fund, as detailed in the memo. Superintendent Critchfield seconded the motion. The motion carried on a vote of 4-1, with Secretary of State McGrane voting in opposition.

Information

12. Round Lake Contract—presented by Michele Andersen, Deputy Director-Policy and Administration

Discussion: None.

13. 2026 Grazing Lease Rate—presented by Addie Faust, Program Manager-Natural Resources Leasing

Discussion: None.

14. Fire Strategic Plan—presented by Dustin Miller, Director

Discussion:

Controller Woolf: What is the timeframe and what you are looking for going forward with this document.

Director Miller: A lot of things identified here we are already doing, you can see that as you thumb through the plan, some of the key decision units that we have asked for in the past to help us with some of these themes have already been put into place. We are going to continue to move forward with implementation of this; we will be discussing our future budget decision units here very quickly. It is always interesting to be in the current fiscal year and planning for the next fiscal year while waiting for our budget to kick in for July 1st for the next fiscal year. We are always planning in three different budget cycles; we will be having those conversations about key positions and other elements within this plan for the next budget cycle. There is reference to the Governor's wildfire roundtable report and there are a few things in there that we have already been moving forward with. For example, the technology component, utilizing the latest and greatest fire technology, we are utilizing camera technology, and we appreciate the support of this Board and the legislature to provide funding for additional cameras to provide early detection which equates to rapid response on wildfire. We are going to be testing new satellite detection technology; some of that funding was provided by the legislature this year with support of the Land Board. Throughout the document there are things that tier back to the Governor's wildfire report that are already in a state of implementation. This is a draft right now; we will be finalizing this in the next couple of months and we want to make sure that this plan aligns with the vision of the Land Board.

Controller Woolf: Will you need this prior to budget submission on September 1?

Director Miller: Governor, Mr. Controller, yes, that would be ideal.

Superintendent Critchfield: As part of the return to the Land Board in whatever form you bring it, this is what we want to do, could you include on some of your strategies what dates or what you are looking at as far as all of this. Everything in here looks

really great, some are going to be quicker than others, it is helpful for me to know, here is a procedure, we can take care of that in four months, or here is something that we have to include a law, here is something that would be a budget request, to get a sense of how long do you see taking to accomplish some of the plan that you have set forth.

Director Miller: We have a lot of that information not included in the materials but in our planning work, talking about budget cycles and not knowing yet what the requirements through DFM will be for the next fiscal year, we want to certainly be cognizant of that. We know these requests are expensive, but we have an idea of the next fiscal year and several fiscal years out of what years we want to ask for certain decision units to help implement the strategy. We have that laid out and we can provide that information.

Superintendent Critchfield: To emphasize the timeline, looking at page 8, your strategy of expanding coordination, you list some other organizations there. I recognize that all things take some money to a degree, especially if it is time of your people putting it into that, but something that is not so much tied to a legislative cycle or a budgeting cycle, it would be nice to see, this is something that we can tackle immediately, we think that we can have MOUs in place within so many months, as an example.

Director Miller: Absolutely, Governor, Madam Superintendent, like I said a lot of these are already in the works. We want to get some of these agreements in place to the extent we can ahead of fire season. We are working on a couple of things here. One I will point out is developing a statewide MOU between firefighting entities, local, state, federal level, Idaho Fire Chiefs Association for example. That agreement is being developed right now. There is a draft of the Interoperability Committee MOU and that is consistent with the Governor's wildfire report as well. That committee is really focused on fire camera detection technology. There are a lot of different entities that are using that technology at the state, federal, and local level, as well as some of the utility companies. The Transportation Department has cameras as well, maybe not the fire cameras that we utilize, but we want to make sure that we are working together, that we are not duplicating work, that we are sharing the information and the data because it all tiers back to fire response and how quickly can we jump on these fires. Having that early detection is critical. We will get you a timeline by the next Land Board meeting on what is in the Department's best interest to move forward with in the next budget cycle and maybe a few years out as well.

Secretary of State McGrane: One of the things that IDL has been particularly successful with, and wanting to lean into it, is the early response, trying to initial attack. When I go through the report some of it feels very broad, capturing a little bit of everything, and the challenge is limited resources, so as we get to a draft it would be nice to see some prioritization of where that focus goes. One of the things that you have highlighted multiple times that really stands out to me is the recommendation from the Governor's committee in terms of cameras, the technology, so leaning into that for early detection, but then combining that with the rapid response. One of the things, watching last fire season here as well as in other states, there is always this tough balance between the aviation resources, they can hit the fire faster, but they also cost a lot; we saw on some of the big fires that happened here, if a fire gets out

of control then it costs way more because of the manpower and all of the other resources. As part of our strategy, it would be nice to see how we are going to do what we can to catch them as early as we can and do we need to shift some of our priorities. Because it is trying to do a little bit of everything, and it does not appear the legislature is inclined to fund the whole plan. Knowing that, how can we be as strategic as possible and can that be reflected. There are elements of this that I like because of the specifics and as we get to the final draft, have more of those in terms of how we are going to approach it, knowing some of the limitations that you confront. I can see the effort, I am not being critical, I am just pointing to where I would like to see it head as we try to finalize it.

Director Miller: We did throw a lot into this plan; we really covered the challenges, organized those challenges into themes and discussed where we need to go to address these challenges and what has already been done. We will provide the Board with more of a targeted prioritization schedule for each one of these elements: in this fiscal year we want to do these things, in this fiscal year we want to do these other things, fully aware that we will get guidance in late June from the Division of Financial Management on how budgets are to be structured. We want to make sure we are engaged with the Land Board, continue to improve this plan, provide that prioritization to you and ensure that we are building this together as a shared vision.

Secretary of State McGrane: One of the things I want to highlight, because it really shows our approach being different specifically compared to our federal partners. When we look at the Wapiti Fire last season, which was big and obviously had huge implications, I had a conversation with Mr. Boren [Undersecretary Michael Boren], and he credited the Governor and Jamie in getting aviation resources up there to stop it from entering the town of Stanley, but also the bulldozers, the other heavy equipment. You can point to multiple fires, when we get those resources there, we stop a fire much more quickly and it has a better long term impact for the state; it is not cheap, it is not easy. How do we lean into that as we move forward.

Director Miller: Within our districts and our focus on protecting industrial, private timber, and endowment timber, we have the luxury of oftentimes better access, better management, and we are tied in pretty closely with the logging community. It is easy for us to work with a logging operator and quickly sign them up to help out on fire, so bringing the iron and the heavy equipment to help us out is critical. It really works well with our model of fighting wildfire.

Governor Little: Do you and your fire crew anticipate any change now that we are probably 50% plus going to be fighting fire on a credit card instead of with cash. We did it before with deficiency warrants, but recently we have been doing it with cash. When you get to that point in time when you have to start issuing deficiency warrants, you probably are going to be getting phone calls, will it change some of the strategy and tactics that you use in fire.

Director Miller: Governor, we have a huge obligation as you know when it comes to fire suppression. We will continue to fight those fires, we will rack up debt, though. We are going to continue being aggressive and jump on these fires as quickly as possible and go full suppression as long as it is safe. It is concerning that we would rack up some debts and it would be up to me to work with our legislative partners

during the following legislative session to correct the accounts and make sure the bills are all paid. I believe since I have been director, Governor, we have had the cash balance. It is a very smart way to plan for fire; I appreciate your efforts, Governor, and the support of the Board for that. Other states have been in a tough situation; we saw it in Oregon where they ran out of money and the legislature had to be brought back during the summer to appropriate additional funding. We will keep our fingers crossed that we, knock on wood, have a mediocre fire season, but you look at the trend, we have to be prepared for what is to come. We will give a brief fire season precursor in May and then the Land Board will get an in-depth briefing in June. We will have other folks come in to provide a briefing from predictive services, our state forester and bureau chief will be presenting on our readiness reviews and a number of other things, and throughout the season we will make sure we continue to provide the Land Board with our best cost estimates and track that very closely.

Attorney General Labrador: Director, as you look at your planning and your strategy, I worry about bureaucracies wanting to keep growing the number of employees, and as we are giving you more resources, as the legislature is giving you more money for tools and other things, I need to understand better why you need to grow the number of employees to fight these fires. I have praised you and your Department, especially when compared to the federal government, you do better fire mitigation, better fire management, better firefighting, you do all of those things much better, but you also have a large bureaucracy. Are you utilizing all your resources adequately, are there some people in other departments, other areas, that maybe you do not need anymore, that maybe you could use those resources for firefighting. We had to do that at the Attorney General's Office; there are some new initiatives that we decided to do, and we have not always gone to the legislature to ask for more money, we just asked a couple of attorneys to do more work and more efficient work and use those positions for new initiatives that we wanted to do. So, as you are looking at your strategic plan, I want you to look at everything, not just the firefighting aspect of your job, but are there some people that maybe you do not need to have doing the job, maybe two people are doing the job that maybe one and half could be doing, just giving an example, and I want to have more discussion with you about that. We do not need to keep growing numbers of employees if it is not necessary.

Director Miller: Absolutely, Governor and Mr. Attorney General, we are always cognizant of growth in government. Fire, unfortunately, is expensive but I like to pride ourselves on how we fight fire; we try to keep costs as low as possible. In terms of the employees and the FTPs, those are vetted very carefully. When we need a new position, like within our fire program, we take a look at the need, is somebody doing that work, can other people take on that workload, and what we are finding given the changing dynamics and the different fire regime, we have to have more of that expertise, particularly in aviation. I think it is wise for us to invest in personnel that can help manage our aviation program, and aviation is critical in wildland firefighting. To have the expertise in our agency and fill positions in key roles like aviation are vitally important, and not just aviation but other overhead positions. We want to have a well-trained and experienced firefighting force, but we want to make sure we continue to put safety first and have those high-level positions. The experience necessary to fulfill the requirements of those positions may cause us to add and request some FTPs, but we evaluate those very carefully. When it comes to fire

season, if it is a bad fire season and resources are stretched thin and we might be at preparedness level 1 or 2, I oftentimes send out an all hands email; we have a number of our foresters and range staff and other jobs in the agency that also have fireline qualifications or maybe they have qualifications to fill in roles on incident management teams, and it does not take much to convince some of our permanent staff who have those fire qualifications to jump in and help out. It is an all-hands event; we rely heavily on others within the agency to do that. We certainly are mindful of the growth, and we want to be very careful with how we vet those positions, and bringing those positions to the Board for approval.

Governor Little: How many non-fire dedicated are red carded? You are going to give us a report.

Director Miller: I will give you the report; I do not know that number off the top of my head. We have a significant amount.

Governor Little: We will get the red carded people from the National Guard, too.

Executive Session

None

There being no further business before the Land Board, at 10:36 a.m. a motion to adjourn was made by Attorney General Labrador. The motion carried on a vote of 5-0.

STATE BOARD OF LAND COMMISSIONERS

May 20, 2025
Regular Agenda

Subject

Timberland Reclassification

Question Presented

Shall the Land Board reclassify two Benewah County timberland parcels for disposition?

Background

Article IX Section 8 of the Idaho Constitution requires the State Board of Land Commissioners (Land Board) to "...provide for the location, protection, sale or rental of all the lands heretofore, or which may hereafter be granted to or acquired by the state by or from the general government, under such regulations as may be prescribed by law, and in such manner as will secure the maximum long-term financial return to the institution to which granted...." The Land Board's Statement of Investment Policy and Endowment Lands Asset Management Plan, updated in December of 2024, provide criteria for land reclassification.

Idaho Code § 58-133(1) states "...all state-owned lands classified as chiefly valuable for forestry, reforestation, recreation and watershed protection are hereby reserved from sale...." This statute dates from 1935 and was amended in 1937 with the above quoted language when the department had oversight of lands that are now managed by other agencies and while negotiating with the federal government to identify and acquire lands deeded at statehood. Despite concerns about reducing timber base, endowment timberland ownership has increased by over 50,000 acres in the last decade, with continued acquisition planned. Constitutional and statutory limits govern annual land sales as well as maximum subdivision sizes that can be sold based on the owning beneficiary.

Reclassification of timberland is rare but not without precedent—such as the 2002 Tamarack Resort case (Attachment 1, pages 3-4 and 8). Other parcels have been reclassified through internal processes to help address management issues (Attachment 2).

Discussion

In line with updated policy, management plans, and to ensure transparency, two parcels totaling 16.8 acres are proposed for reclassification from Timberland to Residential. Both parcels are appraised at \$75,000 each with a highest and best use of Rural Residential (details in Attachments 3 and 4).

- Pierce Creek: 8.3 acres, south and east of State Highway 3. Emerald Creek Garnet Co. is the neighboring landowner and previous lessee of the parcel.
- Wilson Mountain: 8.5 acres, north of State Highway 3; no leases; surrounded by rural residential/agricultural land.

Recommendation

Approve reclassification of Pierce Creek and Wilson Mountain and disposition of these parcels via public auction.

Board Action**Attachments**

1. Land Board Final Minutes, May 14, 2002
2. Primary Asset Classification Procedures 1008
3. Pierce Creek Combined
4. Wilson Mountain Combined



STATE BOARD OF LAND COMMISSIONERS

Dirk Kempthorne, Governor and President of the Board

Pete T. Cenarrusa, Secretary of State

Alan G. Lance, Attorney General

J. D. Williams, State Controller

Marilyn Howard, Superintendent of Public Instruction

Winston A Wiggins, Secretary to the Board

Final Minutes Regular Land Board Meeting May 14, 2002

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, May 14, 2002 in Boise, Idaho. The meeting began at 9:10 a.m. The Honorable Dirk Kempthorne presided. The following members were present:

Honorable Secretary of State Pete T. Cenarrusa
Honorable Attorney General Alan G. Lance
Honorable Controller J. D. Williams
Honorable Superintendent of Public Instruction Marilyn Howard
Secretary to the Board Winston A Wiggins

• **CONSENT AGENDA**

Director Wiggins provided background information on the Consent Agenda items.

A motion was made by Secretary of State Cenarrusa to approve the Consent Agenda in its entirety. Attorney General Lance seconded the motion. The motion carried on a vote of 5-0.

1. **Director's Report – approved**

- A. Bureau of Minerals Official Transactions – April 2002
- B. Bureau of Real Estate, Land Sale Section, Official Transactions – April 2002
- C. Bureau of Real Estate, Easement Section, Official Transactions – April 2002
- D. Timber Sale Official Transactions – April 4, 2002 through April 30, 2002
- E. Timber Sale Activity Report – April 2002

2. **Approve Timber Sales – Staffed by Bob Helmer, Chief, Bureau of Forest Management – approved**

- | | | |
|---------------------|-----------|----------------------|
| A. Basin Pole | CR-3-0464 | 765 MBF / 171,460 LF |
| B. Gateway OSR | CR-3-0471 | 5,235 MBF |
| C. Circus Pole | CR-3-0479 | 755 MBF / 202,990 LF |
| D. Cabin Patch Pole | CR-4-0762 | 490 MBF / 107,220 LF |

3. **Request for Approval of the Property Acquisitions to Complete the Exchange between the Idaho State Board of Education and the Idaho Department of Lands – Staffed by Perry A. Whittaker, Chief, Bureau of Real Estate – approved**

DEPARTMENT RECOMMENDATION: That the board direct department staff to identify and acquire those parcels suitable for exchange to complete the exchange with the ISBE. Upon completion of inspections, appraisals and mutual agreement on values, ISBE and IDL will negotiate acquisition of those parcels needed to complete the exchange with ISBE in Idaho Falls pursuant to Idaho Code § 58-156. Land Bank funds would only be utilized if needed to balance out the overall transaction.

BOARD ACTION: Approved.

- **REGULAR AGENDA**

4. Endowment Fund Investment Board Manager's Report – *Presented by Charles G. Saums, Manager of Investments, EFIB, Dr. Nick Hallett, Chairman, Endowment Fund Investment Board, Susan Tamagni, RBC Dain Rauscher, and Valerie Petrone, RBC Dain Rauscher*

Ms. Susan Tamagni, RBC Dain Rauscher. Ms. Tamagni provided a recap of the original asset allocation and supporting manager selection. The Endowment Fund Investment Board, in an effort to assure a complete understanding of all of the variables inherent in the implementation of the prescribed investment reform, contracted with QInsight, an independent research firm, to develop a formal spending policy that would best achieve the optimal beneficiary distribution for the long term. QInsight completed the spending policy after a lengthy and complete analysis of the sources. Based on historical analysis, the lands afforded an opportunity to accept additional volatility. QInsight recommended a 70% equity and 30% fixed income allocation. The resulting diversified style allocation and manager choice was implemented in the first half of Fiscal 2001.

On a short-term basis neither the equity nor the fixed income markets came close to the time-tested target return and, simultaneously, land assets and revenue declined dramatically. The problem was a market problem and not a management problem. Ms. Tamagni feels confident that on a long-term basis the selected managers will perform well.

DISCUSSION: Controller Williams asked Ms. Tamagni what the net gain to the Fund would have been if the board had chosen passive use of the index fund instead of active management. Ms. Tamagni responded that you do not know until you choose your passive products and try to go back to see how they might have performed. On average it costs an additional 25 basis points to use active management. Passive products run, for some of the specialized passive products, between 25 and 35 basis points.

(Ms. Valerie Petrone, RBC Dain Rauscher, joined the discussion.) Ms. Petrone stated that three issues surround the choice between active and passive management. Those issues are the cost difference, the return difference and the risk difference. Return differences can be seen through any disparity between what active managers do and what the index does. The cost difference on average tends to be 25 basis points. The risk difference is where the right balance is determined. Additional risk is assumed with passive products, but 25 basis points can be saved. From a return standpoint you should match the index. Whether that is for better or for worse is where risk comes into play.

Controller Williams stated he would still like to see the information. He suggested using the current indexes as benchmarks. Ms. Tamagni stated that would not be an accurate representation of the cost differences because the relative index, and the product you might choose to help you replicate that index, could have disparities. She stated that it is very difficult to find a passive product that would accurately mimic the index. However, Ms. Tamagni stated she would endeavor to provide the information as requested and she would make it clear what the relative assumptions are.

Ms. Petrone discussed how managers are selected, the research completed and what is done on an ongoing basis to ensure that managers continue to perform to expectations. She also discussed what is done should there be a need to review, to evaluate or to put a manager "on watch." There are currently eight managers managing assets on behalf of the Endowment. Evaluations are completed on a quarterly basis.

DISCUSSION: Attorney General Lance asked if there was any intention to terminate some of the manager contracts in June. To clarify, Governor Kempthorne asked Mr. Saums if it is correct that in June all of the managers will be reviewed and there is the potential that some changes may be made. Mr. Saums stated that is correct.

Governor Kempthorne commented that the worst case scenario has occurred in the stock market. At the board's last meeting, Mr. Bob Maynard of PERSI indicated that it was probably the worst market in 50 years. Governor Kempthorne asked if this is a condition of the times and the economy or does it indicate a need for a change. Mr. Saums responded that a review of manager performance will be conducted. Along with that review, managers will be scrutinized to confirm that they are sticking with their particular style. After the review, recommendations will be made.

No action was taken on this agenda item.

5. Final Approval to Complete the Acquisition of Land from the Dry Creek Cemetery Maintenance District ("Dry Creek") for the Idaho Veterans Cemetery – Presented by Jay Biladeau, Assistant Director, Lands, Minerals, Range and Kent Nelson, Deputy Attorney General – approved

DEPARTMENT RECOMMENDATION: That the board direct the Department of Lands to complete the purchase of the Dry Creek property and eleven (11) Boise Valley Irrigation Ditch Company water shares for the purchase price of \$100,000.00.

DISCUSSION: In introducing this agenda item, Governor Kempthorne made special note of the number of Veterans in the audience. The Governor went on to thank the Veterans for their service to the country and to the State of Idaho. Governor Kempthorne commented that this particular acquisition was outlined in his Year 2000 State of the State message. Idaho is one of the few states remaining, if not the only state, that does not have a final resting place that is federal/state supported for Veterans. He believes Idaho is on the verge of correcting that now.

Attorney General Lance thanked Governor Kempthorne for his support on this project. Representative Fred Tilman was instrumental in putting together legislation necessary to make all of the pieces fit along with Kent Nelson, Julie Weaver, Corey Cartwright and fellow Veterans. Speaking on behalf of Secretary of State Cenarrusa and himself, Attorney General Lance hoped members of the Land Board would vote in favor of this agenda item.

AUDIENCE WITH THE BOARD

Mr. Richard W. Jones, Administrator, Idaho Division of Veterans Services, was granted an audience with the board.

Administrator Jones. Administrator Jones expressed appreciation to the Land Board. The past six months has been an interesting process. The Homes are facing challenges in addressing Medicaid certification, surveys, staffing and other issues. This past January, the Senate Survey Team Inspectors commented that this is the best they have seen the Homes look in years.

Administrator Jones met with Governor Kempthorne last October and, at that time, Governor Kempthorne commented that Idaho is the only state in the country that does not have a national or state Veterans' cemetery. The Governor went on to point out some of the difficulties that the development had encountered, such as slope, access, water, etc. Administrator Jones stated he perceived those difficulties as a challenge.

Last October the original plan was for the federal VA to fund the design development and construction of the cemetery in the amount of approximately \$7 million. In working closely with Washington, D.C., the dollar amount of the 100% grant increased from \$7 million to over \$8.5 million. This is a non-match totally federal grant. After construction of the cemetery it is worth noting that the VA will also pay for headstones, as well as \$300 per burial, to assist the state in defraying operational costs.

Administrator Jones expressed his appreciation to the following individuals: Representative Fred Tillman for being the original sponsor of House Bill 428; Representative Ruby Stone for moving the Bill through her Committee; Senator Clyde Boatwright for picking up the torch in the Senate; the members of the Joint Finance and Appropriations Committee for recommending funding; and Joni Harkless, Julie Weaver and Mitch Jaurena of the Division for a job well done. He thanked Governor Kempthorne for his assistance and referred to Governor Kempthorne as the "Veterans' Governor." In addition, he thanked all of the other people who have worked very hard on this project for a long time.

BOARD ACTION: A motion was made by Secretary of State Cenarrusa to accept the department's recommendation. Attorney General Lance seconded the motion. The motion carried on a vote of 5-0.

6. WestRock – Presented by Jay Biladeau, Assistant Director, Lands, Minerals, Range and Kent Nelson, Deputy Attorney General

DEPARTMENT RECOMMENDATION: That the board direct the department to (1) forward the draft lease to WestRock for full execution by signature, provision for bonding and tendering of the required initial lease

payments and (2) upon full lease execution, reclassify the lands included in the lease from timber production to recreational use as the primary use.

DISCUSSION: Attorney General Lance thanked Assistant Director Jay Biladeau and Deputy Attorney General Kent Nelson for the many hours spent on this project. He commented that the board has been dealing with this issue for approximately three or four years. He asked if in that timeframe anyone had come forward relative to the lease of this property with a better deal. Mr. Biladeau responded no. Attorney General Lance then asked if this is the best deal on the table right now for return to the endowed institutions. Mr. Biladeau stated that is correct. Attorney General Lance asked if the rate schedule as proposed is better or worse than what the Forest Service gets on ski resorts. Mr. Biladeau stated that this proposal would result in more money than the Forest Service would get.

Governor Kempthorne asked Mr. Biladeau for the amount of income currently being derived from the property and how much the Endowment would receive if the lease is approved. Mr. Biladeau stated the property is currently classified for timber production as a primary use. A portion of the land is leased for grazing, which provides a small amount of money to the Endowment. From a timber production standpoint, and based on the prevailing timber market, the land will produce approximately \$44,000 annually. Under the proposed lease, the base rent for the first five years is \$200,000 per year. That rate will increase to \$250,000 from year six to year ten. In year eleven, the board will have the option to go to a percent of gross receipts. If WestRock is successful, it would be in the board's favor to go to a percentage. It can be anticipated that more than the base rent will be made, but the rent will never be below the \$200,000 base rent.

Governor Kempthorne commented that the public hearing held a few months ago was both extensive and beneficial. Anyone having something to say about this issue had an opportunity to do so. Governor Kempthorne was impressed with the consultants and with the team assembled by WestRock. He was impressed with agencies and with the presentations by each of the state agency heads identifying areas of concern or suggestions on how to proceed. He feels the document presented today reflects a great deal of that effort. He is mindful that the board's vote is on whether or not to extend the lease to WestRock. The board's responsibility lies with generating revenue for the Endowment Fund. The figures cited – \$44,000 versus \$200,000 per year and years six through ten at \$250,000 per year – represent the focus for the board. There are, however, other affiliated issues that need to be addressed.

- **Roads and Infrastructure**

Idaho Transportation Department (ITD). ITD is in the process of finalizing a Memorandum of Understanding with WestRock. \$600,000 will be paid to ITD by WestRock, which is 100% of the current estimated projected costs for the Donnelly intersection.

Valley County. Valley County will receive 30% of the cost of improvements to access roads currently estimated to result in a \$3 million WestRock contribution to the county.

Idaho Department of Environmental Quality (IDEQ). IDEQ will be involved in extensive on-site water quality monitoring during pre-construction, construction and post-construction. WestRock will pay IDEQ \$250,000 to cover those costs.

Schools Mitigations to cover funding shortfalls between the arrival of a WestRock student, whose parents live or work on site, and the district's receipt of new property tax revenue is an issue.

- **Cascade School District.** WestRock will make a contribution of \$7,000 to \$10,500 per new WestRock student with a non-refundable \$200,000 pre-payment. Valley County worked out a developmental agreement with WestRock and all of the service providers in Valley County. The Cascade School District made the request and is pleased with the agreement.
- **McCall-Donnelly School District.** McCall-Donnelly District will receive \$6,500 to \$9,750 per new WestRock student, together with \$325,000 for facilities upgrades.

Valley County General Fund. Valley County general fund will receive a contribution of \$525,000 to cover short term impacts on the Sheriff's Department, the court system, Planning and Zoning and other county departments.

Rural Fire and Emergency Services. Governor Kempthorne asked Valley County Commissioner Terry Gestrin if it is accurate that \$30,000 will be paid to the Donnelly Rural Fire Protection Association. Commissioner Gestrin stated that negotiations with WestRock are ongoing. However, WestRock is anticipating constructing their own facilities.

Idaho Department of Parks and Recreation (IDPR). IDPR has entered into a Memorandum of Understanding requiring WestRock to move, rebuild and improve five campgrounds impacted by the development.

Idaho Department of Fish and Game (IDFG). In discussing this matter with IDFG, there was a focus on a Habitat Conservation Plan (HCP). The HCP will require:

- Stream buffers in compliance with state Best Management Practices (BMPs) and federal laws;
- Creation of a 184-acre wildlife preserve for eagle nesting;
- Establishment of Poison Creek and Rock Creek water flows and temperatures;
- That WestRock provide \$150,000 for projects to improve habitat for fish and game;
- That WestRock maintain environmental insurance for hazardous substances brought on site;
- That WestRock have a vegetation and erosion control plan approved by the Department of Lands;
- That the state maintains authority to enforce all state and federal environmental laws. If WestRock will not comply with those laws, the Department of Lands has the authority to close the operation.

New Sewer System. The new sewer system will remove approximately 300 septic tanks. Removal of those septic tanks will give Valley County the opportunity to improve the infrastructure on the west side.

Governor Kempthorne stated all of the points listed are important points that came out of the 10-hour hearing held in February. However, while those issues are pertinent, it does not determine the vote before the board. The vote before the board centers on receipts to the Endowment. Governor Kempthorne has concerns for Valley County and for that region of the state. He feels that this project has the positive potential of generating jobs for Valley County and the surrounding areas.

Controller Williams asked Deputy Attorney General Nelson if, in the terms of the lease, the initial term would be ten years and legislative authority would be required to continue to the 49th year. It looks like the lease shows a 25-year way station so it goes from 10 to 25 and then there would be an option by the lessee to go another 24 years. Mr. Nelson stated that is correct. WestRock must be in compliance with the lease terms in order to exercise that option.

Controller Williams asked about liability. It was pointed out that environmental insurance deals only with hazardous waste problems that occur on the property. Natural occurrences would not be covered. He asked how bonding is affected by a natural disaster that results in runoff into the lake. Would the dollar limits of the bonds suffice to clean up the damage caused by a natural occurrence? Mr. Nelson responded that there are a couple of tiers of protections.

- **Tier 1.** The first tier is the ongoing application of applicable laws and regulations enforced by DEQ and the right of the board to enforce those laws and regulations. If there is runoff of significance from the property, those laws would apply and WestRock, as the tenant, would be under an obligation to follow those laws.
- **Tier 2.** The secondary tier of protection is bonding. The reclamation plan, required under this lease, will be a fluctuating, floating plan and a floating bond amount. The bond amount will vary based upon the construction activities and based upon the potential or need for reclamation in the event of a default. That bonding will be included in WestRock's plan and the obligations under that plan will also be bonded. In addition, there is performance bonding under the contract itself. The contract will require Best Management Practices, which are things that the department is well versed in monitoring. The application of Best Management Practices under the terms of the contract is also bonded under the performance bonding.

Governor Kempthorne asked Director Steve Allred, Idaho Department of Environmental Quality, to address the board on this topic.

Director Steve Allred, IDEQ. Director Allred reviewed the agreement that IDEQ is in the process of executing with WestRock. Essentially the agreement covers five major items.

1. WestRock is required to prepare an Environmental Management Plan for the entire project, not just for state lands. The Plan must be approached on an integrated basis and IDEQ has to approve the Plan.
2. An extensive set of air and water quality monitoring is required to start prior to the time that any activity takes place. IDEQ needs baseline information showing what conditions were in addition to data they already have on file. IDEQ will monitor during and after construction.
3. The Plan requires WestRock to appoint or hire two individuals for the project. The first is an Environmental Compliance Officer and the second is a Construction Compliance Officer. IDEQ will have frequent contact with and access to both of these individuals.
4. Perhaps the most important requirement in being proactive is that the Plan requires WestRock to include provisions in all of their contracts with regard to environmental performance. A violation of any environmental requirement or law is a reason for termination of the construction contract.
5. WestRock will pay IDEQ \$50,000 a year, for a total of \$250,000 over five years, for additional costs that IDEQ may have as a result of providing surveillance during the project. Again, this covers the whole project, not just the state lands, but the state lands are an integral part of the Plan.

Attorney General Lance commented that the board probably does not have these kinds of protections with the present lessee on the property. Director Allred stated the protections are there but they would be brought into play after the fact. What this does is provide a pro-active means of dealing with issues. In addition to this agreement, Director Allred stated that he has all of the laws that are granted, either by state law or by federal law, enabling him to react and take actions against any operation in the state. Director Allred believes this provides a pro-active means where IDEQ will make the judgments and insist that measures be in place prior to the time that there is a chance for damage to occur. In addition, IDEQ still has all of the authorities of state and federal law if something happens that is unanticipated.

Attorney General Lance stated that when this project began the Land Board told the developers to talk with the people in the county to see if they were receptive to the project. The developers followed up on what they said they would do in terms of working with the county and others. The board promised the developers a fair shake and, during the course of the negotiations, conversations and hearings that have been held, staff has performed marvelously in trying to reach some sort of a resolution.

When the federal government started to close the national forests a few years ago, they kept saying you can find other things to do, such as tourism and recreation and so forth. This project could create potentially 3,100 jobs in Valley County, which is a substantial number of jobs. It could generate \$84 million in property taxes for the county and \$94 million in state taxes. It could enhance the Endowment returns by about \$5.5 million. That is significant. Whether or not the project will be successful is not for the board to decide or judge. The board's job is to make a decision as to whether this project is the highest or best return that the board can come up with right now for the property owned by the landlord. As indicated previously, no one has come forward in the last four years with a better proposal, or a better offer, to provide more money to the endowed institutions and our schools and, for those reasons, Attorney General Lance stated he would move the adoption of the recommendations of the department. Secretary of State Cenarrusa seconded the motion.

Controller Williams commented that he had a statement he would like to make. He stated he has spent a great deal of time analyzing WestRock's proposal. He has worked with the principals and with the consultants. He understands that this is an important issue. Controller Williams stated that he formerly was a mayor and a prosecutor. He grew up in rural Idaho and he knows what is going on there. He realizes it is tough for the rural communities. He realizes that it is really tough in Valley County because of the timber situation. He believes that the developers have great intentions and that they have done their best to draft a good proposal. Everyone has worked very hard on this project. Controller Williams stated he has made up his mind four times one way or the other. However, he stated his concern is the insurance.

After reading the draft lease, Controller Williams feels his concern is another Mica Bay situation for the state. Mica Bay property owners want \$23 million from the state on Lake Coeur d'Alene because of a problem with the road and the Department of Transportation did the construction. The board has been dealing with the

Triumph Mine tailings problem and a couple of million dollars has been spent on that. Last week, one of Controller Williams' staff visited the West Mountain area and took pictures of a washout at Mudd Creek on the north end of the lake. The washout was pretty serious.

Controller Williams stated that he worries about the state's liability. The potential is profound but can the state accept the risk because of the trust and the money in the trust. Initially one of the key provisions was environmental insurance to protect the state and that apparently is cost prohibitive to make WestRock viable. Reasonable minds can differ but Controller Williams feels this is too big and the risks are too great for the return as it is drafted now.

Dr. Howard commented that this has been a difficult issue to sort out from a Land Board perspective because there are so many pieces. The project has pointed out the inter-relationship between the state and education, the environment and the economy. Another "e" might be added to that list and that is the overriding component of emotion, which has certainly colored every discussion. Emotions of fear and of hope have been expressed. When considering the Land Board's role in this matter, part of what the board is doing is trying to balance all of the pieces. We know we want to enhance the returns to our beneficiaries. We want to also anticipate, to the best of our ability, any problems that might arise in the future and the goal for anticipating would be to see what we can do to avoid or hold ourselves harmless against that potential. The difficulty with any type of insurance or protection is that you have to determine what a prudent person would do. How far should we go? What are our risks?

Dr. Howard commented that when we look at this issue, we always ask who we are dealing with and who do we trust. When it comes down to it, Dr. Howard places her trust with the State of Idaho and with the state agencies. She also places her trust with the people in Valley County, including the elected officials, because those are the people who care the most about the environment and the economy of the area. She hopes that discussions during the last four years have brought to the forefront the need for the people in Valley County to take ownership over the future of that county in relation to environmental protections so that things do not continue that might be detrimental to the area. She also placed her trust in the Land Board and in state government to be sure all of the information is accounted for and considered. Everyone has spent many hours reviewing this project. Dr. Howard stated she received many letters, both pro and con, and it appears the opinions are evenly split. Many of the letters dealt with emotion. Some of the letters talked about the economy and the environment.

Dr. Howard stated when we look at it, we have some dirt and we have some plants. We do not want the dirt to be damaged in a way that is going to compromise the future of the resource or harm the environment. Dr. Howard stated we have plants right now that we can harvest and she needs the assurance that we can put them back and still have a resource in the future if this project is not successful. Dr. Howard commented she is proud of the Department of Lands and the Land Board for the amount of attention and the amount of detail that has been attended to. The points that have been discussed today are far beyond what the public would be aware has been under discussion. Dr. Howard believes that all of those points were brought up and every one was addressed and it is her feeling that the board has followed the prudent man proposal. The board has done what it can. Safeguards have been put into place to the degree that is possible. No one knows what the future holds. Dr. Howard stated she wants to be sure the state is positioned so that whatever the future holds, the asset has been protected. She wants to be assured that the resource has not been damaged in a way that will be regretted in the future and that we can also try to maximize our return.

Secretary of State Cenarrusa referred to Sun Valley in 1936. He stated he saw a complete change in the county almost overnight when construction began. Those were the days of the Depression but the change made things better for the people of Blaine County. People had employment. It was a shot in the arm. The value of property went up. Prices in Sun Valley are still going up. If WestRock accepts the lease terms, Secretary of State Cenarrusa believes it will be a good deal for Blaine County and for the state.

Governor Kempthorne commented that the board's decision is based upon the Endowment. Right now the Endowment is earning approximately \$44,000 per year for timber on the state land. This is an opportunity where that dollar amount can be increased to \$200,000. And in the sixth year, that figure moves to \$250,000. The Attorney General asked the question – Has any other proposal come before the board in the last four years that would allow the board to enhance the money to the Endowment. The answer is no. \$44,000 versus \$200,000 and then \$250,000 annually. Plus a portion of this money will be paid up front if, in fact, WestRock agrees to the lease. That is the decision the board has to make. Governor Kempthorne stated he appreciates

that the board has to be aware of other attendant issues, but for the five members of the board who will cast a vote, that is what the board should focus on.

Governor Kempthorne went on to discuss economic development and diversification. In the debate about natural resources, we are often told we really need to look at tourism and recreation as alternatives. WestRock has provided the potential for that opportunity. Will WestRock be successful? Nobody can state that. Have they assembled an impressive team? Without question. If we could duplicate Sun Valley and place it in Valley County, would that benefit Valley County? The Governor believes that it would allow the state to enhance what is part of Idaho's tremendous asset and that is the outdoors. There are a number of positives that can occur as a result of the WestRock development.

There is a great potential for job creation. The tax base for the county is going to be enhanced for the state as well. Diversification of resources will occur for a county that needs some diversification of its economic activities. Environmental improvements will take place if this project goes forward. The sewer system for north of the lake will improve water quality. There will be a boost to the Endowment Fund. Public education will benefit through contributions to the local school districts. The potential of a four star, four season resort in Idaho is very positive. The destination spot will create tourism. Tourism will aid an economy that has declined through the close of mills. Habitat protection plans are in place now for the first time ever. WestRock is a model for future projects. The state is starting to develop a new model of how it is going to do business in the future. Hold this project up as a great example. The board has sent a message – "You want to do business with us? We're tough. We're going to protect our environment. There'll be no degradation. To the extent possible, we'll reduce risk. But come forward with your ideas and join us and make some very positive things happen."

The MOUs with agencies provide the state with protections from environmental degradation. The state is protected through the lease from financial and environmental failure. If for some reason the project does not go forward to completion, the state is in the driver's seat to determine whether or not the existing infrastructure will be kept in place. The lease fulfills the mandate of the board to maximize returns to the Endowment. There will be improvements to state and county roads. The state will hold a 70-acre enclave that is developable by the state. The state will draw money from timber sold from ski runs. The IDEQ MOU will create a new baseline of data to establish criteria for monitoring lake water quality.

Governor Kempthorne stated that we have before us now the opportunity for these entrepreneurs to do something spectacular. That is what we are asking them to do and we believe they can do it. The people of Valley County now have hope for some dynamic economic vitality. The stage is set and we hope that people will perform.

BOARD ACTION: A motion was made by Attorney General Lance to adopt the recommendations of the department. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 4-1, with Governor Kempthorne, Attorney General Lance, Secretary of State Cenarrusa and Superintendent Howard voting aye; Controller J. D. Williams voted nay.

- **At 11:00 a.m. a motion was made by Attorney General Lance to resolve into Executive Session. Controller Williams seconded the motion. The motion carried on a vote of 5-0. A short recess was taken before the start of the Executive Session. The Executive Session began at 11:15 a.m.**
- **EXECUTIVE SESSION**
- A. To Consider and Advise Its Legal Representatives in Pending Litigation or Where There is a General Public Awareness of Probable Litigation [Idaho Code § 67-2345(1)(f)]**
- B. To Consider Personnel Matters [Idaho Code § 67-2345(1)(b)]**
- **At 12:07 p.m. the board resolved back into Regular Session. No actions were taken by the board during the Executive Session.**

There being no further business to come before the board, the meeting adjourned at 12:07 p.m.

IDAHO STATE BOARD OF LAND COMMISSIONERS

/s/ Dirk Kempthorne

President, State Board of Land Commissioners and
Governor of the State of Idaho

/s/ Pete T. Cenarrusa

Pete T. Cenarrusa
Secretary of State

/s/ Winston A Wiggins

Winston A Wiggins
Director

<p>The above-listed final minutes were approved by the State Board of Land Commissioners at the June 11, 2002 regular Land Board meeting.</p>



IDAHO TRUST LANDS PRIMARY ASSET CLASSIFICATION

I. Purpose of Asset Classification

Land assets are classified according to their “primary” use. Other uses are allowed when they do not adversely impact the “primary” use and the intended financial return. This is unlike federal lands or other public lands which are managed for multiple uses or for the benefit of the general public regardless of their financial return. Land asset classifications can be changed to meet changing markets or to capitalize on emerging alternative opportunities. Categorizing lands into asset classifications allows:

- Land managers to customize plans and strategies so they can optimize returns based on specific asset characteristics.
- Monitoring performance by benchmarking against similar private industry (National Council of Real Estate Investment) and other Endowment trust land managers.
- Land managers to make informed decisions regarding portfolio risk resulting from lack of diversification, liquidity, environmental laws and other societal pressures.
- Analysis and reporting by asset classification, such as Return on Asset.

The “official” asset classification data is housed with the GIS Manager in Boise.

II. Primary Asset Classification Criteria

The KEY to Primary Asset Classification is that there is only ONE PRIMARY ASSET CLASSIFICATION on the land. The Primary Asset Classifications are shown on the table included on page 4 of this document. A description is provided for each asset class as guidance when assigning a Primary Asset Classification to the land. Primary Asset Classification answers the question “What the land is managed for?”

The following are some tips to aid with the asset classification process:

- Classify Endowment Trust Land only.
- Do not classify lands where the endowments only have subsurface rights.
- Do not classify Primary Minerals unless activity encompasses a minimum of five (5) disturbed acres.
- Minimum of 3 cell towers to be an independent asset type (Commercial Communication).



of land and will require follow-up at a later date.

- Classify irrigation canals and road segments as Commercial Industrial. These are scattered segments of irrigation canals and roads that are owned by the endowments and are included on the land list and the digital land records. They are not manageable tracts

III. Initial Classification after Acquisition

Beginning in October 2008, all asset acquisitions made by IDL must meet the criteria outlined in the Asset Acquisition Strategy and Process document, which can be found on the Department's intranet under Asset Management, Reports. Certain acquisition criterion applies to all assets in a general sense, followed by a more detailed discussion of specific characteristics that acquisitions in each asset class must possess.

After the deeds are recorded at the culmination of an acquisition transaction [purchase, exchange, or gift] and the ownership has changed, the newly acquired asset will need to be classified with a Primary Asset Classification. The asset classification will occur during preparations for the Area to assume management of the newly acquired asset [see *Acquisition Strategy and Process* pages 10 and 12 under heading "2.0 Manage the Property"]

Primary asset classification of newly acquired land will be based on one or more of the following criteria:

- 1) Acquired lands that will be **managed for traditional uses** for an **intermediate** [10-20 years] **period of time**. These traditional uses include: growing commercial forest products [Forest], growing various crops [Agriculture Dryland or Irrigated] or supporting natural vegetation that is suitable for grazing domestic livestock [Rangeland]; or
- 2) Acquired lands that have **near-term** [0-10 years] **development potential** and have **no interim revenue stream** will have the primary asset classification based on the local jurisdiction's Comprehensive Plan designation, or Zoning District for that site; or

NOTE: Near-term [0-10 years] development properties exhibiting no token income will be tracked as underperforming properties. Underperforming Assets [page 19 of the Asset Management Plan], requires that "Assets that have underperformed for longer than a period of five (5) years shall be targeted for transition" The Asset Management Plan, Section III-E, beginning on page 27, addresses evaluation criteria for "transition lands". So what does this really mean? Newly acquired assets with near-term development potential must be brought "on-line" with a producing revenue stream or complete entitlement [zoning, subdivision plat, design work completed] within 5 years of adding this asset to the land portfolio. These assets cannot be left to languish within the Endowment holdings.

- 3) To determine the primary asset classification for lands **acquired with existing leases or contracts** use the criteria associated with longevity or exclusivity as stated in the Reclassification section of this document.



IV. Removal after Disposition

When Endowment land is disposed of the Primary Asset Classification database will be updated after the deeds have been recorded and the land is no longer Endowment land. [provide reference to process document when it is written]

V. Reclassification Process

Who is responsible for Asset Classification within the Department?

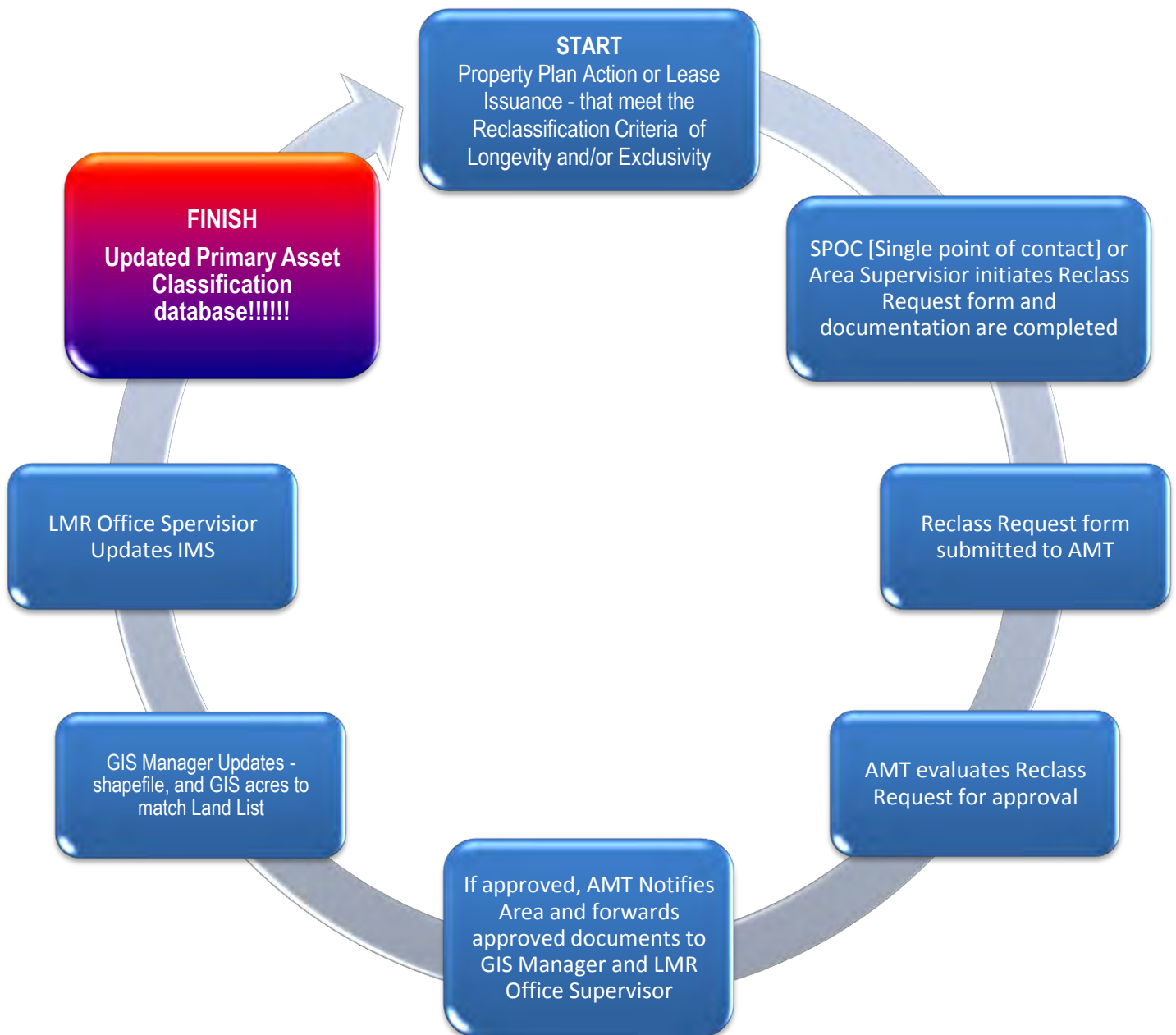


Figure 1 - Primary Asset Classification Flow Chart



VI. Asset Reclassification Request

Reclassification of land will be necessary when management of that land significantly changes. Changes in management requirements may be triggered by the issuance of a lease or entering into a contract that is valid for a period of 10 years or more; or when an exclusive activity is established.

Reclassification criteria -

- **Longevity** – a parcel is encumbered by a lease or contract for 10 years or more; AND/OR
- **Exclusive Activity** – an area of land where only one type of activity can occur, multiple uses are not compatible – such as: cell towers don't work with airports, grazing doesn't work with a commercial or industrial site, wind turbines don't work with a cottage site.

Transition lands would not be reclassified until the new use is established that meets the longevity or exclusive use criteria.

The Primary Asset Reclassification Request [attached] is the document that will prove factual justification for why a site should be reclassified. A holistic view of the management of the land is necessary in order to make an informed decision.



Primary Asset Classification



The KEY to Primary Asset Classification is that there is only ONE PRIMARY ASSET CLASSIFICATION on the land.

Primary Asset Classification answers the question What is the land managed for?

Reclassification would only occur when the criteria listed below are met.

When to **Reclassify** [change from one Primary Asset Class to another]?

Reclassification criteria -

- **Longevity** – a parcel is encumbered by a lease or contract for 10 years or more; AND/OR
- **Exclusive Activity** – an area of land where only one type of activity can occur, multiple uses are not compatible—examples might include a commercial building, an airport, a military installation, a warehouse facility.

Code	Primary Asset Classification	Description <i>These lists are not all inclusive.</i>
10	Forest	Lands capable of regenerating and growing successive crops of commercial forest products on a sustainable basis. Generally defined by eco-region.
		<i>Agriculture - Lands used for growing cultivated plants or agricultural produce such as grains, vegetables or fruits (vineyards/orchards).</i>
20	Agriculture Dryland	Agriculture land managed for growing various crops without additional water, other than normal precipitation.
30	Agriculture Irrigated	Agriculture land managed for growing various crops with the supplemental addition of water.
40	Rangeland	Lands supporting natural vegetation, generally grasses, forbs and small brush, suitable for grazing by domestic livestock & wildlife.
		<i>Commercial - Land uses generally recognized as "commercial, office or industrial" in local zoning ordinances, including retail and light industrial uses, public facilities, energy resources, communication sites, hospitality establishments, etc. Also included in this asset class, in recognition of the revenue generation capability, are properties managed for apartments and other rented or leased multi-family developments.</i>
50	Commercial Energy Resources	Land managed for wind, solar and biomass operations. Excludes minerals obtained through surface and subsurface extraction.
60	Commercial Communications	Lands managed for billboards, radio, television, cable, fiber optics, cell phone and satellite towers.
70	Commercial Office/Retail	Lands managed for commercial, office [includes government offices], service and retail businesses, surface parking lots/structures, medical arts complex, hotels or theaters, educational facilities.
80	Commercial Recreation	Lands managed for:
81		• Resort recreation, RV parks, ski hills, water parks,
82		• Outfitter/guide services,
83		• Seasonal, temporary, non-consumptive use of lands that may include dispersed recreational use (hunting, fishing, trapping, camping, hiking, trails), etc.
84		• Facilities operated by related public entities such as developed campgrounds, fishing access sites or other similar recreation activities.
90	Commercial Industrial	Lands managed for manufacturing, warehousing, sanitary landfills, intermodal shipping, irrigation facilities, feedlots, electrical substations, wastewater treatment facilities, airports [airstrips, back country airstrips] and related structures [hangers], shooting ranges, apiaries, access roads, roadways and similar infrastructure features, headwalls, culverts, etc.
100	Commercial Military Facilities	Lands managed for armories, military training ranges, military bases, etc.
105	Commercial Multi-Family	Lands managed for apartment buildings, duplexes, and other multi-family complexes that are rented or leased and the land/buildings remain in Trust ownership.
		<i>Residential - Land used for single residential uses to include condominiums, cottage, cabin, or home sites.</i>
110	Residential Home Sites	Land that is <u>sold or intended to be sold</u> for residential subdivisions, individual parcels or lots. This subclass also includes proceeds from lot sales that are addressed by a "Participation Agreement". [Examples would be the Elk Valley lots, Indian Creek lot]
120	Residential Cottage/Cabin Sites	Land that is <u>leased</u> for the purpose of developing residential cottage or cabin sites. The land is retained in ownership by the Trust.
		<i>Minerals - Land used for the extraction of minerals and other natural materials found above or beneath the land.</i>
130	Minerals	Includes lands managed for:
131		• Liquid hydrocarbon mixtures and gases used primarily as fuels and contained in underground reserves.
132		• Carbon-containing material formed from fossilized plants and used as fuel
133		• Course or fine aggregate used in concrete, road base, fill, etc.
134		• Potential thermal or electrical power derived from the thermal energy contained in the earth
135		• Includes precious metals, decorative rock, phosphates, shale, oil sands, etc.



140	Conservation	Conservation lands are generally lands for which certain real property rights have been removed or otherwise restricted temporarily or permanently to maintain temporary or permanent rights for open space, preservation of habitat, natural areas, parks, or other such purposes. Sample uses include Habitat Conservation Plans (HCPs) or Natural Area Preserves.
-----	--------------	--

References

State Trust Lands Asset Management Plan –

<https://teamwork.idl.idaho.gov/IDL/Activities/AssetManagement/Reports/Final%20IDL%20AM%20Plan%20Land%20Board%20Approved%20Dec%202007.pdf>

Western States Land Commissioners Association (WSLCA) Uniform Asset Classification and Performance Measurement Reporting for Endowment Trust Lands – <http://www.wslca.org>

Agency Strategic Plan –

<https://teamwork.idl.idaho.gov/IDL/Programs/Administration/Reports/June%202006%20Strategic%20Plan.pdf>

Primary Asset Classification –

<https://teamwork.idl.idaho.gov/IDL/Activities/AssetManagement/Procedures%20Manuals/PrimaryAssetClass-IDL%200408.pdf>

Resources

Primary Asset Classification

Digital Lands Records – <https://gis.idl.idaho.gov/website/pdlr/>

Instruments (Leases/Easements)

Land List – <https://apps.idl.idaho.gov/landlist/LandBoardReport.aspx>

GIS Software

Reclassification Form



PRIMARY ASSET RECLASSIFICATION REQUEST

This form must be used by IDL whenever there is an application for a reclassification of State Land. Please provide a narrative for each item listed.

Common Name:	Pierce Creek	Property Plan #:	
LEASE NO(S).	None	COUNTY(S):	Benewah County
ENCUMBERANCES:	There are no improvements on the parcel.		
LEGAL(S)	Situated in the SW ¼ SE ¼ of Sec 05, T43N, R1E		
AREA OFFICE	St Joe Area Office	Acres:	8.30 acres
1) Current Asset Class and Land Use:	School of Science – Timberland (TI)		
2) Proposed Asset Class and Land Use:	Rural residential		
3) Affected Acreage to include a Topographic Description:	The affected acreage is 8.3 acres of land south and east of SH-3. The land is generally level and at street grade.		
4) Highest and best use (Highest return to the trust):	Rural residential		
5) Soils Capability:	Rocky with shallow soils capable of sustaining a brush and grass ecotype system.		
6) Existing Vegetation:	This parcel is sparsely timbered with a mixture of species. Most of the trees are on the northern edge of the property along the railroad right of way. The property was previously leased for mineral extraction and has since been reclaimed and restored to its original condition.		
7) Mineral Characteristics:	Decomposed Granite.		
8) Public Use/Recreation:	Possible use for camping.		
9) Aesthetic Values:	Limited		
10) Cultural Values:	None		



Primary Asset Reclassification Request

11) Wildlife Use:	Upland birds, deer and elk.
12) Surrounding Land Use:	This triangular shaped property is bordered by State Highway 3 to the north. The property to the east is owned by Emerald Creek Garnet Company and used for mining. The properties to the south and west are privately owned timberlands.
13) Other Pertinent Resources or Factors:	None.
14) Planning or Zoning Information:	Benewah County does not have zoning, according to the appraisal report..

Recommendation of Individual Completing Form: The Area recommends the sale of 8.3 +/- acres of Endowment Lands.

Reasons for Recommendation:

This property is separated from the larger 80+-acre parcel by State Highway 3, limiting its potential to generate revenue. The property was recently appraised and the highest and best use was described as rural residential / recreational. Reclassification of this underperforming asset would allow for it to be auctioned to the highest bidder. The money received from the sale can be reinvested in property with better revenue potential.

Please attach all supporting documentation, such as letters and maps that are of value in making the decision to approve or deny the request to reclassify. All capability inventories must have the appropriate MEPA document, which means at least an Environmental Action Checklist. If Special restrictions or conditions are required for approval of the proposed conversion, attach the Supplemental Lease Agreement that is to be used to implement these changes, any applicable management plan, and a completed Lease Record Change form.

This form must be signed and dated below by the individual completing the form, and must be reviewed and approved by staff as indicated in the subsequent blocks.

Signature of Individual Completing the Form

Date



Primary Asset Reclassification Request

ASSET RECLASSIFICATION REQUEST - STAFF REVIEW

REVIEW BY OPERATIONS CHIEF

Recommendation:

Reasons for Recommendation:

☐

Operations Chief - North

Date

☐

Operations Chief – South

REVIEW BY ASSET MANAGEMENT TEAM

Final Decision:

Reason for Final Decision:

Deputy Director

Date

**APPRAISAL REPORT
(AO-3 UPDATE FORMAT)
ON
8.30± ACRES OF VACANT LAND
KNOWN AS THE
"PIERCE CREEK PROPERTY"
LOCATED
2.0± MILES SOUTHEAST OF FERNWOOD
ALONG THE SOUTH SIDE OF HIGHWAY 3
IN
BENEWAH COUNTY, IDAHO 83830**

**FOR
IDAHO DEPARTMENT OF LANDS
ATTN: MR. KEVIN GRAHAM
300 N. 6TH STREET, SUITE 103
BOISE, ID 83702**

**EFFECTIVE DATE OF VALUE:
APRIL 16, 2025**

LA FILE No. 25.1064v.cs.AO-3Update

**PREPARED BY
SAM LANGSTON, MAI
IDAHO CGA #195**

April 16, 2025

Idaho Department of Lands
Attn: Mr. Kevin Graham
300 N. 6th Street, Suite 103
Boise, ID 83702

Re: A0-3 Update to the Appraisal Report on 8.30± acres of vacant land located 2.0± miles southeast of Fernwood along the south side of Highway 3, Benewah County, ID 83830.

Dear Mr. Graham:

In accordance with your request for an appraisal on the above captioned property, Langston & Associates has conducted market investigations, gathered pertinent data, and performed the analysis necessary for the appraisal process. From such, an opinion regarding the market value, as defined in the report, for the Fee Simple Estate of the subject property "As Is" has been formed with consideration given to the new information provided subsequent to the original date of report.

This reappraisal follows the guidelines put forth in the 2024/2025 USPAP Advisory Opinion AO-3 regarding updating of a prior appraisal. As such, this reappraisal should only be considered in the context of the original appraisal, (LA File No. 23.1133.v) and not as a standalone document. This reappraisal involves a combination of incorporation by reference of the original report and the inclusion of any new information provided for this update which may consist of new market data or research of the subject's market area. Langston & Associates has relied upon the original report (LA File No. 23.1133.v) for certain sections of the report to include, but not limited to, the definition and background sections, inspection photographs, site description, neighborhood analysis, zoning discussion, tax and assessment analysis, marketability summary and valuation sections to include and consider the comparable sales data within the original report. In this reappraisal, Langston & Associates has investigated and researched new market data and conducted market investigations in conjunction with this new assignment. It will be an assumption of this appraisal that the physical characteristics of the subject property have remained unchanged as no property inspection was performed as part of this reappraisal.

An updated effective date of value is a part of this new assignment. The depth of discussion contained in this report is specific to the needs of you and the Client, and for the intended use stated within the Report. Langston & Associates is not responsible for unauthorized use of the Report. Furthermore, the opinions and conclusions set forth in the Report may not be understood without the additional information contained in the original report.

The primary value being sought by the client is the Market Value of the Fee Simple Estate "As Is." Furthermore, this appraisal is the result of an appraisal process where all applicable approaches to value have been employed. Of these, the Sales Comparison or Market Data Approach is considered most applicable method in the valuation of the subject site. Comparable land sales deemed substitutable alternatives were available providing an indication of the subject's potential land value. Given the subject is vacant land; the Cost and Income Approaches are not applicable in this instance and have been excluded from this valuation analysis.

As a part of the reappraisal Langston & Associates surveyed the local market by interviewing local market participants and conducted property searches using the local MLS for pending and consummated sales, as well as active listings between July 2023 and the effective date of this update. Data analyzed was for the Fernwood (and the broader area) vicinity of vacant lots of 2.0± acres to 20.0± acres. Details of the most pertinent data from this research have been retained in the appraiser's files. A summary of this data reveals 15 active listings (ranging from \$50,000 to \$159,700), 2 pending sales (ranging from \$40,000 to \$75,000), and 9 closed sales (ranging from \$40,000 to \$80,000). Market participants report sale prices have remained stable over the last 18 to 24 months, but market activity in general has slowed, due to higher interest rates, and overall less buyer demand as seen during the boom of the COVID pandemic and the immediate aftermath. It was also reported that the market is anticipated to remain stable into the near future. As a result of these findings and analysis Langston & Associates determined that there has been no justification for a change in an estimated market value for the subject property since the effective date of the last report.

Langston & Associates has relied upon the Sales Comparison Approach as presented in the original report with consideration given to the new information provided. As indicated in the Original Report, based upon the physical inspection of the subject property, the analyses undertaken, the market and ancillary investigations performed; and, subject to the Assumptions and Limiting Conditions set forth in the report, the Addenda, and the Letter of Transmittal, it is my opinion that the Market Value of the Fee Simple Estate "As Is" as of April 16, 2025 was:

MARKET VALUE OF THE FEE SIMPLE ESTATE "As Is:"	\$75,000
---	-----------------

SUMMARY OF IMPORTANT FACTS & CONCLUSIONS

CLIENT:

Idaho Department of Lands
Attn: Mr. Kevin Graham
300 N. 6th Street, Suite 103
Boise, ID 83702

The use of the report is restricted to the client and the appraiser warns the client that the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information that is contained in the appraiser's workfile.i

PURPOSE OF THE APPRAISAL:

The purpose of this AO-3 Appraisal Update is to address any changes to the Market Value of the Fee Simple Estate "As Is" and to clearly communicate the data and reasoning leading to the formulation of the value estimates. ii

INTENDED USE OF THE APPRAISAL:

As outlined in the engagement letter, contained in the Addenda for review, this report has been requested by Mr. Kevin Graham with the Idaho Department of Lands. The intended user(s) and client(s) of this report are Mr. Kevin Graham, the State Board of Land Commissioners ("Land Board"), IDL, consultants, agents and contractors to the Land Board and/or IDL. It is the understanding of LANGSTON & ASSOCIATES, INC. that the intended use of this report is for use by the intended user, Idaho Department of Lands as the client of this report, and or affiliates to assist in establishing value for collateral evaluation purposes, asset monitoring, and/or other uses not disclosed to the appraisers.

However, the function of the report, regardless of any intended use or function, does not impact the estimation of value, as defined below.iii

SUBJECT INSPECTION:

An inspection of the subject was conducted as of the effective date of the original report, however, no re-inspection was conducted as of this appraisal update.

MARKET VALUE REFERENCED:

Market value is defined by the Federal Reserve System under 12 CFR, 225, Subpart G, Appraisals, 225.62 definitions (f), as well as the Uniform Standards of Professional Appraisal Practice (USPAP)iv.

SCOPE OF WORK:

This reappraisal follows the guidelines put forth in the USPAP Advisory Opinion AO-3 regarding appraisal updates. As such, this reappraisal should only be considered in the context of the original appraisal, (23.1133v) with an effective date of July 14, 2023 and not as a standalone document. This reappraisal involves a combination of incorporation by reference from the original report and updated market information. Langston & Associates has relied upon the original report (LA File No.: 23.1133v) for the definition and background sections, inspection photographs, site description, neighborhood analysis, zoning discussion, tax and assessment analysis, marketability summary and valuation sections within the report. As a part of the reappraisal Langston & Associates surveyed the local market by interviewing local market participants and conducted property searches using the local MLS for pending and consummated sales, as well as active listings between July 2023 and the effective date of this update. Data analyzed was for the Fernwood (and the broader area) vicinity of vacant lots of 2.0±

acres to 20.0± acres. Details of the most pertinent data from this research have been retained in the appraiser's files. A summary of this data reveals 15 active listings (ranging from \$50,000 to \$159,700), 2 pending sales (ranging from \$40,000 to \$75,000), and 9 closed sales (ranging from \$40,000 to \$80,000). Market participants report sale prices have remained stable over the last 18 to 24 months, but market activity in general has slowed, due to higher interest rates, and overall less buyer demand as seen during the boom of the COVID pandemic and the immediate aftermath. It was also reported that the market is anticipated to remain stable into the near future. As a result of these findings and analysis Langston & Associates determined that there has been no justification for a change in an estimated market value for the subject property since the effective date of the last report.

In this reappraisal, Langston & Associates has addressed potential changes to the subject's market area, and potential modifications to the market value estimates presented in the original report. As such the determined value of the subject property remains the same and no new property inspection was conducted.

PROPERTY TYPE:

The subject of this report includes 8.30± acres of vacant land.

LOCATION:

2.0± miles southeast of Fernwood along the south side of Highway 3, Benewah County, ID 83830.

OWNER OF RECORD:

State of Idaho (Idaho Department of Lands)
3311 W State Street
Boise, ID 83703

LEGAL DESCRIPTION:	As per documents provided by the client the subject's legal description is as follows: A vacant 8.30± acres site located in Section 5, Township 43 North, Range 1 East, B.M., Benewah County, Idaho (south of Highway 3).
ZONING:	NA (Benewah County does not have zoning)
SITE SIZE/CONFIGURATION:	The subject's site is an aggregate 8.30± acres (361,548±sf)/irregular.
PROPERTY TAX ID NUMBER:	As per documents provided by the Idaho Department of Lands (the client) the subject property is 8.30± acres and is derived from a portion of a 480.0± acre parcel identified by the Benewah County Assessor's Office as RP43N01E054200.
GENERAL DESCRIPTION:	The subject site is relatively level and at street grade. Legal access to the parcel is from the south side of Highway 3. The property is triangular in shape and borders private land to the south and west. The subject property has average access and is considered by market participants to offer above average access to recreational activities in the area. As per conversations with representatives from IDL the subject property was leased for many years to Emerald Creek Garnet Company an adjacent property to owner to the west. The tenant used the property for gravel extraction. Approximately 3 years ago the lease was terminated and reclamation was carried out. Since the reclamation was completion, the site has been seeded with grass.
PROPERTY RIGHTS APPRAISED:	Fee Simple Estate "As Is"
EFFECTIVE DATE OF VALUATION:	April 16, 2025
HIGHEST AND BEST USE:	Future Rural Development/Recreation as per county code
ESTIMATED MARKETING TIME:	12± months
ESTIMATED EXPOSURE TIME:	12± months

CERTIFICATE OF APPRAISAL

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

1. All statements contained in this appraisal report are believed to be true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and my personal, impartial, 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 I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan, and therefore my compensation is not contingent upon the closing of a loan.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.
8. The use of this report is subject to the requirements of the Appraisal Institute and the State of Idaho relating to review by its duly authorized representatives.
9. As of the date of this report, Sam Langston, has completed the requirements under the continuing education program of The Appraisal Institute.
10. Sam Langston has made a personal inspection of the property that is the subject of this report. Richard H. Holm, Jr. has not made a personal inspection of the property that is the subject of this report.
11. Sam Langston has the necessary level of knowledge and experience to credibly estimate the value of the subject property, or has taken reasonable steps to achieve such competency and to provide a professional appraisal of the subject property, in accordance with the Uniform Standards of Professional Appraisal Practice.

12. Sam Langston is a designated member of the Appraisal Institute and has met the professional license/certification requirements for real estate appraisers practicing in the State of Idaho. He is a State Certified General Appraiser, and has been issued Idaho Certificate No. CGA-195.
13. In the interest of disclosure, Mr. Richard H. Holm Jr., provided real property appraisal assistance in the analysis, data collection and compilation of back ground information contained herein. No one else provided significant real property appraisal assistance to the person(s) signing this certification.
14. In the interest of disclosure, a prior appraisal report of the subject property was previously prepared for Mr. Kevin Graham of the Idaho Department of Lands, under a separate cover letter (23.1133v) with an effective date of July 14, 2023.

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

- Langston & Associates has relied upon plats, site sizes, general data and specifications provided by IDL representatives. Additional site information was provided by the Benewah County Assessor's Office as well the Benewah County Planning and Zoning Administration. Should these representations be amended, or prove to be inaccurate, the value estimates are subject to revision.
- As per documents provided by the Idaho Department of Lands (the client) the subject property is 8.30± acres and is derived from a portion of a 480.0± acre parcel identified by the Shoshone County Assessor's Office as RP43N01E054200. It is an extraordinary assumption of this report that the subject's 8.30± acres are a standalone parcel and the identified acreage and survey provided by IDL is accurate. Should these representations be amended, or prove to be inaccurate, the value estimates are subject to revision.
- A Phase 1 Environmental Study has not been provided regarding the site. Upon physical inspection, no evidence of environmental hazards was apparent. The value estimate is predicated on the assumption that there is no such material on the property. Any such environmental risk discovered at a later date may require a revised estimate of value which may or may not be simply a reduction of the value by the estimated cost to cure the environmental condition. Properties known to have environmental risk may carry a stigma in the market place which also may or may not affect the value.
- Langston & Associates has been provided with a preliminary title report for the subject property. No easements are known to exist with regard to the subject site, which would adversely affect the parcel. Langston & Associates express no opinion as the scope, applicability, enforceability or other aspect of any covenants or restrictions that may affect the property. Client is advised to seek the opinion of real estate counsel as to any real property covenants or restrictions. It is an

extraordinary assumption of this appraisal that there are no easements, deeds, or restrictions that currently exist on the subject that would adversely impact the site.

- All statements of fact used in the report serving as the basis of the appraiser's analyses, opinions, and conclusions, are considered to be true and correct to the best of the appraiser's knowledge and belief. Langston & Associates shall have no responsibility for legal matters; questions of survey; legal description; opinion of title; soil or subsoil conditions; engineering; technical matters, etc.
- A metes and bounds legal description has not been provided for the purpose of this report via the client. It is an extraordinary assumption that the provided legal description is accurate and that the site sizes utilized in this report as reported by the Idaho Department of Lands (the client) are also accurate. Should these representations be amended, or prove to be inaccurate, the value estimates are subject to revision.
- Idaho is a non-disclosure state and recollection of details and anticipation often fade with time; as such it is not always possible to obtain exact details from a respective transaction.

STATEMENT OF VALUE ESTIMATE

Based upon physical inspections of the subject property, review of the plans and specifications and the subsequent analyses undertaken; and subject to the Standard, Specific (and where applicable, the Extraordinary) Underlying Assumptions and Limiting Conditions set forth in the report, it is my opinion that as of April 16, 2025 the market value of the Fee Simple "As Is" was:

MARKET VALUE OF THE FEE SIMPLE ESTATE "As Is:" \$75,000

SINCERELY,
LANGSTON & ASSOCIATES, INC.



Sam Langston, MAI
Idaho CGA#195

ADDENDA

**UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS
FOR APPRAISAL REPORTS**

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice 2024/2025 Edition for an appraisal report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

Following are standard Underlying Assumptions and Limiting Conditions pertaining to the appraisals produced by LANGSTON & ASSOCIATES, INC. Some of the clauses contained herein may not be relevant to a given appraisal problem, such as in the case of a Letter of Opinion, or other form of Limited Appraisal. However, their inclusion in this document does not diminish the relevance of other assumptions and conditions set forth herein.

All statements of fact in the appraisal report which are used as the basis of the appraiser's analyses, opinions and conclusions will be true and correct to the best of LANGSTON & ASSOCIATES, INC.'S knowledge and belief. LANGSTON & ASSOCIATES, INC. shall have no responsibility for legal matters; questions of survey; opinion of title; soil or subsoil conditions; engineering; technical matters; or hazardous waste substances such as asbestos, radon gas, toxic wastes, or any other substances which might present a health hazard. LANGSTON & ASSOCIATES, INC. does not have expertise to advise in any of the foregoing matters and can offer no guarantees regarding them. The appraisal will simply assume, unless otherwise stated in the report, that no problems exist in any of the areas mentioned, and is not valid or to be relied upon if that assumption is incorrect.

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report. They are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in

these areas, among others, is not implied. The certification of this appraisal report is subject to the following assumptions and limiting conditions:

LIMIT OF LIABILITY

The liability of LANGSTON & ASSOCIATES, INC. and affiliated independent contractors is limited to the client only and the fee actually received. 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 third party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees in the case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, that client will hold appraiser completely harmless in any such action.

IDENTIFICATION OF THE PROPERTY

Any legal description(s) shown herein are presumed to be correct, but have not been confirmed by a survey. The appraiser assumes no responsibility for such a survey, or for encroachments or overlapping that might be revealed thereby.

The appraiser renders no opinion of a legal nature, such as to the ownership of the property or condition of title.

The appraiser assumes the title to the property to be marketable, that the property is an unencumbered fee, and that the property does not exist in violation of any applicable codes, ordinances, statutes or any other governmental regulations.

APPRAISAL DATA AND ANALYSES SUBMITTED

The analysis and statements contained in the appraisal are statements of opinion only, and not necessarily the only indication of value or analysis that might be obtained on the subject property. Appraisal opinions by qualified appraisers differ. No warranty or guarantee, express or implied, is made by the appraiser indicating that his opinion represents the only opinion of dollar value which might be obtained by the client on the date of valuation.

The appraiser, by rendering his appraisal report, is not offering legal advice or conclusions of law. The client is advised that legal matters concerning the property may have a direct bearing on the value of the property. If such legal matters are

different than those assumed by the appraiser and set forth herein, the appraiser's value conclusion may be invalid. Client is advised to retain legal counsel to advise client regarding the effect, if any, of the assumptions, legal or otherwise, made by the appraiser and set forth in these contingent and limiting conditions.

UNAPPARENT CONDITIONS

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such things. The appraiser assumes no responsibility for adverse drainage conditions.

Only visual surface inspection of the property appraised has been made by the appraiser, unless otherwise instructed by the client. The appraiser assumes no liability for damages or losses sustained by the client for latent or non-apparent defects existing on, below, or above the property which may not readily be ascertainable by a visual surface inspection.

Nothing in this report should be deemed a certification or guarantee as to the structural and/or mechanical (electrical, heating, air conditioning, and plumbing) soundness of the building(s) and the mechanical systems that relate to the functions and operations of the subject property. Rather, this appraisal assumes functions and operations are satisfactory, consistent with the age and condition of the subject building(s) and associated mechanical systems, unless specifically stated in the report.

This report does not preclude or limit any party of interest from obtaining, at its own expense, architectural, engineering or contractor inspections report, certifications, assurances and/or guarantees, which might serve the purposes of technically ascertaining the structural and/or mechanical soundness of the subject property. All such reports received shall be made available to the appraiser.

INFORMATION AND DATA

The information and data supplied to the appraiser by others, and which have been considered in the valuation, are from sources believed to be reliable, but no further responsibility is assumed for its accuracy.

USE OF APPRAISAL

The appraisal report may not be used for any purpose except substantiation of the value estimated without written permission from the appraiser. All valuations in the

report are applicable only under the stated program of highest and best use and are not necessarily applicable under other programs of use. The valuation of a component part of the property is applicable only as a part of the whole property. No separation may be made of any of the various valuation components without invalidating the results which would be derived by such a separation.

Possession of this report or any copy thereof does not carry with it 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.

One (or more) of the signatories of this appraisal report is a Member (or associate) of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member and associate to control the use and distribution of each appraisal report signed by such Member or Associate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; 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. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communications without the prior written consent of the signatories of this appraisal report.

This appraisal report was obtained from LANGSTON & ASSOCIATES, INC., 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). Please notify the signatories of the accompanying report of any request for reproduction of the report or any part thereof.

SKETCHES AND MAPS

The sketches included in the report are only for the purpose of aiding the reader in visualizing the property and are not based on surveys. Sizes and dimensions not shown should not be scaled from the sketches.

COURT TESTIMONY

Testimony or attendance in court by reason of the appraisal, with reference to the property in question, shall not be required of the appraisers herein named unless arrangements have been made prior to the completion and delivery of the report. Any such appearance and/or preparation for testimony will necessitate additional

compensation than that which has been received for this appraisal report. Unless expressly provided for at some future time, the findings contained herein are limited to uses outlined in the "Purpose of the Appraisal" section of the report.

ECONOMICS

The values ascribed in this report are based on the present purchasing power of the dollar and on the present economy.

The value estimation herein is subject to an all cash purchase consistent with the definition of market value utilized in the report and does not reflect special or favorable financing in today's market unless specifically stated. The estimated market value 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.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and the appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change, as the market and value are naturally dynamic.

The "estimate of market value" in the appraisal report is not based in whole or in part upon the race, color or natural origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraisal report and value estimate are subject to change if the physical or legal entity or financing are different than that envisioned in this report.

ENVIRONMENTAL REQUIREMENTS

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such material on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, petroleum leakage, agricultural chemicals, PCBs, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the expressed assumption that there is no such material on or in the property that 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.

INCOME PROPERTY APPRAISALS

Responsible ownership and competent management are assumed. Data submitted to the appraiser regarding income and expenses is assumed to be accurate unless otherwise stated.

This appraisal reflects a value based upon market considerations. It is not represented that the opinion as to value would allow for the replacement of the property in kind if it were destroyed.

AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Langston & Associates 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 Langston & Associates has no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

ⁱ Conforms with USPAP 2-2(b) (i); state the identity of the client, by name or type and state a prominent use restriction that limits use of the report to the client and warns that the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile.

ⁱⁱ Conforms with USPAP 2-2(c) (ii); state the intended use of the appraisal.

ⁱⁱⁱ Conforms with USPAP 2-2(c) (iii); state the intended use of the appraisal.

^{iv} Conforms with USPAP 2-2(c) (v); state the purpose of the appraisal, including the type of value, and refer to the definition of value pertinent to the purpose of the assignment.

April 15, 2025

Idaho Department of Lands
Attn: Mr. Kevin Graham
300 N. 6th Street, Suite 103
Boise, ID 83702
kgraham@idl.idaho.gov

Re: Engagement Agreement
Advisory Opinion (AO-3) Update Appraisal Report
Pierce Creek, 8.30± acres of vacant land located 2.0± miles southeast of
Fernwood along the south side of Highway 3, Benewah County, ID 83830

Dear Mr. Graham:

We are pleased to provide this engagement agreement to confirm the terms upon which Mr. Kevin Graham, on behalf of Idaho Department of Lands (collectively, the "Client", "you" or similar), will retain Langston & Associates, Inc., an Idaho corporation ("us", "we" or similar) in connection with our preparation of an opinion of the market value of the above referenced property for internal evaluation purposes (the "Engagement").

The following terms will govern this Engagement:

1. The appraisal is to be of the market value of the property in accordance with the current definition utilized by the Uniform Standards of Professional Appraisal Practices ("USPAP").
2. This reappraisal follows the guidelines put forth in the 2024 USPAP Advisory Opinion AO-3 regarding updating of a prior appraisal. As such, this re-appraisal should only be considered in the context of the original appraisal, (LA File No. 23.1133.v) and not as a standalone document. This re-appraisal involves a combination of incorporation by reference of the original report and the inclusion of any new information provided for this update which may consist of new market data or research of the subject's market area. I have relied upon the original report (LA File No. 23.1133v) for the certain sections of the report to include but not limited to the definition and background sections, inspection photographs, site description, neighborhood analysis, zoning discussion, tax and assessment analysis, marketability summary and valuation sections to include and consider the comparable sales data within the original report. In this reappraisal, I have investigated and researched any new market data that has occurred and revealed during our market investigations in conjunction with this

new assignment. It will be an assumption of this appraisal that the physical characteristics of the subject property have remained unchanged as no property inspection will be performed as part of this reappraisal. There will be current effective date of value as part of this new assignment. The depth of discussion contained in this report is specific to the needs of you and the Client, and for the intended use stated within the Report. We are not responsible for unauthorized use of the Report. Furthermore, our opinions and conclusions set forth in the Report may not be understood without the additional information contained in the original report.

3. We will complete the Engagement in accordance with sound appraisal practices and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
4. For the Report, you agree to pay us a fixed fee of **\$3,500.00** (the "Fee"). **A deposit of 50% of the Fee is due upon your acceptance of this Engagement. The deposit is not refundable. The remaining balance of the Fee is due immediately upon your receipt of the Report.**
5. We will exercise independent judgment in rendering our services for this Engagement. We do not warrant, guarantee or provide any other assurance that the opinion of value in the Report will be consistent with any expectation.
6. We will provide the Report to you in .pdf format.
7. The anticipated date of completion for the Report is due **May 2nd, 2025**. This assumes our timely receipt of all data pertinent to the assignment, **and timely receipt of a signed acceptance of this engagement agreement and the initial deposit**. The estimated completion date assumes that we will have ready access to the property and any information reasonably necessary to perform our services. We agree to make a good faith effort to complete the report within the anticipated time frame; but reserve the right to delay such completion where strict adherence would compromise the quality or validity of the resulting analysis.
8. The Report is for the sole and exclusive use of and the Client. No other party may use or rely on the Report without our prior written consent in each instance. You agree to indemnify us for any claims, losses, expenses or damages that we incur because of the use of, reliance on, the Report by any other party that receives the Report from you or Client.
9. Unless otherwise stated in the Report, all statements of fact in the Report that are used as the basis of our analyses, opinions and conclusions will be true and

correct (in all respects material to our analysis) to the best of our knowledge and belief; however, the Report is not a warranty or guaranty of any kind with respect to those facts.

10. We will have no responsibility for, and the Report will not render any opinion regarding any of the follow matters: legal issues that may affect the property; survey issues; the condition of title (or any cloud or defects thereon); soil or subsoil conditions; engineering or technical matters; or the presence or absence of hazardous substances on or near the property. We do not have expertise with respect to any of the foregoing matters and can offer no advice, opinions or guarantees regarding those matters. Unless otherwise noted in the body of the Report, our analysis will that no problems exist in any of the preceding areas which might impact the market value of the property. We will, however, disclose the existence of any such issues should they become known to us prior to issuance of the Report.
11. If you or anyone else requires us (or any of our employees or agents) (a) to provide documents or information in response to any legal process (e.g., a subpoena or other legal process); (b) to provide testimony in any deposition, legal proceeding, administrative proceeding or arbitration; (c) to testify or be in attendance at any court or administrative law proceeding relating to the Report; or (d) to attend conferences relating thereto; then you will pay us for all time involved at the rate of \$450.00 per hour. You understand and agree that your obligation to pay us for all time applies even if you do not want us to provide the documents, testimony or attendance.
12. If you authorize us to begin the appraisal process and subsequently decide that our services are no longer needed, you are responsible for payment our time in the Engagement at a rate of \$250 per hour, but not to exceed the Fee.
11. In the event any provision of this engagement agreement are be determined to be void or unenforceable by any court of competent jurisdiction, then such determination will not affect any other provision of this agreement and all other provisions will remain in full force and affect.
12. You agree that our aggregate liability to you, Client and any other party for any claim, loss, expense or damage related to the professional services rendered pursuant to this Engagement (including the content of the Report) is limited to the amount of our fee. You also agree that any claim for any such loss, expense or damage will be made only against us, and not our employees and agents.

If this engagement agreement is acceptable to you, please return indicate your acceptance by signing this engagement agreement where indicated below and returning

a signed copy to us (which may be delivered by email or .pdf). Upon receipt of your acceptance, the deposit and the information required herein, we will promptly undertake this Engagement.

|

We appreciate this opportunity to be of service to you.

Sincerely,

LANGSTON & ASSOCIATES, INC.

A handwritten signature in blue ink, appearing to read 'Sam Langston', followed by a horizontal line.

Sam Langston, MAI
Principal

Accepted by the client:

(Signature of Authorized Agent)

Kevin Graham (IDL Appraiser

(Printed Name of Authorized Agent)

4/15/2025

(Date)



SAM LANGSTON, MAI
LANGSTON & ASSOCIATES, INC.
A REAL ESTATE SERVICES CORPORATION
210 W JEFFERSON STREET • BOISE, ID 83702

PROFESSIONAL EXPERIENCE

Langston & Associates, Inc. 2004 - Present
Real Estate Services Corporation Boise, ID
Principal: Offering valuation/evaluation, environmental, market research and analysis of commercial and residential properties. Served as President of the Southern Idaho Chapter of Appraisal Institute, 2005 - 2006. - www.slangston.com

Langston - Williams, Inc. 1997 - 2004
Real Estate Services Corporation Boise, ID
Principal: Offering valuation/evaluation, environmental, market research and analysis of commercial and residential properties. - www.langstonwilliams.com

Single Point Solutions 1999 - 2006
GIS Software Corporation Boise, ID
Principal: Offering Geospatial services tailored for the Real Estate Industry, including Title, Brokerage, and the Public Sector. SPS also provides Internet and Database Application Development incorporating GIS technology as well as client - side and server - side customized solutions including LandPoint™, LandQuery™ and Title Production Management (TPM™) software. - www.spsgis.com

Janoush & Associates 1991 - 1997
A Real Estate Appraisal, Investment and Consulting Firm Boise, ID
Associate Appraiser: Completed appraisals and consulting assignments for major in state and out of state financial institutions as well as assignments for the private and public sector.

EDUCATION

UNIVERSITY OF MISSISSIPPI August 1991
Bachelors in Business Administrations Oxford, MS
Majored Real Estate and Finance

University of Mississippi	Principles of Real Estate
University of Mississippi	Real Estate Valuation and Appraisal
University of Mississippi	Real Estate Law August
Society of Real Estate Appraisers	An Introduction to Income Property Appraising, Course 201
Appraisal Institute	Course 101, An Introduction to Appraising Real Property
Appraisal Institute	Course 1BA, Capitalization Theory & Techniques, Part A
Appraisal Institute	Course 1BB, Capitalization Theory & Techniques, Part B
Appraisal Institute	Course SPP, Standards of Professional Practice, Part A
Appraisal Institute	Course SPP, Standards of Professional Practice, Part B
Appraisal Institute	Course 520, Highest & Best Use and Market Analysis

210 WEST JEFFERSON STREET • BOISE, ID 83702

Appraisal Institute	Understanding & Reporting Limited Appraisals
Appraisal Institute	Course 540, Report Writing & Valuation Analysis
Appraisal Institute	Course 550, Advanced Applications
Palmer Groth & Pietka	30 Specialized Appraisal Issues
Appraisal Institute/Ted Whitmer	The Comprehensive Appraisal Workshop
Appraisal Institute/Ted Whitmer	The Comprehensive Appraisal Workshop
Appraisal Institute/Tom Boyle	The Appraisal of Special Purpose Properties
Appraisal Institute/Tom Boyle	The Appraisal of Local Retail Properties
Appraisal Institute	State of the Valuation Profession
Appraisal Institute	Eminent Domain/Idaho Issues
Appraisal Institute	Standards of Professional Appraisal Practice, Part C
Appraisal Institute	Standards of Prof Practice, Part C
Appraisal Institute	State of the Valuation Profession
Appraisal Institute	Eminent Domain/Idaho Issues
Appraisal Institute	Intro to GIS Applications for Real Estate Appraisal
Appraisal Institute	Online Analyzing Operating Expenses
Appraisal Institute	Committee CE Credit – Chapter Level
Appraisal Institute	Eminent Domain & Inverse Condemnation
Appraisal Institute	Eminent Domain & Inverse Condemnation
Law Seminars International	Land Valuation Assignments
Appraisal Institute/James Boykin	Advanced Sales Comparison & Cost Approach
Appraisal Institute	Analyzing Operating Expenses
Appraisal Institute	Introduction to GIS
Appraisal Institute	National USPAP Update Course
Appraisal Institute	Committee CE Credit
Appraisal Institute	Advanced Income Capitalization
Southern Idaho Chapter of AI	Eminent Domain Past, Present & Future
Seminar	
Appraisal Institute	Evaluating Residential Construction
Appraisal Institute	Evaluating Commercial Construction
Betterbricks Professional Training	Green to Green Sustainable Development
Appraisal Institute	Appraisal of Local Retail Properties
Appraisal Institute	Special Purpose Properties
CCIM	Introduction to Commercial Investment Real Estate Analysis
CCIM	Financial Analysis for Commercial Investment Real Estate
Appraisal Institute	National USPAP Update Course
Appraisal Institute	National USPAP Equivalent Course
Appraisal Institute	Business Practices and Ethics
Appraisal Institute	Analyzing Distressed Real Estate
Appraisal Institute	Forum - Foreclosure, Short Sale, Auction Price = Market Value?
Appraisal Institute	Appraisal Curriculum Overview
Appraisal Institute	Uniform Appraisal Standards for Federal Land Acquisitions
Appraisal Institute	National USPAP Equivalent Course
Appraisal Institute	Supervising Appraisal Trainees
Appraisal Institute	Fundamentals of Separating Real Property, Personal Property
Appraisal Institute	7 Hr National USPAP Update Course (Jan 2015)

REPRESENTATIVE CLIENTS

Washington Trust Bank	St. Luke's Colliers
First Interstate Bank	Bank of America
Wells Fargo	Bank of the West
Zion's First National Bank	Mountain West Bank
US Bank	Mountain Enterprises
PERSI	Selco Credit Union
D.B. Fitzpatrick	Builder's Capitol
Idaho Central Credit Union	Idaho First Bank
East Idaho Credit Union	Key Bank
Umpqua Bank	Rock Canyon Bank
Banner Bank	Umpqua Bank
Northwest Bank	Columbia Bank
D. L. Evans Bank	Texas Capital Bank
First Federal Savings Bank	Carrollton Bank
	Idaho Dept. of Lands

REPRESENTATIVE PROPERTIES & VALUE RANGES OF APPRAISALS PERFORMED

Retail	\$200,000 - \$20,000,000	Apartments	\$100,000 - \$12,000,000
Office	\$100,000 - \$16,000,000	Hostelry	\$500,000 - \$5,000,000
Industrial	\$100,000 - \$3,000,000	Farms/Ranches	\$250,000 - \$5,000,000
Condemnation	\$5,000 - \$500,000	Special Purpose	\$400,000 - \$1,300,000
Subdivisions	\$150,000 - \$7,000,000	Recreational	\$50,000 - \$4,000,000

210 WEST JEFFERSON STREET · BOISE, ID 83702

SAM LANGSTON - QUALIFICATIONS

REFERENCES

Mr. Dean Emanuels, MAI
Washington Trust Bank
717 W Sprague Avenue
Spokane, WA 99210
(509) 353-3854
Demanuels@watrust.com

Mr. Aaron Kramis
MPCM, LLC
225 N. 9th St., Ste. 530
Boise, ID 83702 (208) 472-2870
aaronkramis@mpcmllc.com

Mr. John Romney, MAI Zion's
First National Bank One
South Main St, 8th Flr
Salt Lake City, UT 84133-1109
(801) 844-7332
John.Romney@Zionsbank.com

Mr. Dane Rivers, MAI
Umpqua Bank
6610 SW Cardinal Lane
Tigard, OR 97224
(503) 906-4473
danerivers@umpquabank.com

Mr. John Ingle
U.S. Bank
555 SW Oak St, Plaza 4th Floor
Portland, OR 97204
(503) 464-4592
John.ingle@usbank.com

Ms. Susie O'Ban
First Interstate Bank
401 W. Front St, Ste 200
Boise, ID 83702
(208) 971-3901
Susie.oban@fib.com

Mr. Tim Higginbotham
Washington Trust Bank
717 W. Sprague Ave, 7th Flr
Spokane, WA 99210
(509) 353-3854
thigginbotham@watrust.com

210 WEST JEFFERSON STREET · BOISE, ID 83702



**Division of Occupational and Professional
Licenses**

11341 W Chinden Blvd. Boise, ID 83720-0063
dopl.idaho.gov

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Idaho Real Estate Appraiser Board statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

SIME LANGSTON

Real Estate Appraiser License
CGA-195

Issued: 10-Oct-2024 Expires: 28-Oct-2025

Renewal Required

Russell Barron
Administrator

Printed: 10-Oct-2024






Real Estate Appraiser Board

SIME LANGSTON
Real Estate Appraiser License
CGA-195

Expires: 28-Oct-2025

Russell Barron
Administrator

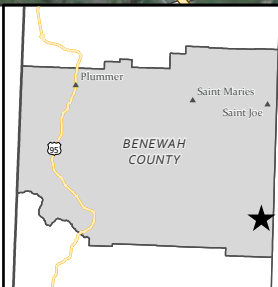


-  Disposition Parcel
-  Roads
-  State Highway
-  State
-  Private

Disposition Site
Pierce Creek
 Sec. 05 - T43N - R01E
 Benewah County, Idaho
 8/7/2023



Disclaimer:
 This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.





PRIMARY ASSET RECLASSIFICATION REQUEST

This form must be used by IDL whenever there is an application for a reclassification of State Land. Please provide a narrative for each item listed.

Common Name:	Wilson Mountain	Property Plan #:	
LEASE NO(S).	None	COUNTY(S):	Benewah County
ENCUMBERANCES:	There are no improvements on the parcel.		
LEGAL(S)	Situated in the NW ¼ NW ¼ of Sec 26, T44N, R1W		
AREA OFFICE	St Joe Area Office	Acres:	8.50 acres
1) Current Asset Class and Land Use:	Capitol Permanent – Timberland (TI)		
2) Proposed Asset Class and Land Use:	Rural residential		
3) Affected Acreage to include a Topographic Description:	The affected acreage is 8.5 acres of land north of SH-3. The land is rolling terrain and is at street grade on the south, sloping gently upward to the north. and at street grade.		
4) Highest and best use (Highest return to the trust):	Rural residential		
5) Soils Capability:	Rocky with soils capable of sustaining a mixed stand of timber with brush and grass ecotype system.		
6) Existing Vegetation:	The property has a mixed stand of timber and is covered with various native grasses and brush.		
7) Mineral Characteristics:	Decomposed Granite.		
8) Public Use/Recreation:	Very Little. Possible limited camping. Prior use was a grazing lease by adjacent neighbor. Lease cancelled by mutual agreement between lessee and IDL.		
9) Aesthetic Values:	Limited		
10) Cultural Values:	None		



Primary Asset Reclassification Request

11) Wildlife Use:	Upland birds, deer and elk.
12) Surrounding Land Use:	This triangular shaped property is bordered on the south by State Highway 3. The properties adjacent to the north and east borders of this property are privately owned rural residential and agriculture lands with active crops.
13) Other Pertinent Resources or Factors:	None.
14) Planning or Zoning Information:	Benewah County does not have zoning, but structures must adhere to county building codes.

Recommendation of Individual Completing Form: The Area recommends the sale of 8.5 +/- acres of endowment Lands.

Reasons for Recommendation:

This property is separated from the larger 40-acre block by State Highway 3, limiting its potential to generate revenue. The surrounding lands are rural residential and agricultural in nature. The property was recently appraised and the highest and best use was described as rural residential / recreational. Reclassification of this underperforming asset would allow for it to be auctioned to the highest bidder. The money received from the sale can be reinvested in property with better revenue potential.

Please attach all supporting documentation, such as letters and maps that are of value in making the decision to approve or deny the request to reclassify. All capability inventories must have the appropriate MEPA document, which means at least an Environmental Action Checklist. If Special restrictions or conditions are required for approval of the proposed conversion, attach the Supplemental Lease Agreement that is to be used to implement these changes, any applicable management plan, and a completed Lease Record Change form.

This form must be signed and dated below by the individual completing the form, and must be reviewed and approved by staff as indicated in the subsequent blocks.

Signature of Individual Completing the Form

Date



Primary Asset Reclassification Request

ASSET RECLASSIFICATION REQUEST - STAFF REVIEW

REVIEW BY OPERATIONS CHIEF

Recommendation:

Reasons for Recommendation:

☐

Operations Chief - North

Date

☐

Operations Chief – South

REVIEW BY ASSET MANAGEMENT TEAM

Final Decision:

Reason for Final Decision:

Deputy Director

Date

**APPRAISAL REPORT
(AO-3 UPDATE FORMAT)
ON
8.50± ACRES OF VACANT LAND
KNOWN AS THE
“WILSON MOUNTAIN PROPERTY”**

**LOCATED
2.0± MILES NORTHWEST OF FERNWOOD
ALONG THE NORTH SIDE OF HIGHWAY 3
IN
BENEWAH COUNTY, IDAHO 83830**

FOR

**IDAHO DEPARTMENT OF LANDS
ATTN: MR. KEVIN GRAHAM
300 N. 6TH STREET, SUITE 103
BOISE, ID 83702**

**EFFECTIVE DATE OF VALUE:
APRIL 16, 2025**

LA FILE No. 25.1065v.cs.AO-3Update

**PREPARED BY
SAM LANGSTON, MAI
IDAHO CGA #195**

April 16, 2025

Idaho Department of Lands
Attn: Mr. Kevin Graham
300 N. 6th Street, Suite 103
Boise, ID 83702

Re: A0-3 Update to the Appraisal Report on 8.50± acres of vacant land located 2.0± miles northwest of Fernwood along the north side of Highway 3, Benewah County, ID 83830.

Dear Mr. Graham:

In accordance with your request for an appraisal on the above captioned property, Langston & Associates has conducted market investigations, gathered pertinent data, and performed the analysis necessary for the appraisal process. From such, an opinion regarding the market value, as defined in the report, for the Fee Simple Estate of the subject property "As Is" has been formed with consideration given to the new information provided subsequent to the original date of report.

This reappraisal follows the guidelines put forth in the 2024/2025 USPAP Advisory Opinion AO-3 regarding updating of a prior appraisal. As such, this reappraisal should only be considered in the context of the original appraisal, (LA File No. 23.1134.v) and not as a standalone document. This reappraisal involves a combination of incorporation by reference of the original report and the inclusion of any new information provided for this update which may consist of new market data or research of the subject's market area. Langston & Associates has relied upon the original report (LA File No. 23.1134v) for certain sections of the report to include, but not limited to, the definition and background sections, inspection photographs, site description, neighborhood analysis, zoning discussion, tax and assessment analysis, marketability summary and valuation sections to include and consider the comparable sales data within the original report. In this reappraisal, Langston & Associates has investigated and researched new market data and conducted market investigations in conjunction with this new assignment. It will be an assumption of this appraisal that the physical characteristics of the subject property have remained unchanged as no property inspection was performed as part of this reappraisal.

An updated effective date of value is a part of this new assignment. The depth of discussion contained in this report is specific to the needs of you and the Client, and for the intended use stated within the Report. Langston & Associates is not responsible for unauthorized use of the Report. Furthermore, the opinions and conclusions set forth in the Report may not be understood without the additional information contained in the original report.

The primary value being sought by the client is the Market Value of the Fee Simple Estate "As Is." Furthermore, this appraisal is the result of an appraisal process where all applicable approaches to value have been employed. Of these, the Sales Comparison or Market Data Approach is considered most applicable method in the valuation of the subject site. Comparable land sales deemed substitutable alternatives were available providing an indication of the subject's potential land value. Given the subject is vacant land; the Cost and Income Approaches are not applicable in this instance and have been excluded from this valuation analysis.

As a part of the reappraisal Langston & Associates surveyed the local market by interviewing local market participants and conducted property searches using the local MLS for pending and consummated sales, as well as active listings between July 2023 and the effective date of this update. Data analyzed was for the Fernwood (and the broader area) vicinity of vacant lots of 2.0± acres to 20.0± acres. Details of the most pertinent data from this research have been retained in the appraiser's files. A summary of this data reveals 15 active listings (ranging from \$50,000 to \$159,700), 2 pending sales (ranging from \$40,000 to \$75,000), and 9 closed sales (ranging from \$40,000 to \$80,000). Market participants report sale prices have remained stable over the last 18 to 24 months, but market activity in general has slowed, due to higher interest rates, and overall less buyer demand as seen during the boom of the COVID pandemic and the immediate aftermath. It was also reported that the market is anticipated to remain stable into the near future. As a result of these findings and analysis Langston & Associates determined that there has been no justification for a change in an estimated market value for the subject property since the effective date of the last report.

Langston & Associates has relied upon the Sales Comparison Approach as presented in the original report with consideration given to the new information provided. As indicated in the Original Report, based upon the physical inspection of the subject property, the analyses undertaken, the market and ancillary investigations performed; and, subject to the Assumptions and Limiting Conditions set forth in the report, the Addenda, and the Letter of Transmittal, it is my opinion that the Market Value of the Fee Simple Estate "As Is" as of April 16, 2025 was:

MARKET VALUE OF THE FEE SIMPLE ESTATE "As Is:"	\$75,000
---	-----------------

SUMMARY OF IMPORTANT FACTS & CONCLUSIONS

CLIENT:

Idaho Department of Lands
Attn: Mr. Kevin Graham
300 N. 6th Street, Suite 103
Boise, ID 83702

The use of the report is restricted to the client and the appraiser warns the client that the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information that is contained in the appraiser's workfile.i

PURPOSE OF THE APPRAISAL:

The purpose of this AO-3 Appraisal Update is to address any changes to the Market Value of the Fee Simple Estate "As Is" and to clearly communicate the data and reasoning leading to the formulation of the value estimates. ii

INTENDED USE OF THE APPRAISAL:

As outlined in the engagement letter, contained in the Addenda for review, this report has been requested by Mr. Kevin Graham with the Idaho Department of Lands. The intended user(s) and client(s) of this report are Mr. Kevin Graham, the State Board of Land Commissioners ("Land Board"), IDL, consultants, agents and contractors to the Land Board and/or IDL. It is the understanding of LANGSTON & ASSOCIATES, INC. that the intended use of this report is for use by the intended user, Idaho Department of Lands as the client of this report, and or affiliates to assist in establishing value for collateral evaluation purposes, asset monitoring, and/or other uses not disclosed to the appraisers.

However, the function of the report, regardless of any intended use or function, does not impact the estimation of value, as defined below.iii

SUBJECT INSPECTION:

An inspection of the subject was conducted as of the effective date of the original report, however, no re-inspection was conducted as of this appraisal update.

MARKET VALUE REFERENCED:

Market value is defined by the Federal Reserve System under 12 CFR, 225, Subpart G, Appraisals, 225.62 definitions (f), as well as the Uniform Standards of Professional Appraisal Practice (USPAP)iv.

SCOPE OF WORK:

This reappraisal follows the guidelines put forth in the USPAP Advisory Opinion AO-3 regarding appraisal updates. As such, this reappraisal should only be considered in the context of the original appraisal, (23.1134v) with an effective date of July 14, 2023 and not as a standalone document. This reappraisal involves a combination of incorporation by reference from the original report and updated market information. Langston & Associates has relied upon the original report (LA File No.: 23.1134v) for the definition and background sections, inspection photographs, site description, neighborhood analysis, zoning discussion, tax and assessment analysis, marketability summary and valuation sections within the report. As a part of the reappraisal Langston & Associates surveyed the local market by interviewing local market participants and conducted property searches using the local MLS for pending and consummated sales, as well as active listings between July 2023 and the effective date of this update. Data analyzed was for the Fernwood (and the broader area) vicinity of vacant lots of 2.0±

acres to 20.0± acres. Details of the most pertinent data from this research have been retained in the appraiser's files. A summary of this data reveals 15 active listings (ranging from \$50,000 to \$159,700), 2 pending sales (ranging from \$40,000 to \$75,000), and 9 closed sales (ranging from \$40,000 to \$80,000). Market participants report sale prices have remained stable over the last 18 to 24 months, but market activity in general has slowed, due to higher interest rates, and overall less buyer demand as seen during the boom of the COVID pandemic and the immediate aftermath. It was also reported that the market is anticipated to remain stable into the near future. As a result of these findings and analysis Langston & Associates determined that there has been no justification for a change in an estimated market value for the subject property since the effective date of the last report.

In this reappraisal, Langston & Associates has addressed potential changes to the subject's market area, and potential modifications to the market value estimates presented in the original report. As such the determined value of the subject property remains the same and no new property inspection was conducted.

PROPERTY TYPE:

The subject of this report includes 8.50± acres of vacant land.

LOCATION:

2.0± miles northwest of Fernwood along the north side of Highway 3, Benewah County, ID 83830.

OWNER OF RECORD:

State of Idaho (Idaho Department of Lands)
3311 W State Street
Boise, ID 83703

LEGAL DESCRIPTION:	As per documents provided by the client the subject's legal description is as follows: A vacant 8.50± acres site located in Section 26, Township 44 North, Range 1 West, B.M., Benewah County, Idaho (north of Highway 3).
ZONING:	NA (Benewah County does not have zoning)
SITE SIZE/CONFIGURATION:	The subject's site is an aggregate 8.50± acres (370,260±sf)/irregular.
PROPERTY TAX ID NUMBER:	As per documents provided by the Idaho Department of Lands (the client) the subject property is 8.50± acres and is derived from a portion of a 40.0± acre parcel identified by the Benewah County Assessor's Office as RP44N01W26075A.
GENERAL DESCRIPTION:	The subject property is located 2.0± miles northwest of Fernwood and 1.5± miles southeast of Santa along the north side of Highway 3. The subject site is described as rolling terrain and is at street grade on the south and slopes gently upward to the north. The property has a mixed stand of timber and is covered in various native grasses and brush. Legal access to the parcel is from the north side of Highway 3. A county road extending from the north side of Highway 3 crosses the east end of the property in the form of an easement and is known as Elkhorn Meadows Road. The road is rural in nature and is used to access agricultural and rural residential properties. The subject property is mostly triangular in shape and borders private land to the north and east. The subject property has average access and is considered by market participants to offer above average access to recreational activities in the area.
PROPERTY RIGHTS APPRAISED:	Fee Simple Estate "As Is"
EFFECTIVE DATE OF VALUATION:	April 16, 2025

HIGHEST AND BEST USE:	Future Rural Development/Recreation as per county code
ESTIMATED MARKETING TIME:	12± months
ESTIMATED EXPOSURE TIME:	12± months

CERTIFICATE OF APPRAISAL

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

1. All statements contained in this appraisal report are believed to be true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and my personal, impartial, 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 I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan, and therefore my compensation is not contingent upon the closing of a loan.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.
8. The use of this report is subject to the requirements of the Appraisal Institute and the State of Idaho relating to review by its duly authorized representatives.
9. As of the date of this report, Sam Langston, has completed the requirements under the continuing education program of The Appraisal Institute.
10. Sam Langston has made a personal inspection of the property that is the subject of this report. Richard H. Holm, Jr. has not made a personal inspection of the property that is the subject of this report.
11. Sam Langston has the necessary level of knowledge and experience to credibly estimate the value of the subject property, or has taken reasonable steps to achieve such competency and to provide a professional appraisal of the subject property, in accordance with the Uniform Standards of Professional Appraisal Practice.

12. Sam Langston is a designated member of the Appraisal Institute and has met the professional license/certification requirements for real estate appraisers practicing in the State of Idaho. He is a State Certified General Appraiser, and has been issued Idaho Certificate No. CGA-195.
13. In the interest of disclosure, Mr. Richard H. Holm Jr., provided real property appraisal assistance in the analysis, data collection and compilation of back ground information contained herein. No one else provided significant real property appraisal assistance to the person(s) signing this certification.
14. In the interest of disclosure, a prior appraisal report of the subject property was previously prepared for Mr. Kevin Graham of the Idaho Department of Lands, under a separate cover letter (23.1134v) with an effective date of July 14, 2023.

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

- Langston & Associates has relied upon plats, site sizes, general data and specifications provided by IDL representatives. Additional site information was provided by the Benewah County Assessor's Office as well the Benewah County Planning and Zoning Administration. Should these representations be amended, or prove to be inaccurate, the value estimates are subject to revision.
- As per documents provided by the Idaho Department of Lands (the client) the subject property is 8.50± acres and is derived from a portion of a 40.0± acre parcel identified by the Benewah County Assessor's Office as RP44N01W26075A. It is an extraordinary assumption of this report that the subject's 8.50± acres are a standalone parcel and the identified acreage and survey provided by IDL is accurate. Should these representations be amended, or prove to be inaccurate, the value estimates are subject to revision.
- A Phase 1 Environmental Study has not been provided regarding the site. Upon physical inspection, no evidence of environmental hazards was apparent. The value estimate is predicated on the assumption that there is no such material on the property. Any such environmental risk discovered at a later date may require a revised estimate of value which may or may not be simply a reduction of the value by the estimated cost to cure the environmental condition. Properties known to have environmental risk may carry a stigma in the market place which also may or may not affect the value.
- Langston & Associates has been provided with a preliminary title report for the subject property. No easements are known to exist with regard to the subject site, which would adversely affect the parcel. Langston & Associates express no opinion as the scope, applicability, enforceability or other aspect of any covenants or restrictions that may affect the property. Client is advised to

seek the opinion of real estate counsel as to any real property covenants or restrictions. It is an extraordinary assumption of this appraisal that there are no easements, deeds, or restrictions that currently exist on the subject that would adversely impact the site.

- All statements of fact used in the report serving as the basis of the appraiser's analyses, opinions, and conclusions, are considered to be true and correct to the best of the appraiser's knowledge and belief. Langston & Associates shall have no responsibility for legal matters; questions of survey; legal description; opinion of title; soil or subsoil conditions; engineering; technical matters, etc. The aforementioned and other relevant issues will be developed fully in the body of the report to follow.
- A metes and bounds legal description has not been provided for the purpose of this report via the client. It is an extraordinary assumption that the provided legal description is accurate and that the site sizes utilized in this report as reported by the Idaho Department of Lands (the client) are also accurate. Should these representations be amended, or prove to be inaccurate, the value estimates are subject to revision.
- Idaho is a non-disclosure state and recollection of details and anticipation often fade with time; as such it is not always possible to obtain exact details from a respective transaction.

STATEMENT OF VALUE ESTIMATE

Based upon physical inspections of the subject property, review of the plans and specifications and the subsequent analyses undertaken; and subject to the Standard, Specific (and where applicable, the Extraordinary) Underlying Assumptions and Limiting Conditions set forth in the report, it is my opinion that as of April 16, 2025 the market value of the Fee Simple "As Is" was:

MARKET VALUE OF THE FEE SIMPLE ESTATE "As Is:" \$75,000

SINCERELY,
LANGSTON & ASSOCIATES, INC.



Sam Langston, MAI
Idaho CGA#195

ADDENDA

**UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS
FOR APPRAISAL REPORTS**

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice 2024/2025 Edition for an appraisal report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

Following are standard Underlying Assumptions and Limiting Conditions pertaining to the appraisals produced by LANGSTON & ASSOCIATES, INC. Some of the clauses contained herein may not be relevant to a given appraisal problem, such as in the case of a Letter of Opinion, or other form of Limited Appraisal. However, their inclusion in this document does not diminish the relevance of other assumptions and conditions set forth herein.

All statements of fact in the appraisal report which are used as the basis of the appraiser's analyses, opinions and conclusions will be true and correct to the best of LANGSTON & ASSOCIATES, INC.'S knowledge and belief. LANGSTON & ASSOCIATES, INC. shall have no responsibility for legal matters; questions of survey; opinion of title; soil or subsoil conditions; engineering; technical matters; or hazardous waste substances such as asbestos, radon gas, toxic wastes, or any other substances which might present a health hazard. LANGSTON & ASSOCIATES, INC. does not have expertise to advise in any of the foregoing matters and can offer no guarantees regarding them. The appraisal will simply assume, unless otherwise stated in the report, that no problems exist in any of the areas mentioned, and is not valid or to be relied upon if that assumption is incorrect.

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report. They are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in

these areas, among others, is not implied. The certification of this appraisal report is subject to the following assumptions and limiting conditions:

LIMIT OF LIABILITY

The liability of LANGSTON & ASSOCIATES, INC. and affiliated independent contractors is limited to the client only and the fee actually received. 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 third party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees in the case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, that client will hold appraiser completely harmless in any such action.

IDENTIFICATION OF THE PROPERTY

Any legal description(s) shown herein are presumed to be correct, but have not been confirmed by a survey. The appraiser assumes no responsibility for such a survey, or for encroachments or overlapping that might be revealed thereby.

The appraiser renders no opinion of a legal nature, such as to the ownership of the property or condition of title.

The appraiser assumes the title to the property to be marketable, that the property is an unencumbered fee, and that the property does not exist in violation of any applicable codes, ordinances, statutes or any other governmental regulations.

APPRAISAL DATA AND ANALYSES SUBMITTED

The analysis and statements contained in the appraisal are statements of opinion only, and not necessarily the only indication of value or analysis that might be obtained on the subject property. Appraisal opinions by qualified appraisers differ. No warranty or guarantee, express or implied, is made by the appraiser indicating that his opinion represents the only opinion of dollar value which might be obtained by the client on the date of valuation.

The appraiser, by rendering his appraisal report, is not offering legal advice or conclusions of law. The client is advised that legal matters concerning the property may have a direct bearing on the value of the property. If such legal matters are

different than those assumed by the appraiser and set forth herein, the appraiser's value conclusion may be invalid. Client is advised to retain legal counsel to advise client regarding the effect, if any, of the assumptions, legal or otherwise, made by the appraiser and set forth in these contingent and limiting conditions.

UNAPPARENT CONDITIONS

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such things. The appraiser assumes no responsibility for adverse drainage conditions.

Only visual surface inspection of the property appraised has been made by the appraiser, unless otherwise instructed by the client. The appraiser assumes no liability for damages or losses sustained by the client for latent or non-apparent defects existing on, below, or above the property which may not readily be ascertainable by a visual surface inspection.

Nothing in this report should be deemed a certification or guarantee as to the structural and/or mechanical (electrical, heating, air conditioning, and plumbing) soundness of the building(s) and the mechanical systems that relate to the functions and operations of the subject property. Rather, this appraisal assumes functions and operations are satisfactory, consistent with the age and condition of the subject building(s) and associated mechanical systems, unless specifically stated in the report.

This report does not preclude or limit any party of interest from obtaining, at its own expense, architectural, engineering or contractor inspections report, certifications, assurances and/or guarantees, which might serve the purposes of technically ascertaining the structural and/or mechanical soundness of the subject property. All such reports received shall be made available to the appraiser.

INFORMATION AND DATA

The information and data supplied to the appraiser by others, and which have been considered in the valuation, are from sources believed to be reliable, but no further responsibility is assumed for its accuracy.

USE OF APPRAISAL

The appraisal report may not be used for any purpose except substantiation of the value estimated without written permission from the appraiser. All valuations in the

report are applicable only under the stated program of highest and best use and are not necessarily applicable under other programs of use. The valuation of a component part of the property is applicable only as a part of the whole property. No separation may be made of any of the various valuation components without invalidating the results which would be derived by such a separation.

Possession of this report or any copy thereof does not carry with it 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.

One (or more) of the signatories of this appraisal report is a Member (or associate) of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member and associate to control the use and distribution of each appraisal report signed by such Member or Associate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; 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. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communications without the prior written consent of the signatories of this appraisal report.

This appraisal report was obtained from LANGSTON & ASSOCIATES, INC., 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). Please notify the signatories of the accompanying report of any request for reproduction of the report or any part thereof.

SKETCHES AND MAPS

The sketches included in the report are only for the purpose of aiding the reader in visualizing the property and are not based on surveys. Sizes and dimensions not shown should not be scaled from the sketches.

COURT TESTIMONY

Testimony or attendance in court by reason of the appraisal, with reference to the property in question, shall not be required of the appraisers herein named unless arrangements have been made prior to the completion and delivery of the report. Any such appearance and/or preparation for testimony will necessitate additional

compensation than that which has been received for this appraisal report. Unless expressly provided for at some future time, the findings contained herein are limited to uses outlined in the "Purpose of the Appraisal" section of the report.

ECONOMICS

The values ascribed in this report are based on the present purchasing power of the dollar and on the present economy.

The value estimation herein is subject to an all cash purchase consistent with the definition of market value utilized in the report and does not reflect special or favorable financing in today's market unless specifically stated. The estimated market value 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.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and the appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change, as the market and value are naturally dynamic.

The "estimate of market value" in the appraisal report is not based in whole or in part upon the race, color or natural origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraisal report and value estimate are subject to change if the physical or legal entity or financing are different than that envisioned in this report.

ENVIRONMENTAL REQUIREMENTS

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such material on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, petroleum leakage, agricultural chemicals, PCBs, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the expressed assumption that there is no such material on or in the property that 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.

INCOME PROPERTY APPRAISALS

Responsible ownership and competent management are assumed. Data submitted to the appraiser regarding income and expenses is assumed to be accurate unless otherwise stated.

This appraisal reflects a value based upon market considerations. It is not represented that the opinion as to value would allow for the replacement of the property in kind if it were destroyed.

AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Langston & Associates 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 Langston & Associates has no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

ⁱ Conforms with USPAP 2-2(b) (i); state the identity of the client, by name or type and state a prominent use restriction that limits use of the report to the client and warns that the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile.

ⁱⁱ Conforms with USPAP 2-2(c) (ii); state the intended use of the appraisal.

ⁱⁱⁱ Conforms with USPAP 2-2(c) (iii); state the intended use of the appraisal.

^{iv} Conforms with USPAP 2-2(c) (v); state the purpose of the appraisal, including the type of value, and refer to the definition of value pertinent to the purpose of the assignment.

April 15, 2025

Idaho Department of Lands
Attn: Mr. Kevin Graham
300 N. 6th Street, Suite 103
Boise, ID 83702
kgraham@idl.idaho.gov

Re: Engagement Agreement
Advisory Opinion (AO-3) Update Appraisal Report
Wilson Mountain, 8.50± acres of vacant land located 2.0± miles northwest
of Fernwood along the north side of Highway 3, Benewah County, ID
83830.

Dear Mr. Graham:

We are pleased to provide this engagement agreement to confirm the terms upon which Mr. Kevin Graham, on behalf of Idaho Department of Lands (collectively, the "Client", "you" or similar), will retain Langston & Associates, Inc., an Idaho corporation ("us", "we" or similar) in connection with our preparation of an opinion of the market value of the above referenced property for internal evaluation purposes (the "Engagement").

The following terms will govern this Engagement:

1. The appraisal is to be of the market value of the property in accordance with the current definition utilized by the Uniform Standards of Professional Appraisal Practices ("USPAP").
2. This reappraisal follows the guidelines put forth in the 2024 USPAP Advisory Opinion AO-3 regarding updating of a prior appraisal. As such, this re-appraisal should only be considered in the context of the original appraisal, (LA File No. 23.1134.v) and not as a standalone document. This re-appraisal involves a combination of incorporation by reference of the original report and the inclusion of any new information provided for this update which may consist of new market data or research of the subject's market area. I have relied upon the original report (LA File No. 23.1134v) for the certain sections of the report to include but not limited to the definition and background sections, inspection photographs, site description, neighborhood analysis, zoning discussion, tax and assessment analysis, marketability summary and valuation sections to include and consider the comparable sales data within the original report. In this reappraisal, I have investigated and researched any new market data that has occurred and revealed

during our market investigations in conjunction with this new assignment. It will be an assumption of this appraisal that the physical characteristics of the subject property have remained unchanged as no property inspection will be performed as part of this reappraisal. There will be current effective date of value as part of this new assignment. The depth of discussion contained in this report is specific to the needs of you and the Client, and for the intended use stated within the Report. We are not responsible for unauthorized use of the Report. Furthermore, our opinions and conclusions set forth in the Report may not be understood without the additional information contained in the original report.

3. We will complete the Engagement in accordance with sound appraisal practices and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
4. For the Report, you agree to pay us a fixed fee of **\$3,500.00** (the “Fee”). **A deposit of 50% of the Fee is due upon your acceptance of this Engagement. The deposit is not refundable. The remaining balance of the Fee is due immediately upon your receipt of the Report.**
5. We will exercise independent judgment in rendering our services for this Engagement. We do not warrant, guarantee or provide any other assurance that the opinion of value in the Report will be consistent with any expectation.
6. We will provide the Report to you in .pdf format.
7. The anticipated date of completion for the Report is due **May 2nd, 2025**. This assumes our timely receipt of all data pertinent to the assignment, **and timely receipt of a signed acceptance of this engagement agreement and the initial deposit**. The estimated completion date assumes that we will have ready access to the property and any information reasonably necessary to perform our services. We agree to make a good faith effort to complete the report within the anticipated time frame; but reserve the right to delay such completion where strict adherence would compromise the quality or validity of the resulting analysis.
8. The Report is for the sole and exclusive use of and the Client. No other party may use or rely on the Report without our prior written consent in each instance. You agree to indemnify us for any claims, losses, expenses or damages that we incur because of the use of, reliance on, the Report by any other party that receives the Report from you or Client.
9. Unless otherwise stated in the Report, all statements of fact in the Report that are used as the basis of our analyses, opinions and conclusions will be true and correct (in all respects material to our analysis) to the best of our knowledge and belief;

however, the Report is not a warranty or guaranty of any kind with respect to those facts.

10. We will have no responsibility for, and the Report will not render any opinion regarding any of the follow matters: legal issues that may affect the property; survey issues; the condition of title (or any cloud or defects thereon); soil or subsoil conditions; engineering or technical matters; or the presence or absence of hazardous substances on or near the property. We do not have expertise with respect to any of the foregoing matters and can offer no advice, opinions or guarantees regarding those matters. Unless otherwise noted in the body of the Report, our analysis will that no problems exist in any of the preceding areas which might impact the market value of the property. We will, however, disclose the existence of any such issues should they become known to us prior to issuance of the Report.
11. If you or anyone else requires us (or any of our employees or agents) (a) to provide documents or information in response to any legal process (e.g., a subpoena or other legal process); (b) to provide testimony in any deposition, legal proceeding, administrative proceeding or arbitration; (c) to testify or be in attendance at any court or administrative law proceeding relating to the Report; or (d) to attend conferences relating thereto; then you will pay us for all time involved at the rate of \$450.00 per hour. You understand and agree that your obligation to pay us for all time applies even if you do not want us to provide the documents, testimony or attendance.
12. If you authorize us to begin the appraisal process and subsequently decide that our services are no longer needed, you are responsible for payment our time in the Engagement at a rate of \$250 per hour, but not to exceed the Fee.
11. In the event any provision of this engagement agreement are be determined to be void or unenforceable by any court of competent jurisdiction, then such determination will not affect any other provision of this agreement and all other provisions will remain in full force and affect.
12. You agree that our aggregate liability to you, Client and any other party for any claim, loss, expense or damage related to the professional services rendered pursuant to this Engagement (including the content of the Report) is limited to the amount of our fee. You also agree that any claim for any such loss, expense or damage will be made only against us, and not our employees and agents.

If this engagement agreement is acceptable to you, please return indicate your acceptance by signing this engagement agreement where indicated below and returning a signed copy to us (which may be delivered by email or .pdf). Upon receipt of your

acceptance, the deposit and the information required herein, we will promptly undertake this Engagement.

|

We appreciate this opportunity to be of service to you.

Sincerely,

LANGSTON & ASSOCIATES, INC.

A handwritten signature in blue ink, appearing to read 'Sam Langston', followed by a horizontal line.

Sam Langston, MAI
Principal

Accepted by the client:

(Signature of Authorized Agent)

Kevin Graham (IDL Appraiser)

(Printed Name of Authorized Agent)

4/15/2025

(Date)



SAM LANGSTON, MAI
LANGSTON & ASSOCIATES, INC.
A REAL ESTATE SERVICES CORPORATION
210 W JEFFERSON STREET • BOISE, ID 83702

PROFESSIONAL EXPERIENCE

Langston & Associates, Inc. 2004 - Present
Real Estate Services Corporation Boise, ID
Principal: Offering valuation/evaluation, environmental, market research and analysis of commercial and residential properties. Served as President of the Southern Idaho Chapter of Appraisal Institute, 2005 - 2006. - www.slangston.com

Langston - Williams, Inc. 1997 - 2004
Real Estate Services Corporation Boise, ID
Principal: Offering valuation/evaluation, environmental, market research and analysis of commercial and residential properties. - www.langstonwilliams.com

Single Point Solutions 1999 - 2006
GIS Software Corporation Boise, ID
Principal: Offering Geospatial services tailored for the Real Estate Industry, including Title, Brokerage, and the Public Sector. SPS also provides Internet and Database Application Development incorporating GIS technology as well as client - side and server - side customized solutions including LandPoint™, LandQuery™ and Title Production Management (TPM™) software. - www.spsgis.com

Janoush & Associates 1991 - 1997
A Real Estate Appraisal, Investment and Consulting Firm Boise, ID
Associate Appraiser: Completed appraisals and consulting assignments for major in state and out of state financial institutions as well as assignments for the private and public sector.

EDUCATION

UNIVERSITY OF MISSISSIPPI August 1991
Bachelors in Business Administrations Oxford, MS
Majored Real Estate and Finance

University of Mississippi	Principles of Real Estate
University of Mississippi	Real Estate Valuation and Appraisal
University of Mississippi	Real Estate Law August
Society of Real Estate Appraisers	An Introduction to Income Property Appraising, Course 201
Appraisal Institute	Course 101, An Introduction to Appraising Real Property
Appraisal Institute	Course 1BA, Capitalization Theory & Techniques, Part A
Appraisal Institute	Course 1BB, Capitalization Theory & Techniques, Part B
Appraisal Institute	Course SPP, Standards of Professional Practice, Part A
Appraisal Institute	Course SPP, Standards of Professional Practice, Part B
Appraisal Institute	Course 520, Highest & Best Use and Market Analysis

210 WEST JEFFERSON STREET • BOISE, ID 83702

Appraisal Institute	Understanding & Reporting Limited Appraisals
Appraisal Institute	Course 540, Report Writing & Valuation Analysis
Appraisal Institute	Course 550, Advanced Applications
Palmer Groth & Pietka	30 Specialized Appraisal Issues
Appraisal Institute/Ted Whitmer	The Comprehensive Appraisal Workshop
Appraisal Institute/Ted Whitmer	The Comprehensive Appraisal Workshop
Appraisal Institute/Tom Boyle	The Appraisal of Special Purpose Properties
Appraisal Institute/Tom Boyle	The Appraisal of Local Retail Properties
Appraisal Institute	State of the Valuation Profession
Appraisal Institute	Eminent Domain/Idaho Issues
Appraisal Institute	Standards of Professional Appraisal Practice, Part C
Appraisal Institute	Standards of Prof Practice, Part C
Appraisal Institute	State of the Valuation Profession
Appraisal Institute	Eminent Domain/Idaho Issues
Appraisal Institute	Intro to GIS Applications for Real Estate Appraisal
Appraisal Institute	Online Analyzing Operating Expenses
Appraisal Institute	Committee CE Credit – Chapter Level
Appraisal Institute	Eminent Domain & Inverse Condemnation
Appraisal Institute	Eminent Domain & Inverse Condemnation
Law Seminars International	Land Valuation Assignments
Appraisal Institute/James Boykin	Advanced Sales Comparison & Cost Approach
Appraisal Institute	Analyzing Operating Expenses
Appraisal Institute	Introduction to GIS
Appraisal Institute	National USPAP Update Course
Appraisal Institute	Committee CE Credit
Appraisal Institute	Advanced Income Capitalization
Southern Idaho Chapter of AI	Eminent Domain Past, Present & Future
Seminar	
Appraisal Institute	Evaluating Residential Construction
Appraisal Institute	Evaluating Commercial Construction
Betterbricks Professional Training	Green to Green Sustainable Development
Appraisal Institute	Appraisal of Local Retail Properties
Appraisal Institute	Special Purpose Properties
CCIM	Introduction to Commercial Investment Real Estate Analysis
CCIM	Financial Analysis for Commercial Investment Real Estate
Appraisal Institute	National USPAP Update Course
Appraisal Institute	National USPAP Equivalent Course
Appraisal Institute	Business Practices and Ethics
Appraisal Institute	Analyzing Distressed Real Estate
Appraisal Institute	Forum - Foreclosure, Short Sale, Auction Price = Market Value?
Appraisal Institute	Appraisal Curriculum Overview
Appraisal Institute	Uniform Appraisal Standards for Federal Land Acquisitions
Appraisal Institute	National USPAP Equivalent Course
Appraisal Institute	Supervising Appraisal Trainees
Appraisal Institute	Fundamentals of Separating Real Property, Personal Property
Appraisal Institute	7 Hr National USPAP Update Course (Jan 2015)

REPRESENTATIVE CLIENTS

Washington Trust Bank	St. Luke's Colliers
First Interstate Bank	Bank of America
Wells Fargo	Bank of the West
Zion's First National Bank	Mountain West Bank
US Bank	Mountain Enterprises
PERSI	Selco Credit Union
D.B. Fitzpatrick	Builder's Capitol
Idaho Central Credit Union	Idaho First Bank
East Idaho Credit Union	Key Bank
Umpqua Bank	Rock Canyon Bank
Banner Bank	Umpqua Bank
Northwest Bank	Columbia Bank
D. L. Evans Bank	Texas Capital Bank
First Federal Savings Bank	Carrollton Bank
	Idaho Dept. of Lands

REPRESENTATIVE PROPERTIES & VALUE RANGES OF APPRAISALS PERFORMED

Retail	\$200,000 - \$20,000,000	Apartments	\$100,000 - \$12,000,000
Office	\$100,000 - \$16,000,000	Hostelry	\$500,000 - \$5,000,000
Industrial	\$100,000 - \$3,000,000	Farms/Ranches	\$250,000 - \$5,000,000
Condemnation	\$5,000 - \$500,000	Special Purpose	\$400,000 - \$1,300,000
Subdivisions	\$150,000 - \$7,000,000	Recreational	\$50,000 - \$4,000,000

210 WEST JEFFERSON STREET · BOISE, ID 83702

SAM LANGSTON - QUALIFICATIONS

REFERENCES

Mr. Dean Emanuels, MAI
Washington Trust Bank
717 W Sprague Avenue
Spokane, WA 99210
(509) 353-3854
Demanuels@watrust.com

Mr. Aaron Kramis
MPCM, LLC
225 N. 9th St., Ste. 530
Boise, ID 83702 (208) 472-2870
aaronkramis@mpcmllc.com

Mr. John Romney, MAI Zion's
First National Bank One
South Main St, 8th Flr
Salt Lake City, UT 84133-1109
(801) 844-7332
John.Romney@Zionsbank.com

Mr. Dane Rivers, MAI
Umpqua Bank
6610 SW Cardinal Lane
Tigard, OR 97224
(503) 906-4473
danerivers@umpquabank.com

Mr. John Ingle
U.S. Bank
555 SW Oak St, Plaza 4th Floor
Portland, OR 97204
(503) 464-4592
John.ingle@usbank.com

Ms. Susie O'Ban
First Interstate Bank
401 W. Front St, Ste 200
Boise, ID 83702
(208) 971-3901
Susie.oban@fib.com

Mr. Tim Higginbotham
Washington Trust Bank
717 W. Sprague Ave, 7th Flr
Spokane, WA 99210
(509) 353-3854
thigginbotham@watrust.com

210 WEST JEFFERSON STREET · BOISE, ID 83702



**Division of Occupational and Professional
Licenses**

11341 W Chinden Blvd. Boise, ID 83720-0063
dopl.idaho.gov

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Idaho Real Estate Appraiser Board statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

SIME LANGSTON

Real Estate Appraiser License
CGA-195

Issued: 10-Oct-2024 Expires: 28-Oct-2025

Renewal Required

Russell Barron
Administrator

Printed: 10-Oct-2024

Real Estate Appraiser Board

SIME LANGSTON
Real Estate Appraiser License
CGA-195

Expires: 28-Oct-2025

Russell Barron
Administrator



- Disposition Parcel
- Roads
- State Highway
- State
- Private

Disposition Site
Wilson Mountain
 Sec. 26 - T44N - R01W
 Benewah County, Idaho
 8/7/2023



Disclaimer:
 This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.

