



Valbridge
PROPERTY ADVISORS

Appraisal Report

Heyburn State Park Cabin Lots
Heyburn State Park
Plummer, Benewah County, Idaho 83851

Report Date: March 26, 2019



FOR
Idaho Department of Parks and Recreation - State of Idaho
Mr. David E. White
IDPR North Region Manager
2885 W. Kathleen Avenue, Suite 1
Coeur d'Alene, ID 83815

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March 26, 2019

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Mr. David E. White
IDPR North Region Manager
Idaho Department of Parks and Recreation - State of Idaho
2885 W. Kathleen Avenue, Suite 1
Coeur d'Alene, ID 83815

RE: Appraisal Report
Heyburn State Park Cabin Lots
Heyburn State Park
Plummer, Benewah County, Idaho 83851

Dear Mr. White:

At your request, I have appraised the above-referenced property to form an opinion of the Market Value of the Fee Simple Interest as of March 22, 2019, the final day of inspections which occurred from March 11, 2019 to March 22, 2019 for the physical inspections of the various lots that are the subject of this appraisal and report. The results of the appraisal are presented in the following Appraisal Report which summarizes the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The property is known as , located within Heyburn State Park, in Benewah County, Idaho. There are 166 sites, of which, 23 are float home sites, 55 are primary frontage home sites and 88 are secondary home sites.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines and the requirements of our client as we understand them.

Idaho Department of Parks and Recreation - State of Idaho is the client in this assignment and Idaho Department of Parks and Recreation (IDPR) is the sole intended user of the report, although we understand the appraisal may be shared with the lessees. The intended use is to establish a fair market value of each leased site as if they are owned in Fee Simple estates, and IDPR will use the fair market value of each site as the basis for determining annual rent, which, by agreement, is fixed as a percentage of fair market value. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions which may have impacted the assignment results:

Extraordinary Assumptions

- We have not had the benefit of survey markers, nor a title report that outlines easements, or encroachments. These lots are appraised under the extraordinary assumption that there are no substantial encroachments or easements that would affect value, based on the following hypothetical condition.

Hypothetical Conditions

- The sites are appraised under the hypothetical condition that they are “vacant and unimproved.”

For upland recreational residence sites, the following definition of “vacant and unimproved” is used:

A vacant and unimproved lot is land that has been defined and designated administratively for a single recreation residence, but is neither surveyed nor platted, with electrical, water and sewer service available to the lot line, and with legal and physical access.

For float home sites, the following definition of “vacant and unimproved” is used:

A vacant and unimproved float home site is a length of shoreline and corresponding adjacent surface water that has state authorization for placement of a single recreation float home residence and associated boat garage, but is neither surveyed nor platted and with walk-in, or boat-in access.

The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report. The individual estimates for each of the 166 sites are summarized in the analysis section of this report on the pages summarized below.

VALUE INDICATIONS & CONCLUDED VALUE RANGES

Location	Page Numbers	Market Value "As Is"
Date of Value		March 11-22, 2019
Lake Chatcolet Lots	Pg 35-44	\$33,750- \$54,000
Rocky Point, Primary Lots	Pg 45-53	\$48,000- \$96,000
Rocky Point, Secondary Lots	Pg 53-58	\$31,500- \$45,000
Hawley's Landing Primary Lots	Pg 59-61	\$75,000- \$90,000
Hansons' Haven Lot	Pg 62	\$97,500
Float Home Sites	Pg 63-64	\$37,500

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors | Inland Pacific Northwest



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Summary of Salient Facts

Property Name:	Heyburn State Park Cabin Lots
Address:	Heyburn State Park Plummer, Benewah County, Idaho
Assessor's Parcel Number:	No parcel numbers due to the subject property being located on state land.
Property Rights Appraised:	Fee Simple (Hypothetical Condition)
Zoning:	Not applicable - No zoning in rural areas,
Site Size:	Varies
Extraordinary Assumptions:	Yes, see body of report
Hypothetical Conditions:	Yes, see body of report
Highest and Best Use As Vacant:	continued use as recreational residence sites
Date of Inspection:	March 11, 2019- March 22, 2019
Date of Report Preparation:	March 26, 2019

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Hansons' Haven Lot	Pg 62	\$97,500
Float Home Sites	Pg 63-64	\$37,500

My findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions

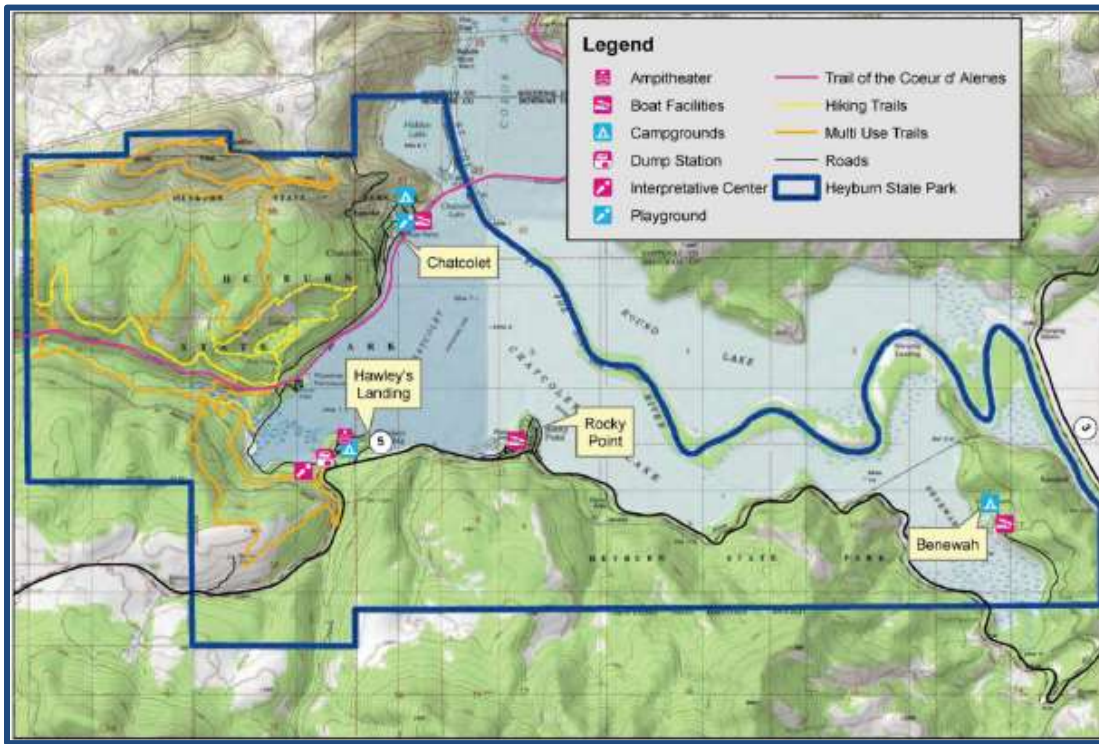
- We have not had the benefit of survey markers, nor a title report that outlines easements, or encroachments. These lots are appraised under the extraordinary assumption that there are no substantial encroachments or easements that would affect value, based on the following hypothetical condition.

Hypothetical Conditions

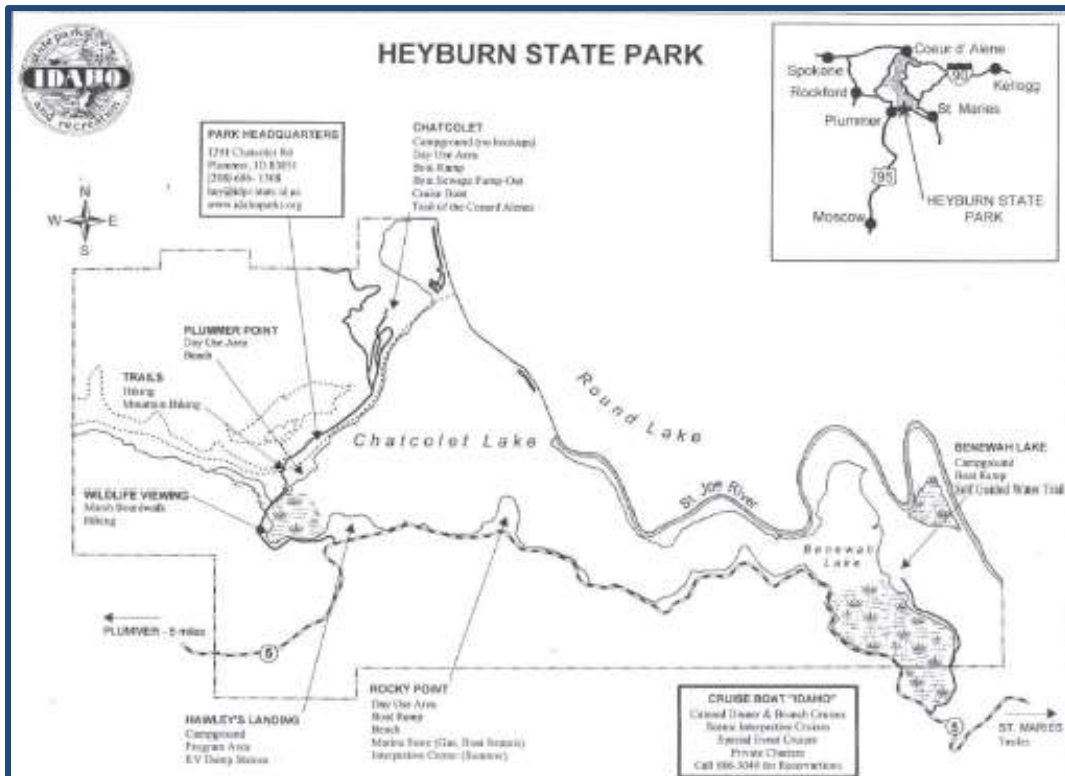
- The sites are appraised under the hypothetical condition that they are “vacant and unimproved.”

Aerial Views

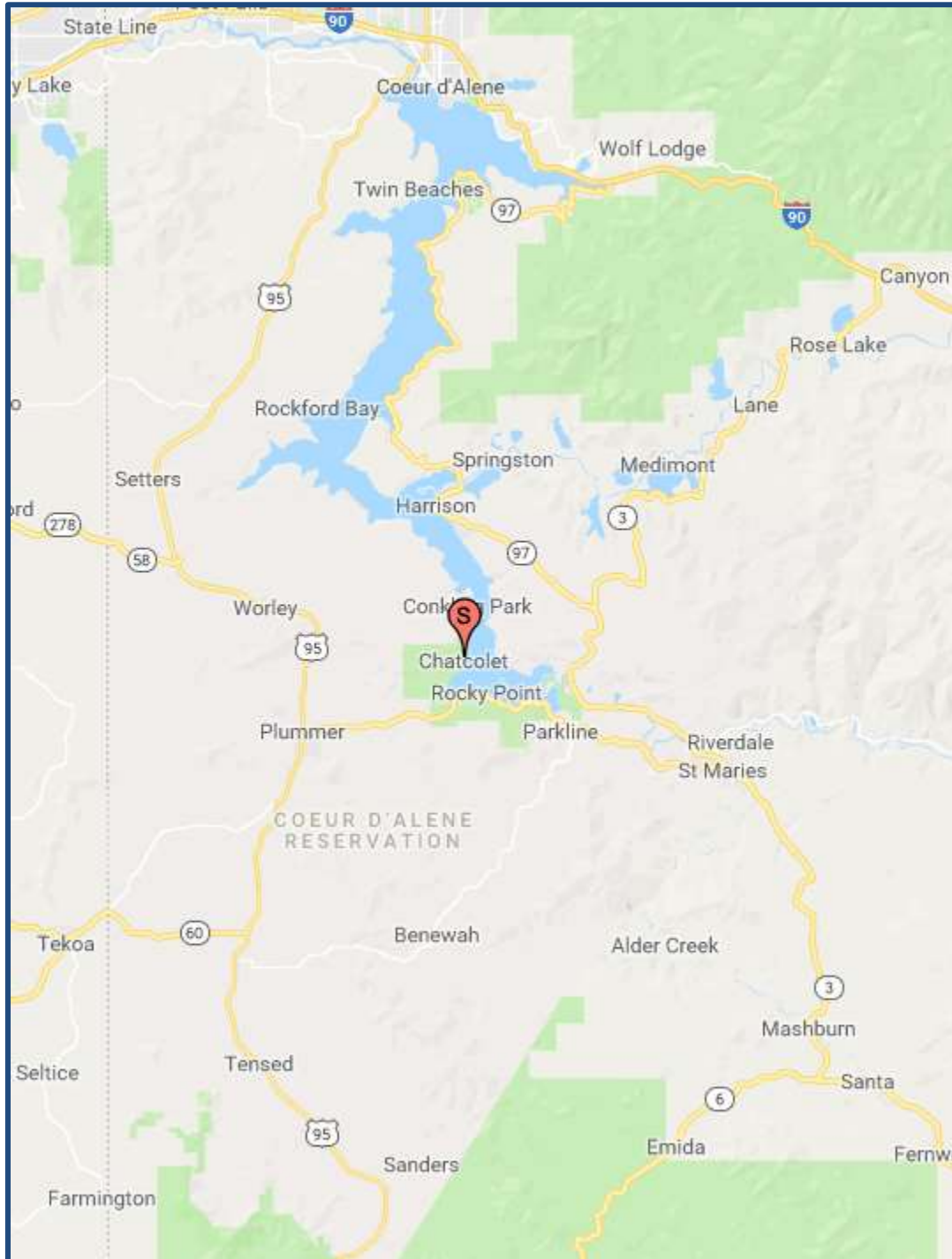
PARK OVERVIEW



PARK OVERVIEW



Location Map



Introduction

Client & Intended Users of the Appraisal

The client in this assignment is Idaho Department of Parks and Recreation - State of Idaho. The intended user of this report is Idaho Department of Parks and Recreation (IDPR), and we understand that the appraisal may be shared with the lessees during the negotiation of the upcoming lease renewal.

Intended Use of the Appraisal

The intended use of this report is to establish a fair market value of each lease site as if they were owned in fee title and IDPR will use the fair market value of each site as the basis for determining annual rent, which, by agreement, is fixed as a percentage of fair market value.

Real Estate Identification

The subject property is located at Heyburn State Park, Plummer, Benewah County, Idaho. The subject parcels are identified by Idaho Department of Parks and Recreation (IDPR) by lot numbers and Lease Identification Numbers.

Legal Description

No formal survey has been performed by the State of Idaho to provide legal descriptions for each lot. I have been provided a lot and block lay out for Rocky Point and Chatcolet; which are used to legally describe the lots in these two areas. A summary was also provided for Hawley's Landing. The lots are assumed to conform to the site size estimate provided by IDPR for this appraisal.

Use of Real Estate as of the Effective Date of Value

As of the effective date of the appraisal, the subject was recreational residence sites.

Use of Real Estate as Reflected in the Report

Same as above.

Ownership of the Property

According to the Benewah County Assessor, title to the subject property is vested to the State of Idaho.

History of the Property

I was not provided with a title report. According to the Benewah County Assessor's office, the current owner is the State of Idaho. The subject property has been developed as a State Park since the early 1900s; therefore, there have been no sales of this property.

Listings/Offers/Contracts

None.

Type & Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.”¹*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date(s) of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, & Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Value Premise	Property Rights	Effective Date of Value
Market Value	As Is	Fee Simple	March 22, 2019

I inspected the subject parcels over a period of days from March 11, 2019 to March 22, 2019.

Date of Report

The date of this report is March 26, 2019, which is the same as the date of the letter of transmittal.

List of Items Requested but Not Provided

- None.

Assumptions & Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions which may have impacted the assignment results:

Extraordinary Assumptions

- We have not had the benefit of survey markers, nor a title report that outlines easements, or encroachments. These lots are appraised under the extraordinary assumption that there are no substantial encroachments or easements that would affect value, based on the following hypothetical condition.

Hypothetical Conditions

- The sites are appraised under the hypothetical condition that they are “vacant and unimproved.”

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions

Scope of Work

The scope of work includes all steps taken in the development of the appraisal. These include 1) the extent to which the subject property is identified, 2) the extent to which the subject property is inspected, 3) the type and extent of data researched, 4) the type and extent of analysis applied, and the type of appraisal report prepared. These items are discussed as follows:

Extent to Which the Property Was Identified

Legal Characteristics

The subject was legally identified with maps provided by the client. Heyburn State Parks lies within Township 46 North; Ranges 3 and 4, WBM; and within Township 47 North, Range 3, WBM. The individual leased sites are described by lease number for the purposes of this appraisal report, which also coincides with aerial overlays that depict lot numbers within each of the described areas being analyzed.

Economic Characteristics

To determine the economic characteristics of the subject property, I analyzed the community and neighborhood, demand for properties similar to the subject, and analyzed properties with similar locational and physical characteristics.

Physical Characteristics

The 166 identified sites are appraised under the hypothetical condition that they are vacant and unimproved, and each lot was physically inspected.

Extent to Which the Property Was Inspected

I inspected the subject property on N/A.

Type & Extent of Data Researched

I researched and analyzed: 1) market area data; 2) property-specific market data; 3) zoning and land-use data; and 4) current data on comparable listings and sales in the competitive market area.

Type & Extent of Analysis Applied

To develop my opinion of highest and best use, I observed surrounding land use trends, demand for the subject property, and relevant legal limitations. I then valued the subject based on the highest and best use conclusion, relying on the Sales Comparison Approach.

- Income Capitalization Approach – Income Capitalization is the primary method used in subdivision valuation, because value is determined by future sales over time. The income methodology has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount; then sells the lots over time with consideration of holding and sales costs over the projected absorption period. Profit is inherent in either a line item estimate, or the discount rate analysis.

- [Sales Comparison Approach](#) – In the Sales Comparison Approach, value is indicated by recent sales and/or listings of comparable properties in the market, whether it be for the raw land component, prior to development, or for the estimate of gross retail lot values upon completion, and/or the bulk purchase of a group of lots “as is”. This approach includes the analysis of material differences in both economic and physical elements between the subject and the comparables.
- [Cost Approach](#) – This approach is most appropriate when appraising a proposed or recently built project. The conclusions from this approach when compared to conclusions from the Income and Sales Comparison Approaches, allows the appraiser to address feasibility and the highest and best use.
- [Approaches Applied](#) – The Sales Comparison Approach is applied to estimate the value of the subject lots as though vacant.

Appraisal Report Type

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a. The report summarizes the subject property characteristics, the market and market trends in which the property is located, competitive and comparable data, the valuation approaches used to appraise the property, and my conclusions.

Appraisal Conformity

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines and the requirements of our client as we understand them.

Region & Market Area Analysis

REGIONAL MAP



Overview

Benewah County, with the county seat of St. Maries, is located in northern Idaho. It is bordered by Washington State to the west, Latah County on the south, Shoshone County to the east, and Kootenai County on the north. Benewah County covers 776 square miles, which rank it the 34th largest out of the 44 Idaho counties. A small portion of Lake Coeur d’Alene is within Benewah County as well as the St. Joe and St. Maries Rivers, which flow westerly and northwesterly through the county, respectively. Mountainous terrain covers the majority of the county with rolling hills near the farming and timber communities on the western side. The Coeur d’Alene Tribe and Coeur d’Alene Indian Reservation occupy the northwestern portion of the county, in Plummer, Idaho.

Population

Population characteristics relative to the subject property are presented in the following table.

Population

Area	2000	2010	Annual %	Estimated	Projected	Annual %
			Change			2018
United States	281,421,906	308,745,538	1.0%	330,088,686	343,954,683	0.8%
Idaho	1,293,953	1,567,582	2.1%	1,760,131	1,893,073	1.5%
Benewah County, ID	9,171	9,285	0.1%	9,680	9,981	0.6%

Source: Site-to-Do-Business (STDB Online)

Transportation

Highway 95 is the major transportation route through Benewah County. It provides north/south access from Worley, north of Benewah County, down through Plummer and continues south into Latah County, connecting to Highway 6 near Potlach, Idaho. Highway 5 provides east/west access beginning in Plummer and ending in St. Maries. Highway 3 extends south from St. Maries and connects some of the small rural towns in southeast Benewah County.

Employment

The following table breaks out employment by industry in Benewah County. By far, the largest sector of employment is categorized as “Services” accounting for nearly 45% of employment. The next largest sectors are “Manufacturing” and “Agriculture/Mining” at 17.7% and 10.1%, respectively.

Employment by Industry - Benewah County, ID

Industry	2018 Estimate	Percent of Employment
Agriculture/Mining	401	10.1%
Construction	186	4.7%
Manufacturing	702	17.7%
Wholesale trade	32	0.8%
Retail trade	226	5.7%
Transportation/Utilities	190	4.8%
Information	32	0.8%
Finance/Insurance/Real Estate Services	103	2.6%
Services	1,773	44.7%
Public Administration	321	8.1%
Total	3,966	100.0%

Source: Site-to-Do-Business (STDB Online)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the Region boasts one of the highest unemployment rates for metropolitan statistical areas in the state. Following the national trend, Benewah County has experienced a steady decrease in unemployment over the last eight years and year-to-date through 2018. Still declining, Benewah County’s unemployment rate is .2% lower than Idaho’s average through October 2018.

Unemployment Rates

Area	YE 2011	YE 2012	YE 2013	YE 2014	YE 2015	YE 2016	YE 2017	2018 YTD
United States	8.5%	7.9%	6.7%	5.6%	5.0%	4.7%	4.1%	3.8%
Idaho	7.8%	6.6%	5.4%	4.4%	4.0%	3.5%	3.0%	2.9%
Benewah County, ID	12.2%	11.0%	8.8%	7.1%	6.6%	6.0%	4.5%	2.7%

Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject’s MSA and county compare unfavorably to the state and the country. Benewah County’s median household income is estimated to be approximately \$12,800 less than Idaho State’s average, and approximately \$18,600 less than the national average.

Median Household Income

Area	Estimated 2018	Projected 2023	Annual % Change 2018 - 23
United States	\$58,100	\$65,727	2.6%
Idaho	\$52,294	\$58,130	2.2%
Benewah County, ID	\$39,481	\$40,572	0.6%

Source: Site-to-Do-Business (STDB Online)

Recreation

There are numerous lakes and rivers in the immediate area that provide a broad array of sporting and recreational activities such as boating, fishing, hunting, and camping. The St. Joe River and St. Maries River are well regarded as fly fisheries. Heyburn State Park, located on the Coeur d’Alene Indian Reservation, is situated at the southern end of Lake Coeur d’Alene in Benewah County, just south of the Kootenai County and Benewah County line. The park benefits from close proximity to the population centers of Spokane and Pullman, Washington, and Coeur d’Alene, St. Maries, Moscow, and Lewiston, Idaho. The Trail of the Coeur d’Alene’s is a +72-mile-long paved biking trail that connects Mullan and Plummer, Idaho, and passes through the park. It was built on the former Union Pacific railway bed.

Conclusions

Benewah County is mostly rural, and the economy is primarily dependent on timber and forest products followed by agriculture. Recreation is also a good contributor to the economy; however, it is limited to the recreational months. The most recent national recession reduced the demand for new homes and the prices for logs and lumber. Since 2009, lumber prices have been slowly rising and continue to rise. Outdoor recreation will continue to provide some consistent income, but on a smaller scale. The overall economy remains sluggish but has continued to recover with increasing demand for timber and timber products. The agricultural sector has remained strong over the past few years, but less than one percent of the county’s area is farmed, so the agricultural contribution to the economy is minimal.

City & Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in Heyburn State Park, in Benewah County, Idaho. Heyburn State Park is located primarily in Benewah County near the mouth of the St. Joe River where it enters a series of lakes at the south end of Lake Coeur d'Alene.

Neighborhood Location and Boundaries

Heyburn State Park contains just over 8,000 acres, over 2,000 acres of which are submerged under the area's lakes and wetland marshes. The northeasterly boundary of the park is formed by the bank and channel of the St. Joe River. Approximately 50 acres of upland timber land on the northwesterly side of the park is in Kootenai County.

Heyburn State Park, the oldest state park in Idaho, was created from the Coeur d'Alene Indian Reservation by an act of Congress on April 20, 1908. Purchase of the park was authorized by the Idaho State Legislature in March 1909. The park was named in honor of U.S. Senator W.B. Heyburn, who was instrumental in its acquisition.

The park has extensive water frontage on Chatcolet Lake, Hidden Lake, and Benewah Lake. To the casual observer, these three lakes appear to be continuous extension of the larger Lake Coeur d'Alene, as they are connected by a continuous body of water; however, the water is shallow between the lake and access to Lake Coeur d'Alene and the St. Joe River is via deeper channels marked specifically for passage. This is a heavily timbered, very scenic area.

History

Over the years, Heyburn State Park has been developed for camping, swimming, and boating. Available are trails for hikers, horses, and mountain bikes, boat docks, beaches, and the Chatq'ele' Interpretive Center at Rocky Point. There are also leased building sites on which the lessees have built summer cabins or placed floating homes. Cottages have been built on both waterfront sites with docks, and secondary sites with common park waterfront access. Rental boat slip and boat houses are also available. Heyburn State Park is open to the public year-round. Some facilities are closed seasonally, but general operation is early spring to late fall for all facilities. The peak recreational season is essentially Memorial Day through Labor Day.

Lake Coeur d'Alene, along with the St. Joe River and those properties located within Heyburn State Park, have been owned, managed, and controlled by the State of Idaho for many years. This changed in late July 1998 when U.S. District Court Judge Edward Lodge ruled that the Coeur d'Alene Tribe owns the lower third of Lake Coeur d'Alene and the adjacent 10 miles of the St. Joe River. This ruling was appealed, but upheld, in June 2001 by the U.S. Supreme Court. It must be noted that the lakes within Heyburn State Park were not subject to this ruling, since they were previously adjudicated all the way to the U.S. Supreme Court and are now under the control and management for the State of Idaho Department of Parks and Recreation.

Access

Highway access to Heyburn State Park is from State Highway 5, which runs between Plummer and St. Maries. Secondary, seasonal, access is provided by Conkling Park Road, which meets U.S. Highway 95 near Worley, Idaho.

Demographics

The primary market area serving Heyburn State Park is that between St. Maries, Idaho and Pullman, Washington. The secondary market area is the metropolitan area of Spokane, Washington and Coeur d'Alene, Idaho, at the north end of Lake Coeur d'Alene. Convenience shopping is available in Plummer and Worley, Idaho; major shopping and services are available in St. Maries, Coeur d'Alene, and Moscow in Idaho, and Spokane and Pullman in Washington.

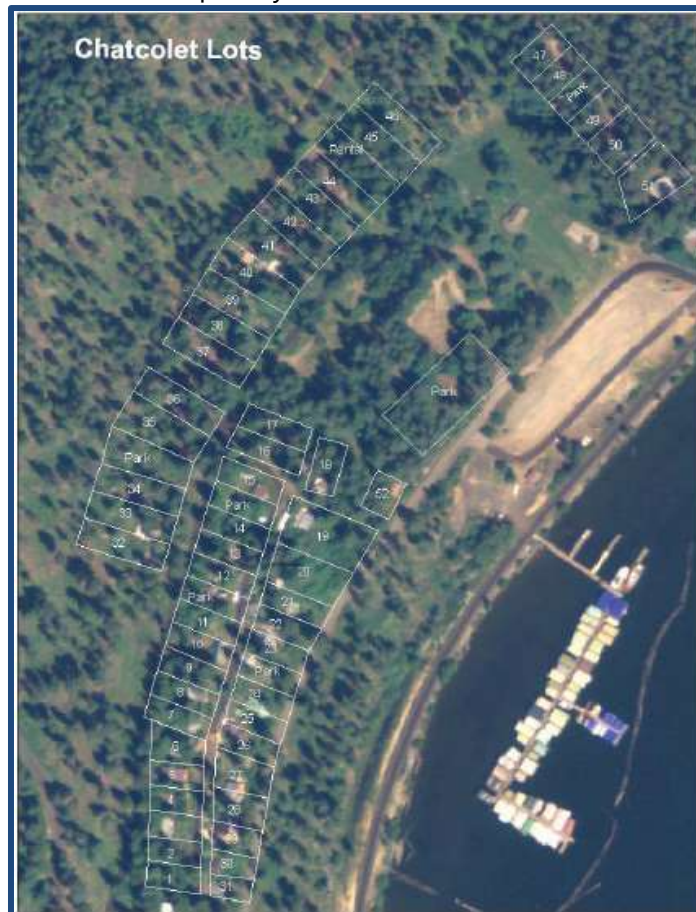
Site Description

The following description is based on my property inspection and information provided by the client. The subject recreational residence sites consist of three distinct property types in five separate areas.

Area 1: Chatcolet Lots

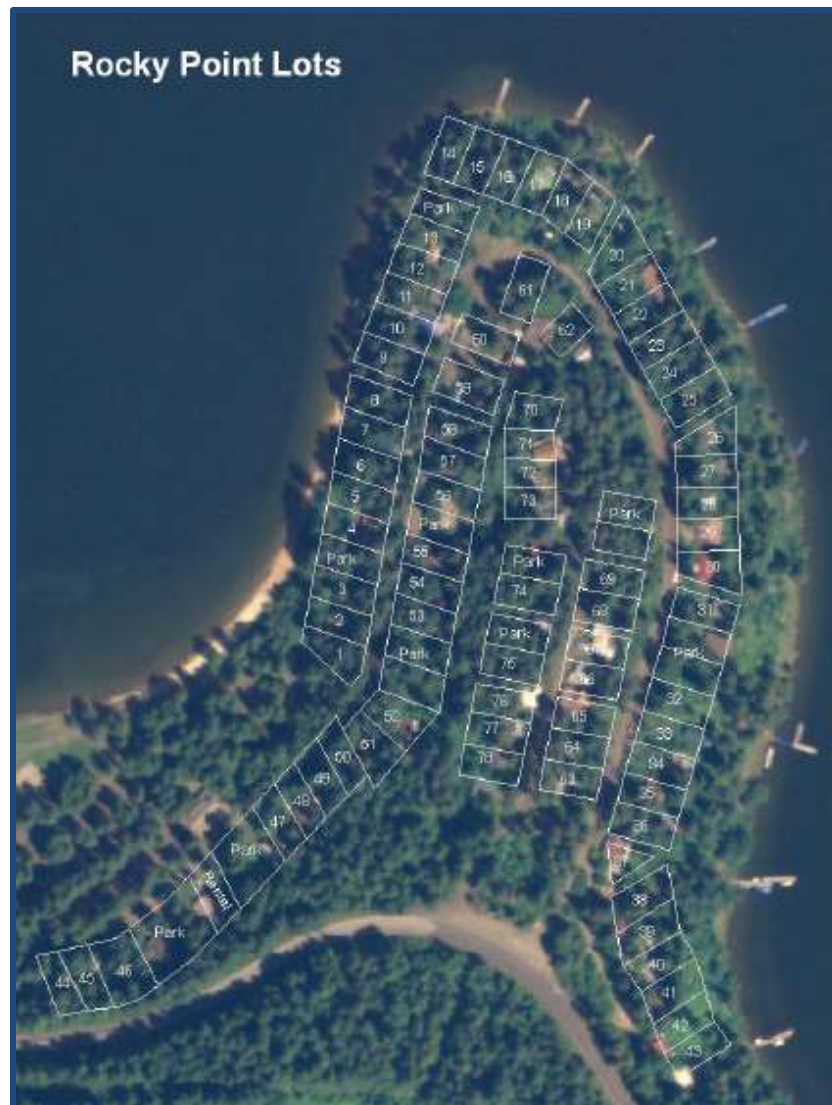
The sites are all first and second tier secondary sites with available boat slips, boat houses, a common park and waterfront. Chatcolet lots have a total of 53 leased lots, five park lots, and two rental cabins. As will be shown in the lot summary, there are 52 numbered lots that match corresponding lease numbers. One additional lot sits adjacent to Lot 51, adjacent to the trail and boat launch. It was purchased from the railroad, and is not numbered. It is called "the Cabin Lot" in the summary of lot leases. A marina and boat launch is also available within the Chatcolet area.

The typical lot within this area is moderately sloping with filtered lake views less than 50% open. All of these secondary lots are more distant from the water making the views more distant. The best views come from the elevated lots above Lower Chatcolet Drive which has heavier traffic leading to the marina, Chatcolet parking lot and boat launch. These lots are all accessed off of Center Chatcolet Drive. There are several uphill lots accessed off of Center Chatcolet Drive as well, although these lots have alternate access (very steep) off of Upper Chatcolet Drive. Upper Chatcolet Drive also extends to the Chatcolet Campground, which is enough removed from the leased lots as to not be a significant detriment. The Cabin Lot (adjacent to Lot 51) and 52 set at opposite ends of the Chatcolet parking lot, feature desirable views, but offer less privacy as a result of their location.



Area 2: Rocky Point Lots

This area consists of both primary, first, and second tier secondary sites with a lodge, common beach, and marina with rental slips and boat houses. The lodge is not leased. At Rocky Point there is a total of 78 lots. Forty-three lots are primary with four vacant park lots. There are 35 secondary lots along with six park lots, and one rental cabin lot. Rocky Point's primary lots vary in elevation near the water, but nearly all are steeply sloping down to the water, with many lessees having developed paths or walkways down the hillside to the water. Many of the lessees lease dock slips around the point, and/or boat houses in the Rocky Point Marina. These lots range in size from the typical sized leased lots from 5,000 sf to 6,000 sf with some larger. The primary lots are all downhill sloping lots with gentle to steep topography. The lots along the south side of the point are typically very steep, although the views remain desirable. The uphill lots near the entrance or Lots 44 to 46 back up to Highway 5 which generates substantial road noise. The same is true of Lots 35 to 43 near the exit of Rocky Point Loop Road. The views are generally filtered and less than 50% open on Upper Rocky Point Drive, with similar variance on the lower tier secondary lots on Rocky Point Loop Road. The lots near the entry and common areas may see greater activity from public use; however, this is not considered a detractor due to the distance and buffer from large amount of mature tree cover and natural landscaping.



Area 3: Hawley's Lots

The 11 lots within Hawley's Landing are all primary sites with a steep drop off down onto adjacent waterfront land within the park. Lots 1 to 6 have road access through Hawley's Landing Campground, with the access being between the water frontage and the lot itself. These lots are typically gentle to moderately sloping uphill lots from the point of access. Lots 5 to 11 are accessed via Hawley's Landing Road which has a "Y" that serves all of these lots which are generally gentle to moderately sloping down toward the lake. In reality, Lots 5 and 6 appear to have potential access from both the lower road through the campground and the upper road. All of these lots, with the exception of Lot 11, are 50' x 100' and considered typical of the leased lots within Heyburn State Park. These lots all have desirable views with the estimate of open water views being from 50% to 90%. Many of the lessees in this area rent slips from the IDPR. The waterfront within this area is shallower, and considered inferior in quality when compared to the water frontage in Rocky Point, or Chatcolet. There are two vacant park sites and one rental cabin. The adjacent campground is enough removed from the lots that it is not considered a significant detractor.



Area 4: Hanson's Haven

Hanson's Haven consists of one leased residential lot located directly off of State Highway 5 for which a map has not been provided. The site is surrounded by State Park land available for public use on both sides and is considered a primary waterfront lot. This lot sets adjacent to Hwy 5 which generates substantial road noise. Conversely, the gentle building site, water frontage and views are very desirable.

Area 5: Hidden Lake Float Homes



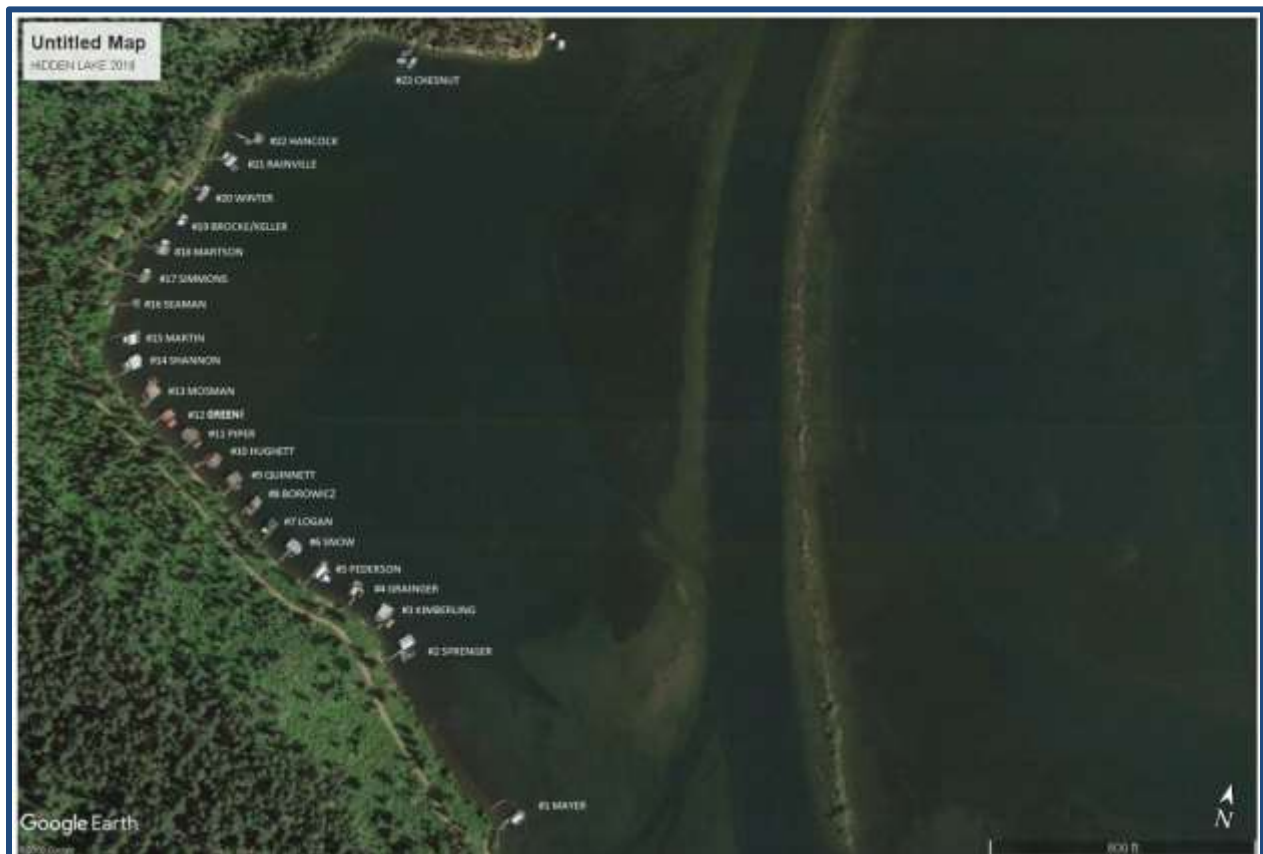
Along the bank of Hidden Lake are 23 float home sites with the picture above representing one of the 23 sites and the larger bay in the back ground. The homes sites share central parking available at the Chatcolet Lake parking area and there is trail and water access as well as electric service. There is no vehicular access to these sites. The use of on-site holding tanks for septic waste was an interim use; that was no longer allowed by DEQ, and IDPR did not have the funding to extend the park's sanitary sewer system to the bay. The Float Home Owner's Association devised a plan, and pursued a loan program available from DEQ for drinking and waste water treatment improvements. As a result of their collective efforts; they applied for and received a loan to cover the costs associated with the planning, engineering and construction of the sewer trunk line with a lift station near the holding tanks being used to send the effluent to the trunk line.

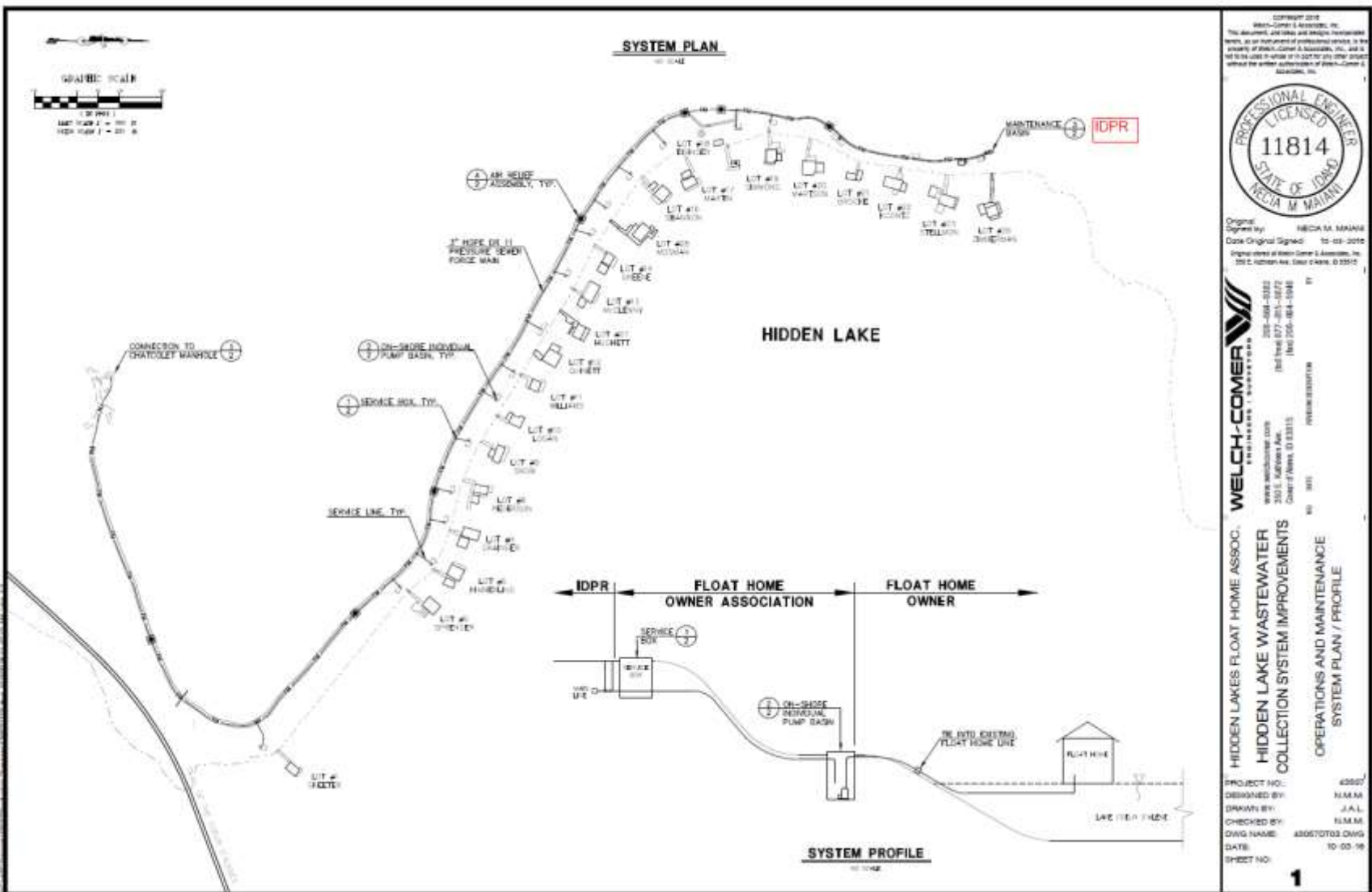
The completed sewer trunk line was subsequently connected to the park system, and is maintained by the park. The float home owners were responsible for extending lines to the trunk line from their sites and are responsible for maintenance of this component. Those users that have hooked up to the system pay \$614/year for sewer service. Float home users pay a water access fee to fill up potable water for drinking and cooking from the campground facilities. They can pull filtered water from the lake, with the use of a Department of Natural Resources permit, for bathing and cleaning

The loan through Idaho State DEQ is for \$936,134; with additional unknown fees paid prior to the loan for planning and engineering. The promissory note is included in the addenda with the loan at a low interest rate of 1.75%/year. The payment is \$39,878/year payable by the Hidden Lake Float Home Association; signed by the President of the Association; and is responsible for collecting the pro rata share of the Leasehold Mortgage payment from the lessees; with lien rights on the personal property of each of the lessees if they fail to pay. IDPR agreed to extend the float home leases for a period of 30 years, or equal to the mortgage term.

This infrastructure is a substantial financial investment by the lessees or (\$936,134/23.or \$40,175/site for the 23 sites); and considered a leasehold improvement in this analysis. The float home lease agreement and promissory note are included in the Addenda of this report. It is my understanding that not all of the float homes have hooked up to the system, and one owner is not being required to contribute to the annual payments; as they previously purchased adjacent fee simple lands and installed an on-site drainfield on land they own. The lease agreement in the Addenda discusses the lien rights by the association and an agreement that some of the float homes would be relocated.

There are offsetting factors with regard to location in this cove with some having more privacy, or better open views. Some areas of the bay have deeper water which is generally more desirable and less damaging to float homes during the off season, when the water is lower. Conversely, the leases do not guarantee any location over another. All of these float home sites are considered equal for this reason.





Site Analysis

In total, there are 143 residential land sites and 23 float home sites. Out of the 143 residential land sites, 55 are primary (waterfront) and 88 are secondary waterfront with or without a view of the water. There are 17 park lots and four lots with rental cabins. Primary lots face the water and are considered waterfront; however, the land between the site and the water is available for public access and provides unrestricted access to the water, making them less desirable than true water front parcels where the owner has full use of the water front.

Site Sizes

No surveys of the subject recreational residence sites are available. The sites are generally determined by historic location relative to the actual location of the improvements on the sites. These lease terms typically specify, or assume, a 50' x 100' site within which the building improvements are situated. Some sites are 50' x 150', primarily at Chatcolet, and others are irregularly shaped. Setbacks are generally considered to allow 10 feet between cabins, or five feet to each site boundary line from the building. The land is required to be left in its natural condition, except for fire control areas around the building and some maintained areas over drain fields. Some encroachments exist where buildings were built closer than 10 feet apart. Some other sites may have longer, more irregular shapes for site use purposes. Others have access, topography, or other condition that limit site development and use. Therefore, some sites differ from others, and the 50' x 100' or 50' x 150' size may be adjusted to some extent.

Site Leases

The recreational residence site leases are for a 10-year period, the most recent of which began January 1, 2010 and will end December 31, 2019. The recreation residence sites are to be reappraised at the middle of the 10-year lease term.

The leases are up for reappraisal effective January 1, 2020, and new rental rates for the leased sites are to be established and sustained at market value under the State of Idaho's mandate to derive a "reasonable income" from its lands. The lease rate is 3.75% of the fair market value estimate, and can be updated annually based on the Consumer Price Index, Urban, U.S. City Average, All items" as published by the United States Bureau of Labor Statistics, provided the base rate adjustment does not exceed 5% in any one year.

The leases restrict length of occupancy to six months but do not designate the actual time frame. Some cabin owners have established "grandfathered" rights for longer occupancy; however, these rights will cease in the case of a cabin's sale. The limitations imposed by the leases have not been considered in this appraisal per request from the client as they are considered inherent in the negotiate lease rate.

Heyburn State Park has several private docks for lease on East Rocky Point, and Hawley's Landing as well as 65 slips within the Chatcolet and Rocky Point Marinas. These docks have electricity; although electricity is not extended to each slip. There is a pump out station at the Chatcolet Marina. The rates below are those reported for 2019. The slip rents are adjusted annually based on the same CPI index used for the leased lots described above. According to park representatives, they have a waiting list for the slips.

HEYBURN STATE PARK SLIP RENTAL RATES

	# of Slips Available	2019	
		1-side	2-sides
Private docks on East Rocky Point & Hawleys Landing		\$303/yr to	\$606/yr
Chatcolet	23	Covered	Uncovered
Rocky Point	42		
9' x 20'		\$833	\$682
10' x 24'		\$871	\$720
House Boats up to 40'			\$758
House Boats up to 60'			\$1,614
Boat garages 13' to 26'	65	\$492/yr to	985/yr

100% Occupancy with waiting list
 Rates adjusted by CPI annually

Access

The park is served year-round by paved and state maintained Highway 5, which provides direct access to Plummer and St. Maries. During the spring, summer and fall months access is available to the park via Conkling Park Road, off Highway 95 near Worley. The park's interior roads are graveled, single-lane roads maintained by the park staff. The quality of the roads varies throughout the park with some roads being better than others. According to park representatives, there are no immediate plans to pave any of the roads; however, they will continue to oil and gravel as practical for dust control. As a result many of the roads had the appearance of former pavement, but what is now compacted gravel versus dirt. The secondary park roads are maintained by the park on a year-round basis with the exception of no snowplowing for Hawley's Landing with the exception of lots 9-11 that can park near the rental cabin on what would be lot 12, if leased. The same is true of lots 48 to 51 at Chatcolet. Park. "Utility fees" for float homes are currently \$73.50/year for trash disposal and street lighting while the residential sites pay \$114.35/year. Access to the float homes in Hidden Lake is via foot over the steep terrain or via boat.

Utilities

Electricity and telephone services are available to all subject recreational sites. Water systems serve portions of the park and all of the subject sites, excluding the floating home sites. Heyburn State Park has two approved community water systems that provide domestic water and minimum fire protection. The Heyburn Park at Benewah system is rated by the State Department of Environmental Quality at 24 connections serving a population of 150. The Heyburn Park at Chatcolet system is rated at 154 connections serving a population of 400. These systems serve the residence sites, camping areas, and administrative buildings. Many of the cottages do not have year-round water facilities and are winterized to prevent freezing. Float home leaseholders currently pay a "Water Access Fee" of \$59.56/year for domestic water and limited fire protection flows and residential site leaseholders pay \$119.11/year.

The Heyburn State Park Community Wastewater System was installed into the park in 2011.

The collection and treatment facility is a Land Application Sewage Treatment System that is regulated by Idaho Department of Environment Quality (DEQ). The sewer system services properties from Chatcolet Cottage Area to Hawley's Landing and also includes properties at Rocky Point.

A sewer trunk line was recently extended to the float homes with a lift station near the holding tanks being used to send the effluent to the trunk line. The float home owner's association secured a loan and paid for the sewer trunk line; which was subsequently connected to the park system, and is maintained by the park. The float home owners were responsible for extending lines to the trunk line from their sites and are responsible for this component.

Subject Photos

CHATCOLET PARK



CHATCOLET BOAT SLIPS AND GARAGES



ROCKY POINT PARK



ROCKY POINT BOAT SLIPS AND GARAGES



Market Analysis

MARKET AREA MAP



Overview

The subject's market area primarily includes all bays on the west side of Lake Coeur d'Alene south of Windy Bay. The subject property is on the southwestern tip of Lake Coeur d'Alene.

Waterfront Lot Sales

A summary of waterfront land sales for Lake Coeur d'Alene from the Multiple Listing Service (MLS), followed by current listings, is shown on the following page and graphed on a following page. Secondary lot sales are not shown due to the inconsistency of labeling within the MLS.

Lake Coeur d'Alene sales peaked in 2007 at \$4,106/ff. The market entered a state of decline in 2010 with fewer transactions and declining prices on a price per front foot basis.

Some improvement is noted in 2014 through 2018, with 2018 waterfront sales showing average rate near \$3,754/ff. Active listings remain priced higher at 5,992/ff on average.

2014 Sales		Town	Acres	MOL	DOM	Price	Closed Date	FF	\$/FF
Sold	West Way rive	Coeur d'Alene	10	500		\$843,600	7/3/2014	2000	\$422
Sold	Tract 3 Cottonwood Road	Worley	0.72	293		\$39,000	7/28/2014	100	\$390
Sold	Lot 2 Block 1 S. Westway Drive	Coeur d'Alene	0.32	200		\$180,000	7/28/2014	76	\$2,368
Sold	2982 W. Everwell Bay Lane	Coeur d'Alene	0.6	302		\$495,000	9/9/2014	85	\$5,824
Sold	Lot 24 Rock Creek Ridge Sunup Bay	Worley	6	512		\$449,500	11/21/2014	312	\$1,441
Sold	Tax #22386 S. Captains Road	Coeur d'Alene	0.75	123		\$455,000	12/8/2014	130	\$3,500
Average						\$410,350			\$2,324
2015 Sales		Town	Acres	MOL	DOM	Price	Closed Date	FF	\$/FF
Sold	7432 S. Newtons Way	Coeur d'Alene	0.7	266		\$505,000	3/31/2015	146	\$3,459
Sold	Lot 29B Rock Creek Ridge at Sunup	Worley	2.05	207		\$445,000	4/10/2015	162	\$2,747
Sold	Lot 31A Rock Creek Ridge At Sunup	Worley	2.34	0		\$475,000	5/1/2015	230	\$2,065
Sold	Rockford Bay Road - N1/2 Lot 7	Coeur d'Alene	0.63	37		\$380,000	5/21/2015	75	\$5,067
Sold	4642 S. Threemile Point Road	Coeur d'Alene	0.99	627		\$800,000	5/29/2015	248	\$3,226
Sold	4640 S. Threemile Point Road	Coeur d'Alene	0.48	630		\$800,000	6/1/2015	120	\$6,667
Sold	Lot 1 S. Watson Road	Worley	0.52	71		\$327,000	6/10/2015	112	\$2,920
Sold	8089 E. Bridger Trail	Coeur d'Alene	0.57	90		\$125,000	8/3/2015	100	\$1,250
Sold	8792 W. Steelhead Street	Worley	4.34	475		\$850,000	9/14/2015	470	\$1,809
Sold	Lot 12 Lakeshore Drive	Worley	0.16	224		\$144,500	9/21/2015	70	\$2,064
Sold	2598 W. Everwell Bay Lane	Coeur d'Alene	0.52	272		\$970,000	10/8/2015	130	\$7,462
Sold	Lot 11 Block 1 S. Rockshore Drive	Coeur d'Alene	0.36	67		\$140,000	10/9/2015	105	\$1,333
Average						\$496,792			\$3,339
2016 Sales		Town	Acres	MOL	DOM	Price	Closed Date	FF	\$/FF
Sold	2291 South Silver Beach Road	Coeur d'Alene	0.4	0		\$379,900	3/29/2016	100	\$3,799
Sold	Tract 11 Cottonwood Road	Coeur d'Alene	1.48	217		\$130,000	5/12/2016	282	\$461
Sold	Lot 17 No Name Court	Worley	1.18	666		\$370,000	5/24/2016	150	\$2,467
Sold	Lot 19 Block 1 No Name Court	Worley	0.4	0		\$192,500	5/27/2016	76	\$2,533
Sold	Lot 4 S. Four Echoes Road	Worley	0.32	751		\$245,000	7/8/2016	52	\$4,712
Sold	Lot 11 Threemile Point Road	Coeur d'Alene	0.65	231		\$350,000	8/22/2016	141	\$2,482
Sold	Lot 22 Watson Road	Coeur d'Alene	0.4	161		\$315,000	9/6/2016	161	\$1,957
Average						\$283,200			\$2,630
2017 Sales		Town	Acres	MOL	DOM	Price	Closed Date	FF	\$/FF
Sold	Tax #23534 E. Coeur d'Alene Lake	Coeur d'Alene	0.84	438		\$250,000	4/7/2017	184	\$1,359
Sold	Tax 13551 Scot Ayer	Coeur d'Alene	1	118		\$550,000	5/30/2017	150	\$3,667
Sold	8101 W. Shorecrest Rd	Coeur d'Alene	0.3	1031		\$240,000	6/1/2017	87	\$2,759
Sold	Tax #14294 S. Leaning Pine Tree	Harrison	1.2	29		\$425,000	6/23/2017	205	\$2,073
Sold	Wildwood Park	Worley	5	603		\$570,000	8/3/2017	300	\$1,900
Sold	Tax #24416 W. Valhalla Lane	Coeur d'Alene	8.44	594		\$230,000	9/1/2017	75	\$3,067
Sold	Lot 25 Rock Creek Ridge at Sunup	Worley	4.41	986		\$450,000	12/20/2017	340.5	\$1,322
Average						\$387,857			\$2,306
2018 Sales		Town	Acres	MOL	DOM	Price	Closed Date	FF	\$/FF
Sold	Parcel 3 S. Highway 95	Coeur d'Alene	0.4	255		\$525,000	4/13/2018	90	\$5,833
Sold	2573 W. Cottonwood Road	Worley	0.72	245		\$155,000	4/23/2018	100	\$1,550
Sold	Lot 31B Rock Creek Ridge	Worley	2.29	1514		\$390,000	6/1/2018	95	\$4,105
Sold	Lot 3 Block 1 Westway Dr	Coeur d'Alene	0.35	148		\$220,000	6/29/2018	76	\$2,895
Sold	Parcel 2 Canoe Loop	Coeur d'Alene	0.65	169		\$400,000	11/20/2018	81	\$4,938
Sold	7500 S. Newtons Way	Coeur d'Alene	0.79	208		\$1,250,000	12/4/2018	390	\$3,205
Average						\$490,000			\$3,754
2019 YTD Sales		Town	Acres	MOL	DOM	Price	Closed Date	FF	\$/FF
Average						N/A			N/A

Active Listings						
Active	Lot 3 Conkling Park	Coeur d'Alene	0.6	648	\$109,000	51 \$2,137
Active	Nolan Drive and Rockford Bay Rd	Coeur d'Alene	0.84	539	\$129,000	15 \$8,600
Active	Harbor View	Coeur d'Alene	2.23	292	\$329,900	40 \$8,248
Active	W. Mowry road	Worley	100.15	285	\$1,350,000	204 \$6,618
Active	Dolliver Road	Coeur d'Alene	10.2	73	\$975,000	239 \$4,079
Active	W. Captains road	Coeur d'Alene	0.4	577	\$349,500	82 \$4,262
Active	Leaning Pine Tree	Harrison	77.2	196	\$998,500	785 \$1,272
Active	W. Swede Bay Road	Coeur d'Alene	1.72	149	\$759,500	66 \$11,508
Active	S. Boisen Loop	Coeur d'Alene	0.51	242	\$649,900	100 \$6,499
Active	Boisen Loop	Coeur d'Alene	0.26	205	\$299,900	50 \$5,998
Average					\$595,020	\$5,922



Market Participant Interview/Local Survey

Waterfront land sales on Lake CDA have not yet reached the levels at the peak of the market in 2007; although there is some evidence of increasing prices on a price per front foot basis on Lake CDA.

A second search of waterfront home sales on Lake Coeur d'Alene is shown below. The number of transactions was fairly level with a slight increase in 2018. The average days on market was 139 in 2016; and crept back up to 183 in 2018. The average sales prices showed some upward movement from 2016 to 2018.

MLS SALES SUMMARY Waterfront Home Sales						
Lake Coeur d'Alene		2015	2016	2017	2018	Listings
Sales		45	44	48	54	42
Average Marketing Time		178	139	162	183	205
Listing Volume		\$41,453,700	\$28,461,689	\$44,847,900	\$51,394,700	\$91,279,400
Sales Volume		\$37,320,869	\$26,280,900	\$41,651,275	\$47,770,200	N/A
Volume Change		NA	-42%	37%	13%	NA
Average Price		\$829,353	\$597,293	\$867,735	\$884,633	\$2,173,319
Average Price Change		N/A	-39%	31%	2%	59%
Sales to Listing Price Ratio		90%	92%	93%	93%	NA
Price Range:						
Low		\$168,000	\$205,000	\$140,000	\$100,000	\$349,900
High		\$3,200,000	\$2,500,000	\$3,850,000	\$4,500,000	\$9,950,000

The subject neighborhood is rural; and south of Coeur d'Alene, and Kootenai county where residential homes are realizing substantial appreciation in the 8% to 10% per year range for new homes priced under \$300,000 in the city limits.

To determine the neighborhood specific rate of change in Benewah County; we have surveyed the MLS for market specific indicators of change; beginning with the sales of homes on leased lots in Heyburn State Park. There were just three sales in the MLS; therefore, insignificant with regard to being a market indicator.

The following summary is of closed residential sales on less than two acres in Benewah county. From 2015 through 2017 showed mixed results in terms of closed transactions, marketing times and average sale prices. In 2018 sales showed an increase in the average home price; and decrease in marketing times from 2017; although fewer closed transactions.

MLS SALES SUMMARY Residential Sales					
Benewah County	2015	2016	2017	2018	Listings
Sales	63	54	61	54	25
Average Marketing Time	180	145	170	127	205
Listing Volume	\$8,109,995	\$7,525,399	\$7,717,700	\$9,062,550	\$4,234,799
Sales Volume	\$7,651,406	\$7,174,550	\$7,374,601	\$8,681,165	N/A
Volume Change	NA	-7%	3%	15%	NA
Average Price	\$121,451	\$132,862	\$120,895	\$160,762	\$169,392
Average Price Change	N/A	9%	-10%	25%	5%
Sales to Listing Price Ratio	94%	95%	96%	96%	NA
Price Range:					
Low	\$7,000	\$26,500	\$24,500	\$25,100	\$110,000
High	\$330,000	\$475,000	\$276,000	\$426,500	\$275,000

The following summary is of adjacent or identical lots with similar sizes; views and/or topography. The first two pairs are adjacent lots in Conkling Park that show evidence of appreciation. The third is comparison is of two lots that are nearly identical in size, topography and location with similar views in Cave Bay; showing a decline in value from 2013 to 2015. The next two are matched pairs; (bold) sales of the same lot in 2016, and then again in 2017; with the first set in Cave Bay, selling for the same price in 2017 (0% change). The last matched pair is in Rockford Bay with a substantial decline in value averaged at near 27%/year.

Market Conditions								
	Dates	Price	Date	Price	ΔPrice	ΔTime	Avg Change	
Conkling Park (adjacent Lots)	6/28/2013	\$45,000	Oct-15	\$56,800	26.22%	27.1 mo	0.97%/mo	11.59%/yr
Conkling Park (adjacent Lots)	9/25/2009	\$50,688	Jan-19	\$80,000	57.83%	111.4 mo	0.52%/mo	6.22%/yr
Cave Bay- similar view/size	1/25/2013	\$91,500	Mar-15	\$54,500	-40.44%	25.3 mo	-1.60%/mo	-19.14%/yr
CBS2- CBS3	8/29/2016	\$49,900	7/28/2017	\$49,900	0.00%	10.9 mo	0.00%/mo	0.00%/yr
RBS1-RBS2	9/26/2016	\$99,900	10/6/2017	\$72,250	-27.68%	12.3 mo	-2.25%/mo	-26.94%/yr

Our interviews with the Realtors involved in these transactions were mixed as well, with some believing there were modest gains in value in the subject neighborhood. While others believed the secondary land market in Benewah County was soft, with any notable appreciation being in the sales of improved properties versus lots. The statistics for closed homes sales in Benewah county support this view with some increase in the average closed sale price. The variance in our land sale comparable prices make it appear that the secondary land market remains soft with no market conditions adjustments being appropriate over the past five years.

Highest & Best Use

The highest and best use of a property is the reasonably probable and legal use of vacant land or an improved property that is: physically possible, appropriately supported, financially feasible, and that results in the highest value.

Analysis of Highest & Best Use as if Vacant

The sites are defined by IDPR as approximately 50' x 100', or 50' x 150', although some are estimated as being smaller and larger. No zoning exists within the park, and they are assumed to be legally permissible. They are assumed to be vacant and unimproved with access to roads and utilities including electricity, water, and sewer as previously outlined. The float home sites use potable water from within the park, or filtered lake water. They can hook up to the sewer trunk line recently installed in this area of the park at their own cost. The float home owners are allowed to use dumpsters within the park, as well as boat dumping stations at Rocky Point and Chatcolet Marina.

The sites are appraised as though available for fee simple ownership. They are small when compared to other recreational sites available on the lake. The primary sites are inferior to similar sized waterfront lot sales in that they do not have true waterfront ownership, but rather unrestricted access across the intervening park land, which is also available for use by the public as part of the park system. The limitations on use imposed by the leases are not considered in this appraisal.

The highest and best use as vacant based on the hypothetical conditions outlined above is for continued use as recreational residence sites.

Most Probable Buyer/User

As of the date of value, the most probable buyer of the subject lots is from nearby St. Maries, Moscow, Idaho and Pullman, Washington and to a lesser degree Coeur d'Alene, Idaho and Spokane, Washington. Approximately 10% to 20% of the lessees are from states other than Idaho or Washington.

Land Valuation

Methodology

Land is valued using the Sales Comparison Approach. This approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same utility. In the Sales Comparison Approach, the opinion of market value is based on closed sales, listings, and pending sales of properties similar to the subject property. A systematic procedure for applying the Sales Comparison Approach includes the following steps: 1) researching and verifying transactional data, 2) selecting relevant units of comparison, 3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and 4) reconciling the adjusted sales into a value indication for the subject site.

Comparable Sales Data

We researched public records and other sources, and interviewed knowledgeable real estate professionals in the area to identify and verify sales and listings of properties that are comparable to the subject property. We analyzed the sales and listings and made adjustments for differences discernable in the local market. The comparable sales are adjusted to the subject: if the comparable sale was superior to the subject, a negative adjustment has been applied. A positive adjustment to the comparable property is applied if it was inferior to the subject. A summary of the adjustments follow.

Transaction Adjustments

Transaction adjustments include: 1) real property rights conveyed, 2) financing terms, 3) conditions of sale, and 4) expenditures made immediately after purchase. These items are applied prior to the application of property adjustments. For the analysis, several of the land sales were adjusted downward for the estimated value of the boat slip that was included in the sale. Others were adjusted upward for the anticipated cost of installing a septic system, or hooking up to a community water or sewer system.

Market Conditions

Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject property. Inflation, deflation, fluctuations in supply and demand, or other factors can cause changes in property pricing. Market conditions that change over time create the need for an adjustment. If market conditions have changed, an adjustment would be required for this element of comparison. The sales occurred over the past four years. As discussed in the market overview; there is no solid evidence of either decline or appreciation in the secondary land market in Benewah County over this time period and no adjustments are applied.

Physical Characteristics

Physical adjustments are usually expressed qualitatively as percentages that reflect the increase or decrease in value attributable to the various characteristics of the property. If the physical characteristics of a comparable property and the subject property differ, each of the differences may require comparison and adjustment to the comparable. The most notable physical differences for comparable sales in this market include:

- **Location:** We have placed primary weight on sales from similar recreational waterfront neighborhoods with primary weight on sales south of Windy Bay in the subject's more rural waterfront neighborhood on Lake Coeur d'Alene.

- **Access:** All of the waterfront neighborhoods provide a mix of paved, graveled and dirt access roads. While a paved access road is clearly more desirable, it appears the stronger factor that drives secondary land values in a recreational neighborhood is views, location and proximity to the water.
- **Parking/Terrain:** Most secondary waterfront lots have moderate to steeply sloping topography, with steep to very steep sites having limited parking as a direct result of the steep terrain. Many improved secondary sites have developed retaining walls to establish a parking area near the top or bottom of the lot, to provide for on-site parking on what are often narrow winding roads. As a result parking/terrain is considered as one adjustment with gentle topography being the most rare and valuable in this market.
- **Size:** The majority of the subject lots are small with most from 5,000 sf to 6,000 sf, making them smaller than many of the comparables analyzed. Typically, the larger lots will sell for something more, although each additional unit of size does not carry the full value of the minimal site area necessary to support the home site. Size adjustments of 5% to 15% are made to reflect the differences in lot sizes.

View: Secondary waterfront lots have a wide range of views, and determining the quality of the view is quite subjective, and a matter of personal taste, although typically elevated territorial views generate higher values than the closed in views of level sites with heavy tree cover. Most of the subject lots have at least filtered views. The subject lots and the comparables have all been judged objectively based on the percentage of open views toward the water. For example, a filtered view of the water that is 50% open to the water is quantified as a 50% view; whereas, when just slivers of the water can be seen through heavy tree cover in front of the lot on adjacent parcels, then it is considered a 10% view. Some of the subject sites have no view at all. The best views are wide open big lake views with 75% to 100% open view corridors of the lake available to the home site. The three comparisons on the following page are of sales within the same neighborhood and comparison of 0% - 25% view sites to more open views of 50% to 75%. The better view sites show a 54% to 108% premiums over the inferior-view sites. In reality, the comparisons made in the following analysis will generally be from 10% to 50% views, versus large lake (90% to 100% views), and some of the above differences can be accounted for by slightly larger sizes of the better view sites. We have applied an overall range of view adjustments of 30% from the best view to no view sites recognizing other contributing factors in these two comparisons.

View Adjustment Analysis		
Comparison 1		
Address	Florida Circle- Conkling Park	Florida Circle- Conkling Park
View	0%	75%
Size	.21 acres	.33 acres
Sale Date	9/3/2013	8/24/2010
Price	\$30,000	\$62,500
Appreciation A	0%	0%
Mkt Cond Adj	\$30,000	\$62,500
Difference	-52.0%	108.33%
Comparison 2		
Address	Sargent Loop L1 B1	Sargent Loop L8 B1
View	0%	65%
Size	.58 acres	.49 acres
Sale Date	8/30/2013	8/3/2009
Price	\$47,500	\$77,000
Mkt Cond Adj	\$47,500	\$77,000
Difference	-38.3%	62.1%
Comparison 3		
Sale ID	CBS 5 (listing)	CBS 6 (listing)
Address	S Carroll Drive	S Carroll Drive
View	25%	50%
Size	.58 acres	.49 acres
Sale Date	3/1/2019	3/1/2019
Price	\$45,000	\$69,500
Mkt Cond Adj	\$45,000	\$69,500
Difference	-35.3%	54.4%

Adjacent Use: The subject lots are small with most from 5,000 sf to 6,000 sf; therefore, the presence of vacant open park land, or even a smaller vacant park lot on the adjacent parcel is a desirable amenity. We have applied a subjective upward adjustment of 5% when the adjacent use is a vacant park lot, and +10% when the adjacent park area is much larger, providing additional privacy. Conversely, some of the adjacent park uses increase activity in front of the subject lot, such as the Chatcolet Parking lot, boat launch and marina. Some of the lots that back up to Highway 5 generated substantial road noise, making them less desirable for the quiet enjoyment associated with recreational lots. These negative influences resulted in a downward adjustment of -10%.








Rockford Bay Comparables

Seven sales from Rockford Bay are used. Before adjustment they range from \$44,500 for RBS 6 to \$99,900 for RBS1 in 2016. As previously discussed; this is one of two matched pairs in our market conditions discussion with RBS2 being the sale of the same lot in 2017 at \$72,250; a 27% annual decline in value for the same lot.

The sales are all adjusted downward \$10,000 for the estimated value of the slip at a community dock included in the sale price. An upward adjustment is applied for the anticipated cost of a septic system. They indicate a range of adjusted values from \$39,500 for RBS6 to \$89,900 for RBS1. RBS 5 at \$80,000 had a 50% view across the adjacent road.

If we remove the low and high sales; they indicate a range of adjusted prices from \$62,250 to \$80,000 for 10% to 50% views. These comparables in Rockford Bay are generally considered superior due to their proximity to the City of Coeur d'Alene.

ROCKFORD BAY COMPARABLE PROPERTIES

Comp ID	Sale Date	Price	Address	Type	Access	Terrain	Timber	Size	View	Photo
RBS1 Mkt Cond	9/26/2016	\$ 99,900	18281 Woodland Shores Dr	Secondary Waterfront	Paved road, to gravel (good access)	Moderate to steep	Moderate	.19 acres	25%	
	0.00%	\$ -								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 89,900								
RBS2 Mkt Cond	10/6/2017	\$ 72,250	18281 S. Woodland Shores Drive	Secondary Waterfront	Paved road, to gravel (good access)	Moderate to steep	Moderate	.19 acres	25%	
	0.00%	\$ -								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 62,250								
RBS3 Mkt Cond	6/6/2016	\$ 78,500	Meadowglen Lane, Lot 2 Block 3	Secondary Waterfront	Paved road, to gravel (good access)	Moderate to steep	Moderate	.17 acres	10%	
	0.00%	\$ -								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 68,500								
RBS4 Mkt Cond	8/2/2016	\$ 85,000	Watson Road, Lot 10 Block 2	Secondary Waterfront	Paved road, to gravel (good access)	Moderate to steep	Moderate	.22 acres	10%	
	0.00%	\$ -								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 75,000								
RBS5 Mkt Cond	5/22/2017	\$ 90,000	18079 S Woodland Shores Dr	Secondary Waterfront	Paved road, to gravel (good access)	Moderate to steep	Moderate	.31 acres	50%	
	0.00%	\$ -								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 80,000								
RBS6 Mkt Cond	8/16/2018	\$ 44,500	Rockford Bay Road, Lot 8 Block 1	Secondary Waterfront	Paved road, to gravel (good access)	Moderate to steep	Moderate	.93 acres	10%	
	0.00%	\$ -								
	Septic	\$ 5,000								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 39,500								
RBS7 Mkt Cond	6/6/2018	\$ 72,500	Rockford Bay Road, Tax #24975 in Lots 1 and 2 Block 3	Secondary Waterfront	Paved road, to gravel (good access)	Moderate to steep	Moderate	.26 acres	10%	
	0.00%	\$ -								
	Septic	\$ 5,000								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 67,500								

ROCKFORD BAY COMPARABLE SALES MAPS









Cave Bay Comparables

Cave Bay is located 29 miles south of downtown Coeur d'Alene and 8.8 miles northwest of the subject property. Comparable properties within Cave Bay most closely reflect that of the subject property. The size of the lots, as well as the terrain and community amenities, makes these comparables carry the most weight when valuing the subject. The comparable properties are shown in the chart and parcel map on the following pages.

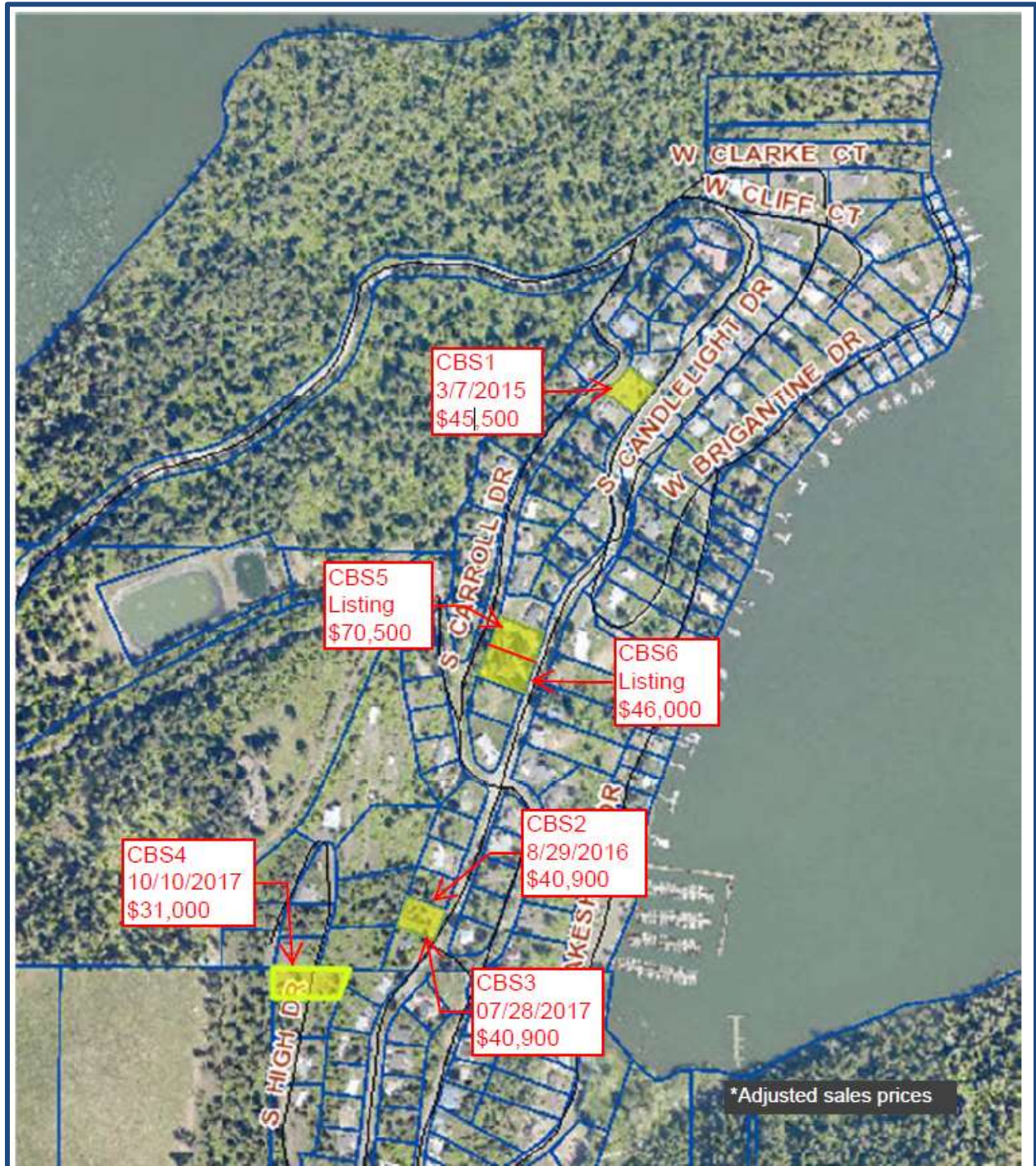
Four sales and two listings of secondary waterfront lots were used as comparables within Cave Bay. CBS 2 and CBS3 are the sale/resale of the same lot in 2016 and again in 2017 for the same price. Four of the sales all included a designated slip in a community boat dock. The agents interviewed suggested a value of \$20,000 as an allocation to the community slip; which better represents the cost of a dock on a private waterfront lot. We have applied an adjustment of \$10,000 for the contributory value of a designated slip on a community dock for these lots. All of the sales and listings are adjusted upward \$1,000, or \$500 each for the hookup costs associated with community water and sewer in this development.

CBS1, through CBS4 have adjusted prices from \$31,000 (for a 2017 sale to \$45,500 for CBS 1) CBS 1 at \$45,500 had a 75% view. CBS5 and CBS6 are adjacent lots listed by the same agent. They do not have a boat slip; with adjusted prices of \$70,500 for the 50% view site and \$46,000 for the 25% view site.

CAVE BAY COMPARABLE PROPERTIES

Comp ID	Sale Date	Price	Address	Type	Access	Terrain	Timber	Size	View	Photo
CBS1	3/7/2015	\$ 54,500	Carroll Drive, Lot 10 Blk 2	Secondary Waterfront	Paved, Gravel Road	Moderate	Minimal	.27 acres	75%	
	Boat Slip	\$ (10,000)								
	S & W Hookups	\$ 1,000								
	Adjusted Sale Price	\$ 45,500								
CBS2	8/29/2016	\$ 49,900	Cave Bay Road, Lot 11 Block 3	Secondary Waterfront	Paved Road	Moderate to Steep, uphill lot	Moderate	.3 acres	0%	
	Boat Slip	\$ (10,000)								
	Mkt Cond 0.00%	\$ -								
	S & W Hookups	\$ 1,000								
CBS3	7/28/2017	\$ 49,900	Cave Bay Road, Lot 11 Block 3	Secondary Waterfront	Paved Road	Moderate to Steep, uphill lot	Moderate	.3 acres	0%	
	Boat Slip	\$ (10,000)								
	Mkt Cond 0.00%	\$ -								
	S & W Hookups	\$ 1,000								
CBS4	10/10/2017	\$ 40,000	S. High Drive, Lot 4 7th Addition	Secondary Waterfront	Paved, Gravel Road	Steep	Moderate	.47 acres	75%	
	Boat Slip	\$ (10,000)								
	Mkt Cond 0.00%	\$ -								
	S & W Hookups	\$ 1,000								
CBS5	Listing	\$ 69,500	Cave Bay Road, Lot 20 Block 2	Secondary Waterfront	Paved Road	Moderate to steep with unusable hillside	Moderate	.33 acres	50%	
	Boat Slip	\$ -								
	S & W Hookups	\$ 1,000								
	Adjusted Sale Price	\$ 70,500								
CBS6	Listing	\$ 45,000	Cave Bay Road, Lot 21 Block 2	Secondary Waterfront	Paved Road	Moderate to Steep, uphill lot	Moderate	.37 acres	25%	
	Boat Slip	\$ -								
	S & W Hookups	\$ 1,000								
	Adjusted Sale Price	\$ 46,000								

CAVE BAY COMPARABLE SALES MAPS








Conkling Park Comparables

Conkling Park is located 36.5 miles south of downtown Coeur d'Alene and two miles north of the subject property. Comparable properties within Conkling Park are slightly larger than the subject home sites; however, significant weight is placed on them due to proximity to subject as well as terrain and view similarities. All sales and listings were adjusted downward \$10,000 if a dock was included in the listing or purchase.

CPS 1 is a moderate sloping lot with no view for \$79,000. It is adjusted downward for the boat slip included in the listing; and upward for the cost of a water hookup and anticipated cost of a septic system. The adjusted price is \$75,300 for this listing.

CPS2 with an adjusted price of \$70,400 has a moderate upward slope with no view. CPS3 and CPS4 both have moderate-steep upward slopes with adjusted prices from \$52,200 to \$55,400. CPS5 has frontage on Conkling Park Road with a more moderate slope and adjusted price of \$70,400. This comparable has a slightly better location and views of the slough across the road. These comparables support a range of values from \$52,000 to \$55,000 for non-view parcels and \$60,000 to \$70,000 for the more moderate sloped parcels with some view.

CONKLING PARK COMPARABLE PROPERTIES

Comp ID	Sale Date	Price	Address	Type	Access	Terrain	Timber	Size	View	Photo
CPS1	Listing	\$ 79,900	High Side Drive, Lot 16 Blk 1	Secondary Waterfront	Paved	Sloping	Moderate	.96 acres	No View	
	W HU & Septic Boat Slip	\$ 5,400								
		\$ (10,000)								
	Adjusted Sale Price	\$ 75,300								
CPS2 Mkt Cond	1/7/2019	\$ 80,000	High Side Drive, Lot 8 Blk 3	Secondary Waterfront	Paved, gravel	Gentle to Steep	Moderate	.97 acres	No View	
	W HU	\$ 400								
	Boat Slip	\$ (10,000)								
	Adjusted Sale Price	\$ 70,400								
CPS3 Mkt Cond	10/5/2015	\$ 56,800	High Side Drive, Lot 4 Blk 3	Secondary Waterfront	Paved	Moderate to Steep	Moderate	1.2 acres	No View	
	W HU & Septic Boat Slip	\$ 5,400								
		\$ (10,000)								
	Adjusted Sale Price	\$ 52,200								
CPS4 Mkt Cond	10/24/2017	\$ 60,000	High Side Drive, Lot 13 Block 3	Secondary Waterfront	Paved	Moderate to steep	Heavily treed	.69 acres	No View	
	W HU & Septic Boat Slip	\$ 5,400								
		\$ (10,000)								
	Adjusted Sale Price	\$ 55,400								
CPS5 Mkt Cond	6/28/2018	\$ 75,000	Conkling Park Drive, Lot 20 Block 1	Secondary Waterfront	Paved, gravel	Sloping	Heavily treed	1.84 acres	50%	
	W HU & Septic Boat Slip	\$ 5,400								
		\$ (10,000)								
	Adjusted Sale Price	\$ 70,400								

CONKLING PARK COMPARABLE SALES MAPS



Area 1: Chatcolet Lot Valuation

Placing primary weight on the secondary lot sales in Cave Bay, we have estimated the value of a typical moderate slope lot with 50% open views at \$45,000. The remaining lots within this area are adjusted based on the inferiority, or superiority with regard to view, topography, size and adjacent land uses. There are no primary lots in the Chatcolet Area. The adjustment key by which all of the remaining lots will be adjusted is shown below, with the summary of Chatcolet lots, adjustments and estimated market values for each lot shown on the following pages.

ADJUSTMENTS KEY

Typical Lot		Adjustment	
Primary	NA		
Secondary	\$45,000		
Access	Dirt	Dirt	0%
		Paved	0%
Parking/Terrain	Gentle/Moderate	Very Steep	-20%
		Steep	-10%
		Moderate/Steep	-5%
		Gentle/Steep	-5%
		Gentle/Moderate	0%
Timber	Yes	Gentle	5%
		Yes	0%
Size	5,000 sf - 6,000 sf	No	0%
		<5000 sf	-10%
		5,000 - 6,000 sf	0%
		6001 sf -10,000 sf	5%
View	50%	>10,000 sf	15%
		<25%	-15%
		25%- 49%	-5%
		50%	0%
		51% - 75%	5%
Adjacent Use	Private Residence	>75%	15%
		Road Noise/Parking	
		Lot/boat launch	-10%
		Private Residence/Rental	0%
		Vacant Park Lot	5%
		Park	10%

CHATCOLET LOTS (TABLE 1 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
1 (602) Gillard/Snoddy 38 CCR L17 BB	Secondary	Center Road	Limited/Steep	Yes	50x100	20%	State park land on one side, private residence on the other		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	10%	-15%	\$38,250
2 (591) Ingebritsen 48 CCR L16 BB	Secondary	Center Road	Limited/Steep	Yes	50x100	20%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750
3 (518) Fredenburg 60 CCR L15 BB	Secondary	Center Road	Limited/Steep	Yes	50x100	20%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750
4(650) Cutler 66 CCR L14 BB	Secondary	Center Road	Limited/Steep	Yes	50x100	20%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750
5(648) Nelson 78 CCR L13 BB	Secondary	Center Road	Limited/Steep	Yes	50x100	10%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750
6 (661) Masini 90 CCR L12 BB	Secondary	Center Road	Limited/Steep	Yes	50x100	20%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750

CHATCOLET LOTS (TABLE 2 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
7(613) Semler 98 CCR L11 BB	Secondary	Center Road	Limited/Moderate-Steep (Upper Chatcolet Rd)	Yes	50x120	10%	Private Residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000
8(626) Strongin 104 CCR L10 BB	Secondary	Center Road	Limited/Moderate-Steep (Upper Chatcolet Rd)	Yes	50x120	10%	Private Residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000
9(629) Heaslett 116 CCR L9 BB	Secondary	Center Road	Yes/Gentle to Moderate	Yes	50x120	10%	Private Residences on both sides		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	0%	-15%	\$38,250
10(635) Voxman/Reece 124 CCR L8 BB	Secondary	Center Road	Yes/Gentle to Moderate	Yes	50x120	10%	Private Residences on both sides		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	0%	-15%	\$38,250
11(506) Fiscus 132 CCR L7 BB	Secondary	Center Road	Yes/Gentle to Moderate	Yes	50x120	10%	Private residences on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	5%	-10%	\$40,500
12(541) Grider 154 CCR L5 BB	Secondary	Center Road	Yes/Gentle to Moderate	Yes	50x120	10%	Private residences on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	5%	-10%	\$40,500



CHATCOLET LOTS (TABLE 3 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
13(514) Redal 164 CCR L4 BB	Secondary	Center Road	Yes/Gentle	Yes	50x120	20%	Private Residences on both sides		
Adjustments	\$45,000	0%	5%	0%	0%	-15%	0%	-10%	\$40,500
14(598) Schaub 170 CCR L3 BB	Secondary	Center Road	Yes/Gentle	Yes	50x120 (Appears smaller with road encroachments)	10%	Private residences on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	5%	0%	0%	-15%	5%	-5%	\$42,750
15(596) Fulfs 190 CCR L1 BB	Secondary	Center Road	Yes/Gentle	Yes	50x120	10%	Private residences on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	5%	0%	0%	-15%	5%	-5%	\$42,750
16(523) Wilson 201 CCR Lot A	Secondary	Center Road	Yes/Gentle	Yes	approx 6,758	10%	Private Residences on both sides		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	0%	-5%	\$42,750
17(636) Sipe 185 CUR Lot B	Secondary	Center Road	Yes/Gentle	Yes	Approx 50 x 125	10%	Private residence on one side, state park land on the other		
Adjustments	\$45,000	0%	5%	0%	0%	-15%	10%	0%	\$45,000
18(520) Jess 197 CCR Lot C	Secondary	Center Road	Yes/Gentle	Yes	55 x 110	10%	Private residence on one side, state park land on the other		
Adjustments	\$45,000	0%	5%	0%	0%	-15%	10%	0%	\$45,000

CHATCOLET LOTS (TABLE 4 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
19(537) Gage 191 CCR L1 BC	Secondary	Center Road	Yes/Gentle	Yes	Approx 15,150	10%	Private Residences on both sides		
Adjustments	\$45,000	0%	5%	0%	15%	-15%	0%	5%	\$47,250
20(583) Roland 163 CCR L2 BC	Secondary	Center Road	Yes/Gentle to Moderate (downward slope to Lower Chatcolet Rd)	Yes	Approx 11,120	25%	Private Residences on both sides		
Adjustments	\$45,000	0%	0%	0%	15%	-5%	0%	10%	\$49,500
21(615) Walker 159 CCR L3 BC	Secondary	Center Road	Yes/Gentle to Steep (downward slope to Lower Chatcolet Rd)	Yes	approx 6,250	25%	Private Residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	5%	-5%	0%	-5%	\$42,750
22(597) Ruthstrom 141 CCR L4 BC	Secondary	Center Road	Limited/Steep downward slope toward Lower Chatcolet Road	Yes	Approx 50' x 116'	25%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-5%	0%	-15%	\$38,250
23(574) Gemberling 133 CCR L5 BC	Secondary	Center Road	Limited/Steep downward slope toward Lower Chatcolet Road	Yes	50x112	10%	Private residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	5%	-20%	\$36,000
24(548) Soverign 115 CCR L7 BC	Secondary	Center Road	Limited/Steep downward slope toward Lower Chatcolet Road	Yes	50x112	25%	Private residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-10%	0%	0%	-5%	5%	-10%	\$40,500







CHATCOLET LOTS (TABLE 5 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
25(501) Scholz 107 CCR L8 BC	Secondary	Center Road	Limited/Steep downward slope toward Lower Chatcolet Road	Yes	50x112	25%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-5%	0%	-15%	\$38,250
26(616) Demattia 95 CCR L9 BC	Secondary	Center Road	Limited/Steep downward slope toward Lower Chatcolet Road	Yes	50x112	25%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-5%	0%	-15%	\$38,250
27(601) Semler 83 CCR L10 BC	Secondary	Center Road	Limited/Steep downward slope toward Lower Chatcolet Road	Yes	Approx 7738	25%	Private Residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	5%	-5%	0%	-10%	\$40,500
28(652) Redal 71 CCR L11 BC	Secondary	Center Road	Limited/Moderate downward slope toward Lower Chatcolet Road	Yes	Approx 6,175	25%	Private Residences on both sides		
Adjustments	\$45,000	0%	0%	0%	5%	-5%	0%	0%	\$45,000
29(525) Johnson 55 CCR L12 BC	Secondary	Center Road	Limited/Moderate downward slope toward Lower Chatcolet Road	Yes	Approx 4840	50%	Private Residences on both sides		
Adjustments	\$45,000	0%	0%	0%	-10%	0%	0%	-10%	\$40,500
30(556) Ackerman 47 CCR L13 BC	Secondary	Center Road	Limited/Moderate downward slope toward Lower Chatcolet Road	Yes	Approx 3,772	50%	Private Residences on both sides		
Adjustments	\$45,000	0%	0%	0%	-10%	0%	0%	-10%	\$40,500

CHATCOLET LOTS (TABLE 6 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
31(612) Mencke 37 CCR L14 BC	Secondary	Center Road	Limited/Moderate downward slope toward Lower Chatcolet Road	Yes	Approx 3,465	50%	Private residence on one side, state park land on the other		
Adjustments	\$45,000	0%	0%	0%	-10%	0%	10%	0%	\$45,000
32(664) Smith 249 CUR L26 BA	Secondary	Upper Chatcolet Road	Yes/Gentle to steep at back of uphill lot	Yes	50x150	10%	Private residence on one side, state park land on the other		
Adjustments	\$45,000	0%	-5%	0%	5%	-15%	10%	-5%	\$42,750
33(655) Downes 239 CUR L25 BA	Secondary	Upper Chatcolet Road	Yes/Gentle to steep at back of uphill lot	Yes	50x150	10%	Private residence on both sides		
Adjustments	\$45,000	0%	-5%	0%	5%	-15%	0%	-15%	\$38,250
34(630) Keller 229 CUR L24 BA	Secondary	Upper Chatcolet Road	Yes/Gentle to steep at back of uphill lot	Yes	50x150	0%	Private residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-5%	0%	5%	-15%	5%	-10%	\$40,500
35(594) Greene 207 CUR L22 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	Approx 8,968	0%	Private residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	5%	0%	\$45,000
36(505) Ackerman 195 CUR L21 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	0%	Private residence on both sides		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	0%	-5%	\$42,750






CHATCOLET LOTS (TABLE 7 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
37(531) Lewis 175 CUR L19 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	0%	Private residence on both sides		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	0%	-5%	\$42,750
38(549) Simons 195 CUR L18 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	10%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	5%	0%	\$45,000
39(562) Eckberg 157 CUR L17 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	10%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	5%	0%	\$45,000
40(575) Ackerman 151 CUR L16 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	10%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	5%	0%	\$45,000
41(504) Huff 139 CUR L15 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	10%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	5%	0%	\$45,000
42(517) Michel/Hesford 129 CUR L14 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	10%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	5%	0%	\$45,000

CHATCOLET LOTS (TABLE 8 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
43(586) Swanson 119 CUR L13 BA	Secondary	Upper Chatcolet Road	Yes/Gentle	Yes	50x150	10%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	5%	0%	5%	-15%	5%	0%	\$45,000
44(529) Hogan/Nielson 111 CUR L12 BA	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	50x150	10%	Private residence on one side, park rental cabin on the other adjacent to common park amenities		
Adjustments	\$45,000	0%	0%	0%	5%	-15%	5%	-5%	\$42,750
45(634) Johansen 98 CUR L10 BA	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	50x150	10%	Private residence on one side, park rental cabin on the other adjacent to common park amenities		
Adjustments	\$45,000	0%	0%	0%	5%	-15%	5%	-5%	\$42,750
46(570) Lister 54 CUR L9 BA	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	50x150	10%	Private residence on one side, state park land on the other		
Adjustments	\$45,000	0%	0%	0%	5%	-15%	10%	0%	\$45,000
47(564) McFadden LLC 73 CUR L1 BD	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	50x100	10%	Private residence on one side, state park land on the other		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	10%	-5%	\$42,750
48(561) Blankingship 83 CUR L2 BD	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	50x100	10%	Private residence on one side, adjacent to park lot & common amenities		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	10%	-5%	\$42,750

CHATCOLET LOTS (TABLE 9 OF 9)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
49(589) Thomson/ McClure 97 CUR L4 BD	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	50x100	25%	Private residence on one side, adjacent to park lot & common amenities		
Adjustments	\$45,000	0%	0%	0%	0%	-5%	10%	5%	\$47,250
50(539) Chamberlain 115 CUR L5 BD	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	50x100	25%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	0%	0%	0%	-5%	5%	0%	\$45,000
51(521) Thompson 123 CUR L6 BD	Secondary	Upper Chatcolet Road	Yes/Moderate	Yes	Approx 10,148	50%	Private residence on both sides, adjacent to common park amenities		
Adjustments	\$45,000	0%	0%	0%	15%	0%	5%	20%	\$54,000
53 Cabin Lot adjacent to Lot 51 BD	Secondary	Lower Chatcolet Parking Lot near Marina & boat launch	Limited/Moderate	Yes	50x100	100%	RES/Parking lot, boat launch & trail (reduced privacy)		
Adjustments	\$45,000	0%	0%	0%	0%	15%	-10%	5%	\$47,250
52(637) Hudspeth Family Trust 25 CLR 60'x75' Lot	Secondary	Easement across adjacent parking lot from Chatcolet Road loop near Lot 17	Yes/Moderate building site with steep slope down to lower Chatcolet Road which does not provide access to this lot	Yes	55x110	50%	RES/above Lower Chatcolet Road, parking lot for marina		
Adjustments	\$45,000	0%	-5%	0%	0%	0%	-10%	-15%	\$38,250

Area 2: Rocky Point Lot Valuation

Rocky Point has a mix of both primary and secondary lots. A similar value of \$45,000 is allocated to the typical secondary lot with 50% views, and moderate slopes with a typical lot size of 5,000 to 6,000 sf. In reality, most of the second tier lots in Rocky Point have views less than 50% open, resulting in many lots having downward adjustments for view.

The primary lots have superior access to the water across the strip of state park land between the leased lot and the waterfront. There were two sales at adjusted prices of \$60,400 in Conkling Park; with the subject's primary lots being superior. I have allocated a higher based value of \$80,000 to these lots with a moderate slope rating and 50% view.

The Rocky Point lots are adjusted based on the following adjustment key. With the lot summary sheets shown on the following pages.







ADJUSTMENTS KEY

Typical Lot		Adjustment	
Primary	\$80,000		
Secondary	\$45,000		
Access	Dirt	Dirt	0%
		Paved	0%
Parking/Terrain	Gentle/Moderate	Very Steep	-20%
		Steep	-10%
		Moderate/Steep	-5%
		Gentle/Steep	-5%
		Gentle/Moderate	0%
Timber	Yes	Gentle	5%
		Yes	0%
Size	5,000 sf - 6,000 sf	No	0%
		<5000 sf	-10%
		5,000 - 6,000 sf	0%
		6001 sf - 10,000 sf	5%
View	50%	>10,000 sf	15%
		<25%	-15%
		25%- 49%	-5%
		50%	0%
		51% - 75%	5%
Adjacent Use	Private Residence	>75%	15%
		Road Noise/Parking Lot/boat launch	-10%
		Private Residence/Rental Cabin	0%
		Vacant Park Lot	5%
		Park	10%

ROCKY POINT LOTS (TABLE 1 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
1(566) Broemmeling: 230 RPLR: L1BE	Primary	Rocky Point Loop Road	Yes/Gentle	Yes	Irreg (38 x 100)	50%	State Park land on one side, private residence on the other		
Adjustments	\$80,000	0%	5%	0%	-10%	0%	10%	5%	\$84,000
2(543) Henning: 248 RPLR: L2BE	Primary	Rocky Point Loop Road	Yes/Gentle	Yes	50x100	75%	Private Residence on both sides		
Adjustments	\$80,000	0%	5%	0%	0%	5%	0%	10%	\$88,000
3(555) Ostlund: 250 RPLR: L3BE	Primary	Rocky Point Loop Road	Yes/Moderate to gentle	Yes	50x100	75%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$80,000	0%	0%	0%	0%	5%	5%	10%	\$88,000
4(565) Hammond: 268 RPLRL: L5BE	Primary	Rocky Point Loop Road	Limited/Steep to moderate	Yes	50x100	50%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$80,000	0%	-10%	0%	0%	0%	5%	-5%	\$76,000
5(571) Gilge: 280 RPLR: L6BE	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	50%	Private Residence on both sides		
Adjustments	\$80,000	0%	-10%	0%	0%	0%	0%	-10%	\$72,000
6(522) Bothman: 292 RPLR: L7BE	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	75%	Private Residence on both sides		
Adjustments	\$80,000	0%	-10%	0%	0%	5%	0%	-5%	\$76,000

ROCKY POINT LOTS (TABLE 2 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
7(512) Conrath: 300 RPLR: L8BE	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	100% Open	Private Residence on both sides		
Adjustments	\$80,000	0%	-10%	0%	0%	15%	0%	5%	\$84,000
8(534) Flansburg: 306 RPLR: L9BE	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	50%	Private Residence on both sides		
Adjustments	\$80,000	0%	-10%	0%	0%	0%	0%	-10%	\$72,000
9(595) Jacksha: 513 RPLR: L10BE	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	50%	Private Residence on both sides		
Adjustments	\$80,000	0%	-10%	0%	0%	0%	0%	-10%	\$72,000
10(581) Nelson: 332 RPLRL: L11BE	Primary	Rocky Point Loop Road	Yes/Moderate to Steep	Yes	50x100	50%	Private Residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	0%	0%	-5%	\$76,000
11(607) Eisinger: 338RPLR: L12BE	Primary	Rocky Point Loop Road	Yes/Gentle to Steep	Yes	50x100	75%	Private Residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	5%	0%	0%	\$80,000
12(516) Schroeder: 350 RPLR: L13BE	Primary	Rocky Point Loop Road	Yes/Gentle to Steep	Yes	50x100	90%	Private Residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	0%	10%	\$88,000

ROCKY POINT LOTS (TABLE 3 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
13(532) Beebe: 360 RPLR: L14BE	Primary	Rocky Point Loop Road	Yes/Gentle to Steep	Yes	50x100	75%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$80,000	0%	-5%	0%	0%	5%	5%	5%	\$84,000
14(606) Parkins: 364 RPLR: L12BB	Primary	Rocky Point Loop Rd (long drive that encroaches on state park land)	Limited/Steep to moderate	Yes / Minimal	approx 53 x 100	Has 180 Degree, 90% - 100% view,	State Park land on one side, private residence on the other		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	10%	20%	\$96,000
15(603) Parkins, JR: 368 RPLR: L11BB	Primary	Rocky Point Loop Road	Limited/Steep from the road with a moderate building site	Yes	50x100	100% 180 degree view	Private residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	0%	10%	\$88,000
16(579) Blaylock: 372 RPLR: L10BB	Primary	Rocky Point Loop Road	Limited/Steep from the road with a moderate building site	Yes	50x100	100% unobstructed view	Private residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	0%	10%	\$88,000
17(567) Dikes: 378 RPLR: L9BB	Primary	Rocky Point Loop Road	Limited/Steep from the road with a moderate building site	Yes	50x100	90%	Private residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	0%	10%	\$88,000
18(588) Reid: 380 RPLR: L8BB	Primary	Rocky Point Loop Road	Limited/Steep from the road with a moderate building site	Yes	Approx 52.5 x 100	90%	Private residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	0%	10%	\$88,000

ROCKY POINT LOTS (TABLE 4 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
19(515) Weeks: 390 RPLR: L7BB	Primary	Rocky Point Loop Road	Limited/Steep to moderate from the road and steep to the water	Yes	Approx 50' x 99' (Typical)	100% 180 degree view	Private residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	0%	10%	\$88,000
20(609) Standley: 406 RPLR: L6BB	Primary	Rocky Point Loop Road	Yes/Moderate to steep	Yes	Irregular Approx 55' x 109'	100%	Private residence on both sides		
Adjustments	\$80,000	0%	-5%	0%	0%	15%	0%	10%	\$88,000
21(513) Waterman: 412 RPLR: L5BB	Primary	Rocky Point Loop Road (shared driveway with adj lot)	Limited/Very Steep	Yes	50x100	100%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	15%	0%	-5%	\$76,000
22(542) Dikes: 414 RPLR: L4BB	Primary	Rocky Point Loop Road (shared driveway with adj lot)	Limited/Very Steep	Yes	50x100	100%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	15%	0%	-5%	\$76,000
23(584) Harden: 430 RPLR: L3BB	Primary	Rocky Point Loop Road (shared driveway with adj lot)	Limited/Very Steep	Yes	50 x 100	100%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	15%	0%	-5%	\$76,000
24(585) Juscen: 442 RPLR: L2BB	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	100%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	15%	0%	-5%	\$76,000

ROCKY POINT LOTS (TABLE 5 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
25(510) McGurkin: 448 RPLR: L1BB	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	75%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	5%	0%	-15%	\$68,000
26(519) Landeck: 458 RPLR: L19BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	Irregular Approx 50' x 108'	75%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	5%	0%	-15%	\$68,000
27(645) Locken/ Meddens: 468 RPLR: L18BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	50%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	0%	0%	-20%	\$64,000
28(654) Forseth: 476 RPLR: L17BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	50%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	0%	0%	-20%	\$64,000
29(528) Sparks: 486 RPLR: L16BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	90%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	15%	0%	-5%	\$76,000
30(638) Erickson: 496 RPLR: L15BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	Irregular Approx 51' x 103'	90%	Private residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	15%	0%	-5%	\$76,000

ROCKY POINT LOTS (TABLE 6 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
31(642) Telin: 506 RPLR: L14BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	75%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$80,000	0%	-20%	0%	0%	5%	5%	-10%	\$72,000
32(656) Gray: 526 RPLR: L11BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	50%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$80,000	0%	-20%	0%	0%	0%	5%	-15%	\$68,000
33(503) Rogers: 542 RPLR: L10BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	50%	Private Residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	0%	0%	-20%	\$64,000
34(536) Hulac 556 RPLR: L9BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	< 25%	Private Residence on both sides		
Adjustments	\$80,000	0%	-20%	0%	0%	-15%	0%	-35%	\$52,000
35(551) Greenville: 564 RPLR: L8BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	50%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-20%	0%	0%	0%	-10%	-30%	\$56,000
36(502) Depauw: 574 RPLR: L7BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	50%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-20%	0%	0%	0%	-10%	-30%	\$56,000

ROCKY POINT LOTS (TABLE 7 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
37(614) Allen: 580 RPL: L6ABD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	Triangular Shape (Small)	50%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-20%	0%	-10%	0%	-10%	-40%	\$48,000
38(623) Miles: 590 RPL: L6BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	75%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-20%	0%	0%	5%	-10%	-25%	\$60,000
39(663) Wagstaff: 600 RPL: L5BD	Primary	Rocky Point Loop Road	Limited/Very Steep	Yes	50x100	75%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-20%	0%	0%	5%	-10%	-25%	\$60,000
40(621) Andrefsky/ Bender: 610 RPL: L4BD	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	75%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-10%	0%	0%	5%	-10%	-15%	\$68,000
41(631) Standley: 612 RPL: L3BD	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	75%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-10%	0%	0%	5%	-10%	-15%	\$68,000
42(620) Winn: 614 RPL: L2BD	Primary	Rocky Point Loop Road	Limited/Steep	Yes	50x100	75%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-10%	0%	0%	5%	-10%	-15%	\$68,000

ROCKY POINT LOTS (TABLE 8 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
43(633) Glasgow: 616 RPL: L1BD	Primary	Rocky Point Loop Road	Limited/Steep to Moderate site	Yes	50x100	50%	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$80,000	0%	-5%	0%	0%	0%	-10%	-15%	\$68,000
44(524) Schutz: 97 RPLR: L13BA	Secondary	Rocky Point Loop Road	Yes/Gentle to Steep uphill lot backs up to Hwy 5	Yes	50x100	No View of lake, across road from common park amenities	State Park land on one side, private residence on the other; near Highway 5 with loud road noise		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	-10%	-30%	\$31,500
45(546) Cook: 105 RPLR: L12BA	Secondary	Rocky Point Loop Road	Yes/Gentle to Steep uphill lot backs up to Hwy 5	Yes	50x100	No View of lake, across road from common park amenities	Private Residence on both sides, near Highway 5 very loud road noise		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	-10%	-30%	\$31,500
46(547) Dahmen: 115 RPLR: L11+BA	Secondary	Rocky Point Loop Road	Yes/Gentle to Steep uphill lot backs up to Hwy 5	Yes	50x100	No View of lake, across road from common park amenities	Private Residence on one side, vacant park lot on the other; near Highway 5 very loud road noise		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	-10%	-30%	\$31,500
47(500) Rockom: 173 RPLR: L4BA	Secondary	Rocky Point Loop Road	Yes/Gentle to steep slope uphill from rocky point road toward back of lot	Yes	50x100	No View of lake	Private Residence on one side, vacant park lot on the other; across the road from common park amenities		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	5%	-15%	\$38,250
48(619) Shaw: 185 RPLR: L3BA	Secondary	Rocky Point Loop Road	Yes/Gentle to steep slope uphill from rocky point road toward back of lot	Yes	50x100	No View of lake	Private residences on both sides; across the road from common park amenities		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	5%	-15%	\$38,250







ROCKY POINT LOTS (TABLE 9 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
49(577) Blodgett: 199 RPLR: L2BA	Secondary	Rocky Point Loop Road	Yes/Gentle to steep slope uphill from rocky point road toward back of lot	Yes	50x100	No View of lake	Private residences on both sides; across the road from common park amenities		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	5%	-15%	\$38,250
50(508) Skavdahl: 205 RPLR: L1BA	Secondary	Rocky Point Loop Road	Yes/Gentle	Yes	50x100	No View of lake	Private residences on both sides; across the road from common park amenities		
Adjustments	\$45,000	0%	5%	0%	0%	-15%	5%	-5%	\$42,750
51(576) Stamper: 215 RPLR: L1ABF	Secondary	Rocky Point Loop Road	Limited/Moderate to steep uphill lot	Yes	Irregular (approx 5500 sf)	No View of lake	Private residences on both sides; across the road from common park amenities		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	5%	-15%	\$38,250
52(600) Harting: 221 RPLR: L1BF	Secondary	Good from Uphill Access Drive (assumed)	Good from uphill access point, but poor from Lower Rocky Point Road where it is a steep uphill lot	Yes	Irregular (approx 6800 sf)	No View	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-10%	0%	5%	-15%	5%	-15%	\$38,250
53(617) Ackerman: 255 RPLR: L4BF	Secondary	Potential shared parking from uphill access drive with Lot 52	Limited/Steep from Lower Rocky Point Road	Yes	50x100	10%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	5%	-20%	\$36,000
54(622) Bamberger/ Beckett: 259 RPLR: L5BF	Secondary	Rocky Point Loop Road	Limited/Steep from Lower Rocky Point Road	Yes	50x100	0%	Private Residence on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750




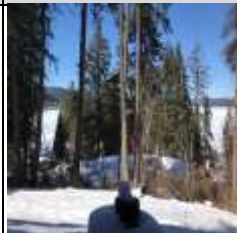

ROCKY POINT LOTS (TABLE 10 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
55(563) Campbell: 275 RPLR: L6BF	Secondary	Rocky Point Loop Road	Limited/Steep from Lower Rocky Point Road	Yes	50x100	10%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	5%	-20%	\$36,000
56(599) Miller: 289 RPLR: L8BF	Secondary	Rocky Point Loop Road	Limited/Steep from Lower Rocky Point Road	Yes	50x100	10%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	5%	-20%	\$36,000
57(657) Finch: 299 RPLR: L9BF	Secondary	Rocky Point Loop Road	Limited/Steep from Lower Rocky Point Road	Yes	50x100	10%	Private residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750
58(533) Hart: 307 RPLR: L1BG	Secondary	Rocky Point Loop Road	Limited/Steep from Lower Rocky Point Road	Yes	50x100	10%	Private residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750
59(572) Greene: 327 RPLR: L3BG	Secondary	Rocky Point Loop Road	Limited/Steep from Lower Rocky Point Road	Yes	50x100	0%	Private residences on both sides		
Adjustments	\$45,000	0%	-10%	0%	0%	-15%	0%	-25%	\$33,750
60(605) Shanks: 337 RPLR: L3BG	Secondary	Rocky Point Loop Road	Yes/Moderate to steep	Yes	50x100	0%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000

ROCKY POINT LOTS (TABLE 11 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
61(590) Montgomery: 349 RPLR: L4BG	Secondary	Rocky Point Loop Road	Yes /Gentle to moderate	Yes	50x100	50%	Private residences on both sides		
Adjustments	\$45,000	0%	0%	0%	0%	0%	0%	0%	\$45,000
62(582) Sharrett: 411 RPLR: L5BG	Secondary	Rocky Point Loop Road	Yes/Gentle to Steep	Yes	50x100	20%	Private Residence on one side, vacant state park area on the other		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	10%	-10%	\$40,500
63(658) Ruggiero: 39 RPU: L13BJ	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	No	Private Residence on one side, vacant state park area on the other		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	10%	-5%	\$42,750
64(639) Patano: 54 RPU: L12BJ	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	10%	Private residences on both sides		
Adjustments	\$45,000	0%	0%	0%	0%	-15%	0%	-15%	\$38,250
65(628) Vincent: 59 RPU: L11BJ	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	20%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000
66(649) Siron: 77 RPU: L10BJ	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	30%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-5%	0%	-10%	\$40,500

ROCKY POINT LOTS (TABLE 12 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
67(535) Rauch: 87 RPU: L9BJ	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	10%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000
68(647) Warwick: 99 RPU: L8BJ	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	10%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000
69(646) Klaveano: 105 RPU: L7BJ	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	10%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	5%	-15%	\$38,250
70(560) Lacey: 150 RPU: L24BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	25%	Private Residence on one side, vacant park lot/land on the other		
Adjustments	\$45,000	0%	-5%	0%	0%	-5%	10%	0%	\$45,000
71(604) Mahoney: 140 RPU: L23BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x80	0%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	-10%	-15%	0%	-30%	\$31,500
72(558) Weaver: 138 RPU: L22BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x80	10%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	-10%	-15%	0%	-30%	\$31,500

ROCKY POINT LOTS (TABLE 13 OF 13)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
73(530) Milane: 124 RPU: L21BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x80	0%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-5%	0%	-10%	-15%	5%	-25%	\$33,750
74(662) Perkins: 96 RPU: L19, BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	0%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	5%	-15%	\$38,250
75(651) Hanson: 72 RPU: L17BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	0%	Private Residence on one side, vacant park lot on the other		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	5%	-15%	\$38,250
76(660) Friberg: 64 RPU: L17BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	0%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000
77(625) Andreas: 51 RPU: L15BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	0%	Private residences on both sides		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	0%	-20%	\$36,000
78(640) Salisbury: 36 RPU: L14BI	Secondary	Upper Rocky Point Road	Yes/Gentle to steep	Yes	50x100	0%	State Park land on one side, private residence on the other		
Adjustments	\$45,000	0%	-5%	0%	0%	-15%	10%	-10%	\$40,500

Area 3: Hawley's Landing Lot Valuation

Hawley's Landing is a small cove of 11 primary lots. The lots are generally level to moderately sloping. The water quality is slightly inferior to Rocky Point as it tends to be shallow and weedy. A slightly lower value of \$75,000 is allocated to the typical lot value in this area, with the adjustments for differences summarized in the adjustment key below. The lot summaries with adjustments and value conclusions are shown on the following pages.

ADJUSTMENTS KEY

Typical Lot		Adjustment	
Primary	\$75,000		
Secondary	N/A		
Access	Dirt	Dirt	0%
		Paved	0%
Parking/Terrain	Gentle/Moderate	Very Steep	-20%
		Steep	-10%
		Moderate/Steep	-5%
		Gentle/Steep	-5%
		Gentle/Moderate	0%
Timber	Yes	Gentle	5%
		Yes	0%
Size	5,000 to 6,000 sf	No	0%
		<5000 sf	-10%
		5,000 - 6,000 sf	0%
		5001 sf - 10,000 sf	5%
View	50%	> 10,000 sf	15%
		<25%	-15%
		25%- 49%	-5%
		50%	0%
		51% - 75%	5%
Adjacent Use	Private Residence	>75%	15%
		Road Noise/Parking Lot/boat launch	-10%
		Private Residence/Rental Cabin	0%
		Vacant Park Lot	5%
		Park	10%

HAWLEY'S LANDING LOTS (TABLE 1 OF 2)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
1 (580)	Primary	State Highway 5 to Chatcolet Road, right at Headquarters into Hawley's Landing Campground	Yes / Gentle to steep slope	Yes	50x100	75%	Private Residence on one side with the State Park on the other - Hawley's landing campground		
Adjustments	\$75,000	0%	0%	0%	0%	5%	10%	15%	\$86,250
2 (559)	Primary	State Highway 5 to Chatcolet Road, right at Headquarters into Hawley's Landing Campground	Yes / Gentle to moderate slope	Yes	50x100	75%	Private Residence on one side with a vacant park lot on the other		
Adjustments	\$75,000	0%	0%	0%	0%	5%	5%	10%	\$82,500
3 (507)	Primary	State Highway 5 to Chatcolet Road, right at Headquarters into Hawley's Landing Campground	Yes / Gentle to moderate slope	Yes	50x100	50%	Private Residence on one side with a vacant park lot on the other		
Adjustments	\$75,000	0%	0%	0%	0%	0%	5%	5%	\$78,750
4 (568)	Primary	State Highway 5 to Chatcolet Road, right at Headquarters into Hawley's Landing Campground	Yes / Gentle to moderate	Yes	50x100	50%	Private Residence on both sides		
Adjustments	\$75,000	0%	0%	0%	0%	0%	0%	0%	\$75,000
5 (578)	Primary	State Highway 5 to Hawley's Landing Road - Upper "Y"	Yes / Gentle to moderate	Yes	50x100	50%	Private Residence on one side, vacant park lot with sewer house on other side		
Adjustments	\$75,000	0%	0%	0%	0%	0%	5%	5%	\$78,750
6 (641)	Primary	State Highway 5 to Hawley's Landing Road - upper "Y"	Limited / Steep from access road	Minimal	50x100	90%	Private Residence on one side, vacant park lot on other side		
Adjustments	\$75,000	0%	-10%	0%	0%	15%	5%	10%	\$82,500


HAWLEY'S LANDING LOTS (TABLE 2 OF 2)

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
7 (593)	Primary	State Highway 5 to Hawley's Landing Road - upper "Y"	Limited / Steep from access road	Minimal	50x100	100%	Private Residence on both sides		
Adjustments	\$75,000	0%	-10%	0%	0%	15%	0%	5%	\$78,750
8 (554)	Primary	State Highway 5 to Hawley's Landing Road - lower "Y" - Dirt Road	Yes / Moderate to steep	Minimal	50x100	90%	Private Residence on both sides		
Adjustments	\$75,000	0%	-5%	0%	0%	15%	0%	10%	\$82,500
9 (573)	Primary	State Highway 5 to Hawley's Landing Road - lower "Y" - Dirt Road	Yes / Gentle	Minimal	50x100	90%	Private Residence on both sides (slight road noise)		
Adjustments	\$75,000	0%	5%	0%	0%	15%	-5%	15%	\$86,250
10 (550)	Primary	State Highway 5 to Hawley's Landing Road - lower "Y" - Dirt Road	Yes / Gentle	Minimal	50x100	90%	Private Residence on both sides (slight road noise)		
Adjustments	\$75,000	0%	5%	0%	0%	15%	-5%	15%	\$86,250
11 (553)	Primary	State Highway 5 to Hawley's Landing Road - lower "Y" - Dirt Road	Yes / Gentle	Minimal	Approx 8,138 sf	100%, panoramic view, unobstructed	Private Residence and park rental cabin (slight road noise)		
Adjustments	\$75,000	0%	5%	0%	5%	15%	-5%	20%	\$90,000

Area 4: Hanson's Haven Lot Valuation

Hanson's Haven is just one lot, with public uses on the adjacent lot and substantial road noise as it backs up to Highway 5, which are generally offsetting factors. Conversely, it large and has 100% views, as summarized below.

HANSON'S HAVEN LOT

Lot # (Lease #)	Type	Access	Parking / Terrain from access road to back of lot	Timber	Size	View (% open)	Adjacent Land	Total Adjustments	Adjusted Value
1(544)	Primary	State Hwy 5	Generally level, moderate slope from road	Modest	100 x 150	100%, unobstructed	State Park and substantial Road Noise (off setting factors)		
Adjustments	\$75,000	0%	0%	0%	15%	15%	0%	30%	\$97,500

Area 5: Float Homes Valuation

Float homes are typically developed out of necessity, when a waterfront lot is unbuildable due to topography, or lack of utilities, most often a septic drain field. The subject lots are unique in that the lease is the only thing that ties them to their location in Hidden Lake, and the location is not specific to any section of shoreline as previously discussed. We were unable to find any truly comparable sales. The float home sites are superior to most of the comparables in that they have access to electricity and sewer. As previously discussed, the recent access to sanitary sewer is considered a leasehold improvement and the value is not attributed to the land under the hypothetical condition as vacant and unimproved.

The following summary is of five closed transactions on dock lots that have similar boat and trail access only. They are typically very steep, rendering them unbuildable for anything other than a dock, or potentially in support of a float home allowing the owner to take advantage of the otherwise unusable waterfront amenity.

I have previously interviewed Jim Brady with the Department of Lands and understand that before a permit for a float home will be approved in these locations, they must first be inspected and approved by Panhandle Health Department as either a dry or wet float home. Once a \$1,075 application fee is paid, they will also be required to pay \$250/year for a submerged land lease that ties the float home to the specified location, although it is noteworthy the \$250 submerged land lease fee does not apply to the subject sites within Heyburn State Park. The float homes proposed for use on these sites will typically utilize an incinerator style toilet or be pumped out using some form of approved septic style sled approved by Panhandle Health Department. The ability of float homes to utilize these systems somewhat offsets the lack of on-site septic systems or access to sanitary sewer.

Market Conditions: No adjustment is applied.

Other Adjustments: We have not considered adjustments for superior views or locations, but rather considered the sales on a qualitative basis.

RECREATION LOT SALES

Sale #	Sold Date	Location	Subdivision	Lot/Block	Lot Size	WF	Price	Mkt Cond	Mkt Adj Price	DOM	Features	Access	Utilities
1	6/28/16	Moscow Bay, Harrison	Portion of Tax #7966 and #15459 Moscow Bay	AIN 178498	91,476	100	\$39,000	0%	\$39,000	175	Steep, wooded, unbuildable waterfront lot on Moscow Bay, possible dock or float house.	Boat access only	Not available
2	6/28/16	Moscow Bay, Harrison	Tax #8533 and #10029	AIN 145733	71,003	103	\$39,000	0%	\$39,000	175	Steep, wooded, unbuildable waterfront lot on Moscow Bay, possible dock or float house.	Boat access only	Not available
3	9/27/16	Twin Lakes- Tillicum		Ptn of 134311	10,890	112	\$42,000	0%	\$42,000	90	Steep, Wooded with dock	Boat access only	Electricity
4	6/21/17	Lot 5 Emerald Shore, Harrison	Emerald Shore	Lot 5	19,602	81	\$38,000	0%	\$38,000	79	Steep, wooded, unbuildable waterfront lot on Moscow Bay with a trex dock.	Boat access only	Not available
5	7/12/18	Lot 8 Emerald Shore, Harrison	Emerald Shore	Lot 8	24,829	82	\$35,000	0%	\$35,000	40	Steep, wooded, unbuildable waterfront lot across from Higgins Point Boat Launch	Boat access only	Not available

The preceding analysis of 43 primary lots in Rocky Point produced a range of reconciled lot values from \$48,000 for a very small triangular shaped lot with little view potential up to \$96,000 for a gentle to moderately sloping lot with big lake views. The average overall was \$72,000; suggesting a value of about \$36,000/site when allocated at 50% of the primary site value in Rocky Point.. The float homes do not have any uplands and views vary from one side of the protected cove to the other. Boat access only parcels often sell for about 50% of another otherwise similar site. The sales support rates from \$35,000 to \$42,000 with the high side of the range being a lot on Twin Lakes in Kootenai County; which also included a dock already in place. The more likely range is from \$35,000 to \$40,000, allocating \$2,000 to the dock.

I have concluded a mid-range rate of \$37,500 for each of the float home sites with access to electricity and park amenities,, before consideration of the sewer trunk line which is best described as a leasehold improvement.

Reconciliation

The indicated values from the approaches used and my concluded market values for the subject property are summarized in the following table.

VALUE INDICATIONS & CONCLUDED VALUE RANGES

Location	Page Numbers	Market Value "As Is"
Date of Value		March 11-22, 2019
Lake Chatcolet Lots	Pg 35-44	\$33,750- \$54,000
Rocky Point, Primary Lots	Pg 45-53	\$48,000- \$96,000
Rocky Point, Secondary Lots	Pg 53-58	\$31,500- \$45,000
Hawley's Landing Primary Lots	Pg 59-61	\$75,000- \$90,000
Hansons' Haven Lot	Pg 62	\$97,500
Float Home Sites	Pg 63-64	\$37,500

Exposure and Marketing Periods

Exposure time may be defined as: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The opinion of exposure time may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification;
- Interviews of market participants.

The reasonable marketing time is an opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of an appraisal. The opinion of marketing time may be a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification;
- Interviews of market participants;
- Anticipated changes in market conditions.

The marketing time is a function of price, time, use, and anticipated market conditions, such as changes in the cost and availability of funds and is not an isolated opinion of time alone. It is appropriate to discuss the impact of price/value relationships on marketing time and to contrast different potential prices and their associated marketing times with an appraiser's market value opinion for the subject property.

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates, of nine to 12 months each are considered reasonable and appropriate for the subject property.

General Assumptions & Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. We have not verified the accuracy of the legal description included in this report and accept no liability for its accuracy. It is provided for the client's convenience only and should not be relied upon for any transaction without verification from a reliable source.
2. We assume no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. Unless otherwise stated in this report, we have disregarded all existing liens and encumbrances. The property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. Unless otherwise noted, it is assumed that there are no encroachments, zoning violations or restrictions existing in the subject property.
5. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
6. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
7. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
8. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
9. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
10. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable; however, no liability for them can be assumed by the appraiser.

11. Possession of this report, or a copy thereof, does not impart the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
12. We claim no expertise for matters that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. Examples include, but are not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
13. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser(s) neither assume nor accepts any obligation, liability or accountability to any third party.
14. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
15. This appraisal shall be used only for the function and intended use outlined herein, unless expressly authorized by Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest.
16. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
17. Unless otherwise noted in the body of this report, we have assumed that the subject property does not fall within the areas where flood insurance is required. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
18. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
19. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
20. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
21. We do not guarantee that the property is in compliance with building code and life safety code

22. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
23. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
24. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials 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, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
25. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
26. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
27. Any estimate of insurable cost presented herein, is based upon figures developed consistent with industry practices. Actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
28. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

29. You and Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Auble, Jolicoeur, & Gentry, Inc. and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Auble, Jolicoeur, & Gentry, Inc. or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Auble, Jolicoeur, & Gentry, Inc. for this assignment, and under no circumstances shall any claim for consequential damages be made.
30. Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest harmless from and against any liability, loss, cost, or expense incurred or suffered by Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest in such action, regardless of its outcome.
31. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Auble, Jolicoeur, & Gentry, Inc. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
32. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
33. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.

34. In cases where the appraiser has access to a title report for the subject property, easements and encumbrances noted in that report often have incomplete descriptions, and/or reference documents which have not been provided. The appraiser has no expertise in matters of title. A thorough reading and analysis of the subject chain of title, and review of pertinent documents, are beyond the scope of this assignment. Other than easements and encumbrances specifically discussed in this report, Auble, Jolicoeur, & Gentry, Inc. dba Valbridge Property Advisors | Inland Pacific Northwest assumes no liability for the impact on marketability or value of the subject property (if any) arising from recorded or unrecorded documents.
35. No purchaser or seller of the subject property nor any borrower are intended users of this appraisal report and no such parties should use or rely on this appraisal report for any purpose. All such parties are advised to consult with appraisers or other professionals of their own choosing.
36. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Vicki K. Mundlin, MAI

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

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



Vicki K. Mundlin, MAI
Certified General Appraiser #CGA-411
Expiration Date: March 16, 2020

Addenda

Standard Float Home Lease
Signed Promissory Note
Engagement Letter
Glossary
Qualifications
Appraiser License
Information on Valbridge Property Advisors
Office Locations

Standard Float Home Lease



STANDARD FLOAT HOME LEASE **Lease No. _____**

LESSOR Name and Address: Idaho Department of Parks and Recreation
PO Box 83720
Boise ID 83720-0065

Lessee Name and Address: Lessee Name
Address 1
Address 2
City, State, Zip

Lease Term: Commencement: January 1, 2015
Expiration: See section 3.1, Attachment A.

Moorage Space: Hidden Lake Moorage Site No. _____, Heyburn State Park.

Rent: Initial rent is \$ 1,406 per year, subject to annual adjustment.
See section 4, Attachment A.

Agreement: **IDPR, in consideration of the rent paid and the covenants, conditions and restrictions hereinafter set forth, in this Lease (including all Attachments), does hereby lease and demise unto Lessee the right to moor Lessee's Float Home within the above-identified Moorage Site for the uses and purposes specified herein.**

Liability Insurance: See Section 16, Attachment A.

Lease Index: LEASE DATA PAGE
SIGNATURE PAGE

ATTACHMENT A – LEASE PROVISIONS
ATTACHMENT B – SITE MAP
ATTACHMENT C – CONSTRUCTION & MAINTENANCE STANDARDS
ATTACHMENT D – SEWER CONSTRUCTION MILESTONES
ATTACHMENT E – CONDITIONAL FLOAT HOME RECONFIGURATION PLAN
(APPROVED BY IDPR ON NOVEMBER 13, 2013)
ATTACHMENT F – LEASE-SPECIFIC TERMS AND CONDITIONS
(applicable only to Leases 702 and 704)

This lease agreement (Lease), including the Lease Data Page, Signature Page and all Attachments (which are incorporated herein in their entirety) is made and entered into by and between IDPR and Lessee.

IDPR SIGNATURE

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

SIGNED: IDAHO DEPARTMENT OF PARKS AND RECREATION

BY: Nancy Merrill, its Director

State of Idaho)
 : s
County of Ada)

On this _____ day of _____, in the year _____, before me, a Notary Public in and for said State, personally appeared NANCY MERRILL, known to me to be the director of the Idaho Department of Parks and Recreation, that executed the within instrument, and acknowledged to me that the Idaho Department of Parks and Recreation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Notary Public for the State of Idaho
Commission expires:

Lessee SIGNATURES

By signing, Lessee(s) verify receipt, review, and acceptance of all attachments and terms and conditions.

x _____ x _____
(Lessee) (Lessee)

STATE OF _____)
 : s
COUNTY OF _____)

On this _____ day of _____, in the year _____, before me, a Notary Public in and for said State, personally appeared _____ known to me to be the person(s) who executed the instrument as Lessee, and acknowledged to me that such person(s) executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Notary Public
Commission expires:

Attachment A Lease Provisions

1. **Definitions.** As used in this Lease, the terms set forth below have the following definitions:
 - 1.1. **Assignee.** A person who assumes a valid lease from a Lessee.
 - 1.2. **Assignment.** The IDPR-approved transfer of a valid lease from a current Lessee to a new Lessee.
 - 1.3. **Board.** The Idaho Park and Recreation Board, as established by Idaho Code §§ 67-4221 through 67-4223.
 - 1.4. **Boat Garage.** A floating structure with roof and walls, intended primarily for the storage of boats and other watercraft, with no living quarters. Any structure with living quarters or overnight accommodations qualifies as a float home for purposes of this lease.
 - 1.5. **Director.** The director and chief administrator of the Department of Parks and Recreation, or the designee of the director.
 - 1.6. **Float Home.** A floating moveable structure designed and built to be moored for use as a waterborne, recreational residential dwelling, along with related Moveable Personal Property including docks, ramps, floating walkways, and boat garages. Structures that rest upon, or require support from, submerged lands at summer-normal lake levels do not qualify as float homes for purposes of this lease.
 - 1.7. **IDPR.** The Idaho Department of Parks and Recreation, owner and Lessor of the Moorage Site. The terms "IDPR" and "Lessor" shall be used interchangeably in this Lease
 - 1.8. **Lease.** The contract defining the rights and duties of the parties regarding a float home located within Heyburn State Park. The term "Lease" is used for the sake of convenience and shall not be used to interpret or modify the rights granted by this instrument.
 - 1.9. **Lessee.** An individual or married couple who hold a valid lease for a float home site within Heyburn State Park. The term "Lessee" shall not include anyone other than a natural person.
 - 1.10. **Lessee-Owned Improvements.** Structures affixed upon uplands in compliance with restrictions in Attachment C, or pilings or other structures installed upon submerged lands by Lessee or a predecessor in interest, but excluding Moveable Personal Property as defined herein.
 - 1.11. **Moorage Site.** A designated location designed to accommodate Lessee's improvements and Moveable Personal Property. The Moorage Site that is the subject of this Lease is as depicted on Attachment B and includes the right to maintain all improvements and Moveable Personal Property lying waterward of the ordinary high water mark, and shoreline improvements as provided in Attachment C.
 - 1.12. **Moveable Personal Property.** Float homes, related structures such as docks, ramps, floating walkways and boat garages, and other personal property such as household goods and furnishings belonging to Lessee.

- 1.13 Remove.** As applied to improvements and Moveable Personal Property, the term "remove" means to either re-locate the improvements and Moveable Personal Property to a location outside Heyburn State Park, or to dismantle and dispose of the improvements and Moveable Personal Property in a manner consistent with public health, public safety, and preservation of park resources.
- 2. Use and Occupation of Moorage Site.** Lessee is hereby granted a lease allowing Lessee to moor a single Float Home and associated Moveable Personal Property within the designated Moorage Site. A single boat garage, if existing at the beginning of the lease term, may remain on the Moorage Site, but no new boat garages may be constructed or placed on the Moorage Site. The mooring of an additional float home or boat garage within the moorage space shall be deemed grounds for termination of this lease. The construction of additional living space within an existing boat garage shall be deemed grounds for termination of this lease.
- 2.1 Site Condition As-Is.** This Agreement is for the rental of only those rights necessary for the Lessee's continued maintenance of Lessee's improvements and Moveable Personal Property upon the Moorage Site. Lessee accepts the Moorage Site in its present condition with all faults or hazards, whether patent or latent, and without warranties or covenants, express or implied, as to the condition of the Moorage Site and any improvements thereon. The Moorage Site is to be used at the sole risk of the Lessee, and Lessee shall be solely responsible for injuries to persons or property occurring thereon.
- 2.2 Float Home Condition.** Float Homes must be maintained in accordance with the terms and conditions in Attachment C, "Float Home Construction and Maintenance Standards."
- 2.3 Recreational Use Only.** The Moorage Site is leased for recreational residence use only. Occupancy may be intermittent or seasonal but in no event shall the float home be occupied in excess of 185 days in any 365 day cycle. Commercial use of the Moorage Site for any purpose, including, but not limited to, rental of the Float Home or any portion thereof to any person, is prohibited, except as provided in section 5 (subleasing).
- 2.4 Use Limited to Site.** Lessees shall confine all improvements, moveable personal property, boats, watercraft, and pets to the Moorage Site. No encroachment onto adjacent property, whether park property or another moorage site, is permitted, except as provided in Attachment C or, where applicable, Attachment F.
- 2.5 Duty of Care.** Lessee shall maintain the Moorage Site in a clean and sanitary manner at all times, and upon termination of this Agreement shall surrender the Moorage Site to IDPR in as good a condition as when received.
- 2.6 Public Access.** Lessee's use of the Moorage Site shall not preclude the right of the public to access and use the shoreline and navigable waters of Hidden Lake for recreational purposes; provided, that Lessee may exclude the public from Lessee's improvements and Moveable Personal Property.
- 2.7 Ingress and Egress.** There is no vehicular access to Hidden Lake. Lessee may access the Moorage Site via watercraft or pedestrian trail.
- 2.8 Boats and Watercraft.** No Lessee may keep more than two (2) boats or other motorized watercraft upon the Moorage Site.
- 2.9 No IDPR Liability.** It is agreed that no bailment is created by this Agreement, and that IDPR shall not be liable or responsible for the care or protection of the Float Home or any

associated vessels, gear, equipment or contents, or for any loss or damage thereto, whatever the cause or nature; nor shall IDPR be liable for any injuries to person or property proximately caused by the use, presence, or condition of the Float Home within the Moorage Site. The provisions herein are intended solely to ensure the placement and use of the float homes is consistent with the general recreational purposes of Heyburn State Park; the health and safety of float home residents and visitors is the sole responsibility of the Lessee.

- 2.10 Other Permits.** The rights leased to Lessee include only the rights that IDPR possesses in the designated Moorage Site. Lessee is responsible for obtaining any necessary permits required by the Idaho Panhandle Health District, or local governments for the use and occupation of the Moorage Site.
- 2.11 Rules.** Lessees shall comply with all rules of the Idaho Department of Parks and Recreation. Nothing in this Lease shall be construed to exempt Lessee from compliance with all rules and regulations adopted by the Park and Recreation Board and applicable to other visitors of Heyburn State Park.
- 2.12 Reconfiguration of Moorage Sites.** On November 13, 2013, IDPR approved a Conceptual Relocation Plan that would modify the Moorage Sites of various Lessees, which may include the Moorage Site of Lessee as identified in Attachment B to this Lease. IDPR may require the Lessee to relocate to a new or different moorage site as necessary to achieve the configuration in the Conceptual Relocation Plan. Upon final reconfiguration or consolidation of the Moorage Sites in a manner consistent with the Conceptual Relocation Plan, no further reconfiguration of float homes will be required. The direct expense of relocating to a new or different moorage site shall be borne solely by Lessee. A diagram of the Conceptual Reconfiguration Plan of November 13, 2013, as referred to in this Section, is attached hereto as Attachment E.
- 2.13 No Additional Living Space.** All living space is to be confined to the single float home authorized to occupy the Moorage Site, subject to the exceptions in Attachment F, if applicable. No portion of a boat garage may be used for living space or sleeping quarters.
- 2.14 Destruction of Lessee-Owned Improvements.** In the event of the destruction of any Lessee-Owned Improvements or Moveable Personal Property by fire, natural disaster, or otherwise, Lessee shall be afforded a reasonable period of time within which to complete reconstruction of the same. Said reconstruction shall be at Lessee's sole cost and shall comply with the terms and conditions in Attachment C and the requirements of all applicable permitting authorities. Further, said reconstruction shall not expand or alter in any way the size, footprint, or lay-out of the Lessee's float home or boat garage.
- 3. Lease Term.** The commencement and ending dates for the initial lease term are as designated in the Lease Data Page.
- 3.1 Term.** The term of this Lease shall expire on December 31 of the year in which the loan obtained by the Hidden Lake Float Home Owners Association for construction of the trunk line connecting the float homes to the Heyburn State Park Central Sewage Treatment System is either paid-off, forgiven, or otherwise retired; provided, that in the event such loan is not paid-off, forgiven, or otherwise retired earlier, this Lease will expire on December 31, 2044.
- 3.2 Renewal.** No right of renewal is implied or granted as part of this lease. The decision to offer to Lessee a new lease at the expiration of this lease is expressly reserved to the sole discretion of IDPR, upon terms to be decided by IDPR.

- 3.3 Occupation after End of Lease Term.** If Lessee holds over after the end of the designated lease term without a new lease but with the express or implied consent of IDPR, such holding over shall be deemed to be a month-to-month tenancy otherwise subject to the terms of this Lease. Such month-to-month tenancy may not exceed a period of one (1) year.
- 3.3.1** During any such month to month tenancy following the expiration of the lease term, Lessee shall remit to Lessor, by or on the tenth day of each month, rental in the amount of one-twelfth (1/12) the annual rent paid or due in the twelve months immediately preceding expiration of the term. IDPR may terminate the Lessee's month-to-month occupancy upon sixty (60) days' prior written notice to the Lessee.
- 4. Payment.** In consideration of the rights granted herein, Lessee shall pay to IDPR the sum designated on the Data Page of this Agreement.
- 4.1. Payment Schedule.**
- 4.1.1 Annual Billing.** The annual billing shall be mailed to Lessee at Lessee's last known address on or before November 15 each year.
- 4.1.2 Full Payment.** The Lessee may make payment in full on or before the first day of January of each year for the coming year.
- 4.1.3 Optional Split Payment.** The Lessee may make a payment of one-half the amount due, plus a one-time \$200 split payment fee, on or before the first day of January of each year. The second one-half of the payment will be made on or before the first day of April of each year.
- 4.2 Late Payment.** If for any reason annual rent is not paid in full by January 1 (or by April 1, if the first half of a split payment is received), IDPR may cause a Notice of Violation to be issued. Any such Notice of Violation shall be served upon Lessee by certified mail, return receipt requested and first class mail in conformity with the notice provisions of Section 23. Such Notice is deemed to be effective three (3) days after the date of mailing or as otherwise designated in the Notice.
- 4.2.1 Opportunity to Cure.** Lessee shall have thirty (30) days from service of a Notice of Violation under Section 4.2 within which to cure or resolve the violation as noticed. The determination of whether or not a violation has been cured or resolved shall rest solely in the discretion of the Director. To cure or resolve a late payment that is thirty days late or less, Lessee must, in addition to paying the annual rent, pay a late payment fee of one-twentieth the annual rent, or fifty dollars, whichever is greater. The parties acknowledge and agree that the late payment fee is a reasonable attempt to estimate and to compensate IDPR for additional costs incurred by IDPR in administering such late payments and is not intended as a penalty. For each subsequent calendar month in which payment is not made, Lessee shall pay an additional late payment fee of one-twentieth the annual rent or fifty dollars, whichever is greater.
- 4.2.2 Notice of Termination.** In the event Lessee fails to timely cure defaults noticed under Section 4.2 by a Notice of Violation, IDPR may issue a Notice of Termination to Lessee in conformity with the provisions of Section 11.

- 4.3 Base Rate.** The base rate Lease payment for calendar years 2015-2019 was calculated as 3.75% of the established fair market value of the Moorage Site as if the property were held in fee simple estate. The fair market value of the Site was determined by a certified appraiser prior to the execution of this Lease.
- 4.4 Annual Adjustment.** On or around October 15 of each year, IDPR shall recalculate the annual rent by multiplying the previous year's rent by the unadjusted "Consumer Price Index, Urban, U.S. City Average, All Items," as published by the United States Bureau of Labor Statistics at www.bls.gov/cpi/ for the preceding twelve months. The annual billing prepared by IDPR shall reflect the re-calculated rent. Notwithstanding the foregoing, no annual base rate adjustment shall exceed five percent (5%) in any one year.
- 4.5 2020 Rate Adjustment.** After January 1, 2020, the base rent shall be 5% of the fee simple value of the Moorage Site, unless the Park and Recreation Board determines to charge a lesser percentage; in no case shall the percentage charged be higher than the percentage charged to upland recreational residence sites within Heyburn State Park.
- 4.6 Five Year Appraisal.** On or before July 1, 2019, and every five years thereafter, the Lessor shall cause the market value of the Moorage Site to be determined by an Idaho-certified general appraiser. The market value shall be determined as if the Moorage Site were being offered for sale at fee simple value.
- 4.6.1 Appeal Rights With Respect to Appraisal.** If, after correction of any factual or calculation errors in the appraisal report, the Lessee disagrees with the appraised value, Lessee may obtain an independent appraisal of Lessee's Moorage Site from an Idaho-certified general appraiser. Lessee shall be responsible for paying the costs of such appraisal. The appraiser shall prepare the appraisal using the same Scope of Work and Appraisal Instructions provided to the first appraiser by IDPR. If the difference in value between the two appraisals is 10% or less, the difference shall be split, and that value will be the final appraised value for the purpose of calculating rent. If the difference between the two appraised values is greater than 10%, then the two appraisals will be referred to a third appraiser for review under Standard 3 of the Uniform Standards of Professional Appraisal Practice. The third appraiser shall be requested to reconcile the two values using the data and analysis in the first two appraisals. The value determined by the third appraiser shall be final and cannot be appealed to, or reviewed by, the Park and Recreation Board. The third appraiser shall be selected by Lessor, and the cost of the third appraiser shall be split between Lessor and Lessee, with Lessee required to deposit Lessee's share of the cost with the Lessor prior to engaging the third appraiser.
- 5. Subleasing.** Lessee may sublease the Moorage Site with the written consent of IDPR. A sublease does not transfer to the sublessee the Lessee's responsibilities for compliance with the terms and conditions of this Lease; Lessee remains responsible for all terms of this lease agreement. Any attempt to sublease a Moorage Site without the written consent of IDPR shall be void, and shall constitute a breach of this lease.
- 5.1. No rental.** Subleasing shall be the sole means of authorizing use of the Moorage Site by anyone other than Lessee and immediate family members. Short term rental of the Moorage Site or any use of the Moorage Site by persons other than Lessee in return for monetary or other payment to Lessee is specifically prohibited and shall be cause for immediate termination of this Lease.

- 5.2 Sublease of the Moorage Site is limited to one time per calendar year. The term of any sublease shall be twelve months or less.
- 5.3 Moorage Sites and Float Homes are not commercial enterprises and subleasing rates shall not reflect a profit to Lessee. In any calendar year lessee cannot sublease for more than the total annual lease payment (including utilities) plus five percent (5%) of the appraised value of Lessee's improvements and moveable personal property as established by the Benewah County Assessor.
- 5.4 Sublessees are subject to all the terms of this Lease. Sublease agreements shall include provisions requiring the sublessee to abide by all terms in this Lease.
- 5.5 The Director may impose additional requirements as a condition of approving the sublease agreement.
- 5.6 Applications to sublease a Moorage Site must be submitted to IDPR at least two weeks in advance of any sublease.
6. **Assignment.**
- 6.1 **Approval Required.** Lessee shall not assign this Lease without first having obtained the written consent of IDPR. Any assignment of this Lease without the written consent of IDPR shall be void and shall be a breach of this Lease, resulting in termination. If Lessee purports to assign this Lease without the written consent of IDPR, Lessee shall retain all of the rights, duties, and responsibilities imposed by the terms of this Lease.
- 6.2 **Required Documentation.** The following items shall be provided to IDPR by a Lessee seeking to assign this Lease:
- 6.2.1 **Application for Assignment.** Application for assignment of a Lease shall be made on forms available from IDPR. Applications shall be complete and contain all information requested on the form.
- 6.2.2 **Assignment Fee.** Any Application for Assignment of Lease shall be accompanied by a processing fee of ten percent (10%) of the latest annual rental, or \$25.00, whichever is greater.
- 6.3 **Deficiencies.** All rental payments and other charges owed to IDPR shall be paid and all deficiencies shall be cured before IDPR will approve an application for assignment.
- 6.4 **Action on Application.** IDPR shall approve or deny an application for assignment of this Lease within thirty (30) days of receipt of a completed application. Approval of any such assignment shall not be unreasonably withheld or conditioned.
- 6.5 **Conditions.** Assignees are subject to all the terms of the Lease and such other conditions as the Director may impose as a condition of approving the application for assignment.
- 6.6 **Board Approval.** Final Board approval of an assignment is deemed to occur after the application for assignment has been approved by the Director or the Director's designee.

7. Utilities.

- 7.1 Trash.** Domestic trash, excluding toxic and hazardous materials, landscape and construction materials, may be placed in the trash receptacles provided at designated locations in Heyburn State Park. All other trash shall be removed from the park and disposed of in conformity with all applicable federal, state and local laws and regulations.
- 7.2 Fees.** A fee of \$73.50 per year shall be assessed against each float home lease to cover the costs of trash collection. A fee of \$59.56 per year shall be assessed against each float home lease for off-site access to the water system in Heyburn State Park. Changes in the trash collection and water access fee will be reflected in the annual billing.
- 7.3. Other Utilities.** Lessee will arrange with utility providers for electricity and all other utilities and services supplied to Moorage Site or to Lessee. Lessee is responsible for all payments to utility providers.

8. Sewage and Waste Water.

- 8.1 Interim Provisions.** Pending connection of the float homes to the Heyburn State Park Central Sewage Treatment System, Lessee shall dispose of all sewage in conformity with the requirements of the Panhandle Health District as set forth in the Sewer Management Agreement dated May 21, 2014.
- 8.2 Connection to Central Sewage Treatment System.** The continued occupation of the float homes requires a permanent connection of the float homes to the Heyburn State Park Central Sewage Treatment System, including, but not limited to, (1) construction and maintenance of a trunk line from Hidden Lake to the connection point at Chatcolet and (2) connection of each float home to the trunk line. IDPR and Lessee acknowledge that collective efforts on behalf of the Float Home Lessees are underway to finance and construct the trunk line, at the cost of the Lessees, in a manner that complies with the requirements of IDPR and IDEQ. Said trunk line, main lift station, and related sewer facilities, excluding any sump basin, intermediate lift station(s), connections, lateral lines and pumps servicing individual float homes, shall be transferred to IDPR upon completion, certification, inspection, and acceptance by IDPR. All costs associated with construction of the trunk line and individual connections shall be borne by the lessees. Proof of lessees' ability to construct the trunk line and all associated facilities and equipment is a condition precedent to this Lease. Failure to maintain the trunk line and all associated equipment in good working order prior to the transfer and conveyance of the same to IDPR, and IDPR's acceptance of said transfer and conveyance, shall constitute grounds for the issuance of a Notice of Violation hereunder.
- 8.2.1 Resolution of Notice of Violation.** Any Notice of Violation given under Section 8.2 shall be noticed to the Lessee's designated representative (the Hidden Lake Float Home Association, Inc.) and to Lessee. Any such Notice of Violation shall be subject to the notice provisions of Section 23 and the Lessee's opportunity to dispute or cure the violation as set forth in Section 11.
- 8.2.2. Construction Timeline.** The Float Home Lessees must comply with the construction milestones set forth in Attachment D, which by this reference is incorporated into this Lease as if expressly set forth herein. Failure to achieve a construction milestone is deemed to be a breach of this Lease and shall be cause for issuance of a Notice of Violation, unless such breach is waived by Lessor. Any such Notice of Violation shall be subject to the notice provisions of Section 23 and the Lessee's opportunity to dispute or cure the violation as set forth in Section 11.

- 8.3 Operations and Maintenance.** Upon acceptance by IDPR, IDPR shall be responsible for operating and maintaining the main lift station and the trunk line connecting to the Heyburn State Park Central Sewage Treatment System. Lessees shall own, operate, and maintain at Lessees' sole expense the sewage disposal facilities from Lessees' float homes to the trunk line, including pumps and lateral service lines servicing the Lessees' float homes, any intermediate lift pump(s), any sump basin, and any associated lines and connections. Maintenance of the all sewage disposal facilities shall comply with all applicable laws and regulations, including but not limited to Panhandle Health District and Idaho Department of Lands rules governing float home sewage connections.
- 8.4 Annual Sewage Fee.** Pending completion of the trunk line connecting the float homes to the Heyburn State Park Central Sewage Treatment System, Lessee shall pay a sewage treatment fee of \$307.00 per year to cover the costs of treating grey water disposed by the float home Lessees. Said fee shall be calculated as one-half the fee charged to the land based cabins in Heyburn State Park. Upon completion of the trunk line, and full connection to the Heyburn State Park Central Sewage Treatment System, an annual sewage treatment fee shall be assessed against each Float Home Lessee. Said fee shall be the same fee charged to the land based cabin Lessees at Heyburn State Park. The sewage fee is subject to annual adjustments at the discretion of IDPR. Changes in the sewage fee will be reflected in the annual billing. Sewage fees may also be adjusted by IDPR in the event the sewage disposal system is expanded, improved, or upgraded. Lessee acknowledges and agrees that such adjustments may include a one-time fee reflecting Lessee's fair share of sewage system construction or reconstruction costs.
- 9. Burning Prohibited.** Lessee may not burn material of any type or nature outside of a stove or fireplace without the prior written consent of IDPR. Barbecue devices, designed for use outdoors, are permitted.
- 10. Relocation and Consolidation.**
- 10.1 Relocation and Consolidation.** All Float Home Lessees must comply with the float home configuration plan adopted by the Board on November 13, 2013 (a copy of which is attached hereto as Attachment E). If Lessee's Moorage Site is not the same as assigned to Lessee in previous leases, Lessee shall have until December 31, 2016, to relocate Lessee's improvements and moveable personal property to the Moorage Site assigned in this Lease. Lessee shall pay the costs of such relocation. Notwithstanding the foregoing provision or any other term or provision herein, Lessee shall not be required to relocate Lessee's improvements and Moveable Personal Property in a manner compliant with the Float Home Configuration Plan described herein until the sewage trunk line and related improvements described in Section 8.2 are completed and accepted by IDPR. In the event of a delay between the completion and acceptance of said improvements, so as to cause the inability of Lessee to relocate his or her Improvements and Moveable Personal Property by December 31, 2016, Lessee shall request a definite and discreet extension of time of the IDPR Board, at least one hundred twenty (120) days in advance of December 31, 2016. IDPR's Board may grant an extension of time within which to relocate the Float Homes in a manner compliant with the Float Home Configuration Plan (Attachment E) based upon the then-existing progress of the Float Home Lessees in constructing the sewage trunk line and related improvements and further given the recommendation and position of the Idaho Department of Environmental Quality.
- 10.2 Relocation and Consolidation During Lease Term.** In the event that some Lessees voluntarily terminate their leases during the Lease term described herein, and in the further

event that Lessee has not already relocated with IDPR's approval in a manner compliant with the Float Home Configuration Plan (Attachment E), IDPR retains the right to re-assign Lessee to another Moorage Site in order to meet IDPR's goal of consolidating the float homes within Hidden Lake to maximize recreational opportunities for park users. Lessee shall pay the costs of such relocation under said circumstances.

11. Breach and Termination.

11.1 Violations. Any material violation by Lessee or any agent of Lessee (including sub-lessees) of any term of this Lease, or any violation of any rule or regulation now in force or hereafter adopted by the Board, shall be grounds for issuance of a Notice of Violation. Failure of the Float Home Lessees collectively to achieve any action or objective described herein as a "condition precedent" by the date stated shall be considered a material violation of this Lease, whether or not such failure is due to the action or inaction of the individual Lessee executing this Lease. The determination of whether a violation constitutes a material violation subjecting this Lease to termination shall rest solely in the discretion of IDPR. Notwithstanding the foregoing, any decision of IDPR that a violation constitutes a material violation subjecting the Lease to termination shall be subject to Lessee's right to dispute or cure said violation under Section 11.2. Further, IDPR's exercise of discretion shall take into account such information as is provided by Lessee and, where applicable, such information as may be provided by the Idaho Department of Environmental Quality.

11.2 Notice of Violation. IDPR shall provide written notice to Lessee of any lease or rule violation and shall allow Lessee thirty (30) days from service of the notice to cure the violation. Alternatively, Lessee may dispute the Notice of Violation by setting forth facts supporting Lessee's assertion that no violation of the Lease has occurred. IDPR shall take such facts into consideration in determining, in its discretion, whether a violation constitutes a material violation subjecting this Lease to termination.

11.2.1 Simultaneous with notice to the Lessee, a Notice of Violation shall be sent to the Hidden Lake Float Home Association, Inc.

11.3 Notice of Termination. In the event Lessee fails to timely cure defaults identified in a Notice of Violation, IDPR may give a Notice of Termination to Lessee in conformity with the notice provisions of Section 23. Such notice shall be deemed effective three (3) days after the date of mailing or as otherwise designated in the Notice.

11.4 Effect of Termination. Lessee acknowledges that Lessee's right to use and occupy the Moorage Site is fully defined by this Lease and that it has no right of use and occupation, or any other property interest in the Moorage Site, either explicit or implied, except as expressly set forth in this Lease. In the event of the giving of a Notice of Termination under this Section, any Float Home moored after the effective date of such notice will be considered to be in trespass and Lessee shall immediately remove the Float Home, improvements, and Moveable Personal Property from Heyburn State Park. If Lessee fails to remove the Float Home, improvements, and Moveable Personal Property within twenty-one (21) days of receiving a Notice of Termination, IDPR shall cause such Float Home, improvements, and other Moveable Personal Property to be removed from the Moorage Site at Lessee's risk and expense and retake possession of the Moorage Site. Lessee covenants to reimburse IDPR for all costs associated with storage of the Float Home, improvements, and Moveable Personal Property after removal by IDPR, and acknowledges that such covenant shall survive the termination of this Lease.

- 11.5 Administrative Fees.** Prior to the termination, Lessee may elect to pay IDPR's administrative costs associated with enforcing the terms of this lease, and IDPR may agree to accept payment of such costs in lieu of termination for each day that such violation went uncorrected over and beyond the thirty day grace period provided in section 11.2 of this Lease. IDPR and Lessee agree that such administrative costs are fixed at fifty dollars (\$50) for each day that the violation goes uncorrected, up to a maximum of one thousand, five hundred dollars (\$1,500).
- 11.6 Reinstatement of Lease.** Not later than thirty (30) days following the termination of this Lease for cause, the Lessee may submit to IDPR a written request for reinstatement setting forth good cause why the lease should be reinstated. At the Director's discretion, a terminated lease may be reinstated upon the payment of a reinstatement fee of four hundred dollars (\$400), and upon such other terms and conditions as the Director deems appropriate.
- 11.7 Voluntary Termination.** Lessee may elect to terminate this Lease at any time. Such termination is effective upon notice to IDPR.
- 11.8 Sewage Trunk Line.** In the event of termination of this Lease for cause, nothing in this Lease shall be construed to obligate IDPR to assume or pay any outstanding loan obligation of Lessee relating to construction of the sewage trunk line described in section 8.2.
- 12. Removal of Improvements Upon Termination.** In the event of termination of this Lease for any reason, including but not limited to expiration of its term, voluntary termination by Lessee, or termination by IDPR for cause pursuant to other provisions of this Lease, Lessee shall dispose of all Lessee-Owned improvements and Moveable Personal Property as follows, unless IDPR offers a new lease that is accepted by Lessee:
- 12.1 Removal.** Lessee shall remove all Moveable Personal Property and Lessee-Owned Improvements (if any) from the Moorage Site within ninety (90) days of termination, with Lessee paying all costs of removal. For good cause shown, Lessee may obtain an additional ninety (90) days within which to accomplish the removal required hereunder. Said determination shall be made by the Director of IDPR in her or his discretion.
- 12.2 Restoration.** Lessee shall restore the Moorage Site as nearly as reasonably practical to its natural condition, with Lessee paying all costs of restoration.
- 12.3 Failure to Remove or Restore.** If Lessee fails to remove all Lessee-Owned Improvements and Moveable Personal Property, or to restore the Moorage Site within ninety (90) days of termination or such later date as may be approved by IDPR's Director, IDPR retains the right to do so and to bill Lessee for all expenses occurred in such removal and restoration. Lessee covenants to reimburse IDPR for all such expenses, and acknowledges that such covenant shall survive the termination of this Lease.
- 12.4** The above provisions shall apply to all Lessee-Owned Improvements and Moveable Personal Property, regardless of whether such improvements or Moveable Personal Property were constructed or placed with the approval of IDPR.
- 13. Taxes, Assessments and Fees.** Unless otherwise provided, Lessee shall pay all taxes, assessments and fees of whatsoever nature that may be legally levied or assessed against all Lessee-owned Improvements and Moveable Personal Property.

14. Liens and Mortgages.

14.1. Liens. Lessee shall not permit or suffer any liens of any kind to be effected on or enforced against the Moorage Site, including but not limited to, any mechanics' liens or material suppliers' liens for any work done or materials furnished on the Moorage Site at Lessee's instance or request. Lessee shall ensure that full payment is made for any and all materials joined or affixed to the Moorage Site pursuant to this Lease and for any and all persons who perform labor on the Moorage Site.

14.2. Leasehold Mortgage. Lessee shall not allow any mortgage, deed of trust or security interest, lien, encumbrance or other similar instrument or transaction ("Leasehold Mortgage"), to be filed or recorded without first obtaining IDPR's prior written consent therefor, which consent shall not be unreasonably withheld or conditioned. Any Leasehold Mortgage may only encumber Lessee's leasehold interest in this Lease and/or Lessee's interest in any improvements or moveable personal property owned by Lessee. The Leasehold Mortgage shall terminate upon the termination of this Lease for any reason, and such Leasehold Mortgage shall not encumber or require subordination of IDPR's title or rights to the Moorage Site. In the event Lessee breaches its obligations under this Lease, Lessee agrees to provide the holder of such Leasehold Mortgage ("Lienholder") with a copy of any Notice of Breach and/or Notice of Termination provided by IDPR to Lessee. Lienholder shall have the right to cure any default or breach specified in the Notice of Breach or Notice of Termination during the same time allowed to Lessee or within thirty (30) days after the receipt of said notice by the Lienholder, whichever is greater. Upon the termination of this Lease for any reason, the Leasehold Mortgage shall terminate and Lessee shall immediately acquire the written release in recordable form (and record and/or file the same in any office as may be required) to effect the release of any Leasehold Mortgage or lien of any kind affecting any interest of Lessee in the Lease, the Moorage Site, and/or in any Lessee-owned improvements or Moveable Personal Property thereon. Lienholder shall acknowledge this requirement in the Leasehold Mortgage, and shall, upon the execution of a Leasehold Mortgage involving Lessee or this Lease, agree to, and shall, immediately release any Leasehold Mortgage upon the termination of this Lease.

14.3 Acknowledgment of Security Rights of Hidden Lake Float Home Association, Inc. Lessee acknowledges that the Hidden Lake Float Home Association, Inc. ("the Association") is the applicant for financing and approval from DEQ with respect to the sewer and trunk line improvements described in Section 8 herein. Lessee and IDPR acknowledge that the Association, as a condition of any agreement with Lessee and DEQ, will require the right to lien Lessee's Moveable Personal Property and Lessee's interest under this Lease. Said lien rights shall be exercisable only on a failure on the part of Lessee to make payments towards any assessments, costs, or fees proratably due from Lessee to DEQ or any financing arranged by or through DEQ with respect to said sewer improvements. IDPR acknowledges that in the event the Association claims a lien in the Lessee's interests under this Lease or in Lessee's Moveable Personal Property, that the Association shall promptly notify IDPR of the same and that the Association shall have the same rights and remedies as an approved Leasehold Mortgage Holder (as defined in Section 14.2 above).

15. Indemnification. Lessee shall indemnify, defend, and save harmless IDPR, its officers, agents and employees from and against any and all liability, claims, actions, damage, costs, expenses and losses caused by or arising out of the performance, acts or omissions of the Lessee, including Lessee's agents, contractors, employees, licenses and invitees, or otherwise arising out of Lessee's use of the Moorage Site, or arising from the failure of Lessee to comply with any applicable state, federal or local statutes, rules or regulations. Nothing contained herein shall be

deemed to constitute a waiver of the State's sovereign immunity, which immunity is hereby expressly reserved.

- 16. Insurance.** Lessee shall obtain and maintain either general liability or homeowner's insurance, as applicable, and, if necessary, umbrella liability insurance with a combined limit of not less than one million dollars (\$1,000,000.00) to cover liability for bodily injury, property damage and personal injury, arising from Lessee's use of the Moorage Site.

 - 16.1 Evidence of Insurance.** All insurance required under this Lease shall be with companies licensed and admitted in Idaho. Within 15 days of signing this Lease, Lessee shall furnish IDPR with a certificate of insurance executed by a duly authorized representative of each insurer showing compliance with the insurance requirements set forth above and naming the Idaho Department of Parks and Recreation and the State of Idaho as additional insureds. A copy of the additional insured endorsement will be attached to the Certificate.
 - 16.2** Failure of IDPR to demand such certificate or other evidence of full compliance with these insurance requirements shall not be construed as a waiver of Lessee's obligation to maintain such insurance.
 - 16.3** Failure to maintain the required insurance may result in termination of this Lease. Any such termination shall be preceded by the issuance of a Notice of Violation and shall be subject to the timelines set forth in Section 11.
 - 16.4** Lessee shall pay all policy premiums annually in advance, for each of the insurance policies required under the terms of this Lease. Lessee shall deliver to IDPR evidence of such payment in conjunction with each annual payment of this Lease, before the payment of any insurance premiums become in default.
- 17. Officials, Agents and Employees of Lessee Not Personally Liable.** It is agreed by and between the Parties that in no event shall any official, officer, employee or agent of the State of Idaho be in any way liable or responsible for any covenant or agreement contained in this Lease, express or implied, nor for any statement, representation or warranty made in or in any way connected with this Lease or the Premises. In particular, and without limitation of the foregoing, no full-time or part-time agent or employee of the State of Idaho shall have any personal liability or responsibility under this Lease, and the sole responsibility and liability for the performance of this Lease and all of the provisions and covenants contained in this Lease shall rest in and be vested with the State of Idaho.
- 18. Heirs and Assigns.** The terms of this Lease shall apply to the heirs, executors, administrators, successors and assigns of both IDPR and the Lessee in like manner as to the original parties.
- 19. Severability.** If any term or provision of this Lease is held by the courts to be illegal or in conflict with any existing law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be continued and enforced as if the invalid term or provision were not contained in this Lease.
- 20. Complete Statement of Terms.** No other understanding, whether oral or written, whether made prior to or contemporaneously with this Lease, shall be deemed to enlarge, limit or otherwise affect the operation of this Lease. All rights of Lessee and the legal relations of IDPR and Lessee are defined herein and no rights not specifically identified herein are intended.
- 21. Written Modification.** No modification, release, discharge, change, or waiver of any provision hereof shall be of any force, effect, or value unless it is in writing and signed by both parties to this

Lease. Any such modification shall be attached hereto as an addendum and incorporated by herein reference.

22. **Title.** IDPR makes no representation or warranty whatsoever with respect to its title to said leased Premises, and in the event Lessee is divested of its leasehold or otherwise suffers harm as a result of deficiency or loss of IDPR's title, no liability shall be incurred by virtue of this Lease for any loss or damage to Lessee, nor shall any claim for refund of rent theretofore paid be made by Lessee, its successors or assigns.
23. **Notices.** Any notice given under the terms of this Lease shall be deemed given and delivered when personally delivered or if mailed, the date same is deposited in the United States Mail, and mailed by regular or certified mail, postage prepaid and properly addressed to the appropriate party. Notices to Lessee shall be addressed to Lessee at the address designated in Section 1 of this Lease. Lessee is responsible for notifying IDPR of any change of address. Notices to IDPR shall be addressed to IDPR at:
- Heyburn State Park
57 Chatcolet Road
Plummer, ID 83851
- or
- Idaho Department of Parks and Recreation
North Region Office
2750 Kathleen Avenue, Suite 1
Coeur d'Alene, ID 83815
24. **IDPR Consent.** Whenever any action by Lessee requires IDPR's consent pursuant to a provision in this Lease, IDPR's consent to such action shall be strictly construed to apply to the specific action to which such consent applied, and not to imply consent to any similar or subsequent actions by Lessee. Consent of IDPR to any action of Lessee must be explicit; no provision in this Lease shall be construed to allow consent by omission.
25. **Waiver.** The waiver by IDPR of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of this Lease. The acceptance of rent by IDPR hereunder shall not be construed to be a waiver of any violation of the term(s) of this Lease. No payment by the Lessee of a lesser amount than shall be due according to the terms of this Lease shall be deemed or construed to be other than a part payment on account of the most recent rent due, nor shall any endorsement or statement of any check or letter accompanying any payment be deemed to create an accord and satisfaction.
26. **Compliance with Laws and IDPR Rules.** Lessee shall comply with all applicable federal, state and local laws, regulations, orders and agreements that govern activities within Heyburn State Park and upon the navigable waters of the State of Idaho.
27. **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Idaho.
28. **Non-Discrimination.** Lessee shall not discriminate against any person because of race, creed, religion, color, sex, national origin or disability.

- 29. Authority to Sign.** Lessee and IDPR each warrant and represent to the other that the persons signing this Lease have full authority and right to bind their respective parties to the terms of this Lease and that such person is acting within the scope of such person's authority and agency.

Lease Attachment B
SITE MAP



Moorage Site. The above designated location is to accommodate Lessee's improvements and Moveable Personal Property. It includes all improvements and Moveable Personal Property lying waterward of the ordinary high water mark, and shoreline improvements as provided in Attachment C.

Lease Attachment C

FLOAT HOME CONSTRUCTION AND MAINTENANCE STANDARDS

- 1. Construction and Reconstruction.** Lessee must obtain a Heyburn State Park Float Home Construction Permit prior to any construction or reconstruction of improvements, float homes, or any related moveable personal property including docks, ramps, walkways, and boat garages. Applications for Construction Permits may be obtained from the park manager. Applications should be submitted at least thirty (30) days before the anticipated start of construction. No construction shall occur prior to issuance of a Construction Permit by the park manager.

 - 1.1 Plans.** Detailed plans are required for construction or reconstruction of float homes, docks, walkways, ramps and boat garages. Licensed architectural or detailed construction drawings will be required for major construction or reconstruction.
 - 1.2 Additions.** No requests for construction of additional stories for a float home or boat garage will be considered. No requests that result in expansion of the exterior dimensions of a float home or boat garage will be considered. No requests to construct living quarters within a boat garage will be considered.
 - 1.3 Ramps, Docks and Boat Garages.** No requests for construction of new boat garages will be considered. Existing boat garages may be retained so long as they are maintained in good condition. Ramps, docks, and boat garages may not extend beyond the boundaries of the float home moorage site. Docks will be maintained at the minimum length necessary for mooring of boats or other watercraft.
 - 1.4 Outbuildings.** No requests for construction of new outbuildings on adjacent upland property will be considered except as provided in section 2.5 of this Attachment C..
 - 1.5 Reconstruction.** In the event that a float home is destroyed, and Lessee does not reconstruct said Float Home, the Lessee is responsible for salvage, clean up, and restoration of the float home moorage site. Following restoration of the site, the Lessee will receive a pro-rata refund of the annual lease payment, calculated from the date of destruction.
 - 1.6 Time for Completion.** All exterior building construction is to be completed within twelve (12) months of the issuance of the construction permit.
 - 1.7 Unauthorized Improvements.** The construction, placement, or erection of any structures, improvements, or other alterations without the prior written consent of IDPR shall constitute a breach of this Lease. At its discretion, the Board may terminate the Lease or require removal of the structure, improvement, or alteration.
 - 1.8 Building Permits.** In addition to the Heyburn State Park Float Home Construction Permit, Lessee is responsible for obtaining all necessary state and local building permits before engaging in any construction or reconstruction.
- 2. Maintenance of Float Homes.** Lessee shall maintain float homes, boat garages, docks, ramps, and floating walkways to minimize fire and safety hazards, protect park resources, and to provide a natural, but managed appearance. Lessees must maintain float homes with sensitivity to the fact that their float homes are located in a public park with historical, cultural, and natural amenities which are valued by visitors and residents alike. Visual impacts of float homes must be minimized by the use of muted natural colors and maintenance of the float home in ways that minimize the intrusiveness of the structure.

 - 2.1 Roofing Material.** Any new or replacement roof shall be constructed of baked-on enamel metal. Baked-on enamel roofing should be of an earth-tone color, preferably dark brown or dark green. A palate of acceptable colors is available at the park office; other colors will require the prior written approval of IDPR.

- 2.2 Exterior Colors.** The exterior color of float homes, boat garages, and outbuildings should harmonize with the surrounding landscape. Strong contrasts between the trim and exterior color should be avoided. Earth-tones and forest colors which blend in with the surroundings are ideal. Browns, greens, whites and grays are recommended. A palate of acceptable colors is available at the park office; other colors will require the prior written approval of IDPR.
- 2.3 Satellite and TV Antennas.** Satellite antenna receiver dishes three (3) feet or less in diameter are permitted. To the extent possible, they should be located so as to minimize their visibility from public areas. Other external television aerial antennas are not permitted.
- 2.4 Buoyancy.** Float homes shall be maintained to ensure sufficient buoyancy to allow relocation of the float home to another moorage site should IDPR require relocation pursuant to the terms of this agreement. Float homes and docks must be maintained to keep all decking at least six inches above the water during normal use.
- 2.5 Upland Improvements.** Adjacent upland property will be left in its natural state; provided, that Lessee may have sewage and utility connections, including any utility service connections, meters, or other facilities on or above the shoreline of Hidden Lake, and one on-shore storage structure no larger than the following dimensions: eight feet wide by eight feet long by eight feet in height or less. Storage sheds shall have either natural wood siding or wooden siding stained in an earth-tone color consistent with the natural surroundings. Existing improvements that do not conform to the above dimensions must be removed by December 31, 2016 with the exception of on-shore gray-water holding tanks, which shall be removed within sixty (60) days of the completion of the trunk line connecting the float homes to the Heyburn State Park Central Sewage Treatment System. Lessee shall not remove vegetation, including trees, from uplands without the prior written consent of Lessor.
- 3. Moorage Site Conditions.** Float homes moorage sites shall be kept at all times in a clean and sanitary condition, free of trash, garbage, litter and unused or discarded household items. Firewood storage should be confined to one location, away from the float home. Roofs should be kept clear of all debris and needles on a regular basis to minimize fire hazard.

Lease Attachment D

FINANCIAL, PERMITTING, RELOCATION AND WASTEWATER COLLECTION SYSTEM CONSTRUCTION MILESTONES

<u>Completion Dates</u>	<u>Milestones</u>
5-1-14	<p>DRAFT SEWER PLAN DEVELOPED; IDAHO DEPARTMENT OF LANDS (IDL) PERMIT OBTAINED; PANHANDLE HEALTH DISTRICT (PHD) SEWER MANAGEMENT AGREEMENT AMENDED</p> <ul style="list-style-type: none"> ✓ Draft facility/connection plan developed. ✓ Amendment of Sewer Management Agreement with PHD <p>Note: Agreement requires float homes to be removed by 12-31-16 if not connected to central system.</p>
12-31-14	<p>NEW LEASE DEVELOPED AND SIGNED</p> <ul style="list-style-type: none"> ✓ Development and issuance of new lease addressing Board approved requirements and milestones. ✓ Signed leases returned to Heyburn State Park.
7-31-15	<p>FINANCIAL COMMITMENTS FOR SEWER DEVELOPMENT & IDL PERMIT REQUIREMENTS</p> <ul style="list-style-type: none"> ✓ Acquisition of DEQ grant, loan, or other financing to construct sewer connection. ✓ Proof of financial commitment/capability by Float Home Association to construct, operate, and maintain connection. <p>Note: IDAPA 58.01.12.101 requires applicant for water pollution control loan to demonstrate and certify "that it has the legal, technical, managerial, and financial capabilities as provided for in these rules to ensure construction, operation and maintenance, and to repay principal and interest which would be due on a loan."</p>
12-31-15	<p>SEWER PLAN FINALIZED; IDPR, DEQ, PHD APPROVED; PERMITS ACQUIRED</p> <ul style="list-style-type: none"> ✓ Final facility/connection plan with cost estimate completed. ✓ Approval of facility/connection plan by DEQ PHD and IDPR. ✓ All associated sewer system permits obtained.
12-31-16	<p>ALL CONSTRUCTION, FLOAT HOME RELOCATION/RE-FLOATATION, SHORELINE IMPROVEMENT REMOVALS COMPLETED</p> <ul style="list-style-type: none"> ✓ Construction of trunk line and float home connections. ✓ Relocation of float homes. ✓ Removal of all shoreline improvements other than electrical and utility service connections.
2017-2047	<p>ANNUAL PAYMENT OF LOAN PRINCIPAL AND INTEREST</p> <ul style="list-style-type: none"> ✓ After May 31, 2017, the Association must submit proof of annual payment of loan principal and interest to DEQ. Failure to make any annual payment shall be cause for termination of this Lease. Suspension or termination of loan contract by DEQ pursuant to IDAPA 58.01.12.080 will result in immediate termination of this Lease.

- 7-31-47 FUNDING REPAYMENT OR FORGIVENESS COMPLETED
- ✓ Proof of DEQ loan repayment and/or forgiveness.
 - ✓ Suspension or termination of loan contract by DEQ pursuant to IDAPA 58.01.12.080 will result in immediate termination of float home leases.

NOTES: The milestones are based upon conservative time frames but some processes, which are controlled by other entities, may require considering adjustments and Board approval.

Lease Attachment E
Float Home Reconfiguration Plan



Conditional Float Home Reconfiguration Plan: the three float homes identified in the area on the map will be relocated upon completion of the wastewater treatment system for the Heyburn Hidden Lake Float Homes. One float home will move to site A and the other two will move to one of the sites B – D as identified and determined to be the best location for the respective float home.

Standard Float Home Lease

Attachment E: Float Home Reconfiguration Plan

Signed Promissory Note

DEQ Loan #WW1504

**PROMISSORY NOTE
WASTEWATER FACILITY LOAN ACCOUNT**

This Promissory Note is executed in conformance with and pursuant to the Wastewater Loan Contract WW1504 entered into between the *Hidden Lake Float Home Association, Inc.* (Borrower) and the State of Idaho, Department of Environmental Quality (DEQ).

For value received, Borrower promises to pay to DEQ the principal amount of *nine hundred thirty-six thousand five hundred fifty two dollars and seventy-one cents* (\$936,552.71), plus interest on the unpaid balance at the rate of one and three-quarters percent (1.75%) per annum. The principal and interest of this note shall be repaid in accordance with the Loan Repayment Schedule, which is attached as Appendix A and hereby incorporated by reference. In addition, the Borrower pledges revenue and income of the Borrower's wastewater treatment facility, whether collected or uncollected, in an amount sufficient to repay all principal and interest. The Borrower pledges to establish and maintain a reserve account equal to *thirty nine thousand eight hundred seventy-eight dollars and eighteen cents* (\$39,878.18) of principal and interest. The reserve account will be fully funded within ten years from the date this note is signed with at least ten percent of the reserve account funded each year.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal. Refunds and extra payments, after payment of interest, will be applied to the installments last to become due under this note and shall not affect the obligation of the Borrower to pay the remaining installments as scheduled herein.

If DEQ at any time assigns this note and insures the payment thereof, the Borrower shall continue to make payments to DEQ as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall note in its records the occurrence of such assignment, together with the name and address of the assignee.

Any amount advanced or expended by DEQ for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in

Page Two
Promissory Note.

connection with the loan evidenced hereby, at the option of DEQ shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to DEQ without demand.

This note is given as evidence of a loan to Borrower made or insured by DEQ pursuant to IDAPA 58 Title 1, Chapter 12. This note shall be subject to the present regulations of DEQ and to its future regulations consistent with the express provisions hereof.

Presentment, protest and notice are hereby waived.

Loan payments shall be sent to:

Idaho Department of Environmental Quality
1410 North Hilton
Boise, Idaho 83706-1253

Dated this 27th day of March, 2018.

(SEAL)



ATTEST:

Kara L. Barnett
Signature of Attesting Official

Notary Public
Title of Attesting Official

Hidden Lake Float Home Assoc. Inc
Name of Borrower

David Kimberling
Signature of Borrower's Official

President
Title of Borrower's Official

1840 27th St Pl SW
P.O. Box or Street Address

Puyallup WA 98371
City, State, Zip Code

Attachment A

DATE 03-26-18 DEPT OF ENVIRONMENTAL QUALITY RUN 3-26-18 AT 11:30 PAGE 1
 AMORTIZATION SCHEDULE

 LOAN NUMBER: HIDDENLA NAME: HIDDEN LAKE FLOAT HOME WW1504
 PMT FREQ: 1 YEAR: Y
 ORIG-LOAN-DATE: 04-01-18
 NEXT-PMT-DATE: 07-01-18
 PMT-TYPE: B
 CUR-BALANCE: 936,552.71
 INTR RATE: 1.7500
 NO OF PMTS: 30
 PMT AMOUNT: 39,878.18

NO.	PMT-DATE	DAYS	AMOUNT	INTEREST	PRINCIPAL	BALANCE
101	07-01-18	91	39,878.18	4,086.19	35,791.99	900,760.72
		91	39,878.18	4,086.19	35,791.99	
102	07-01-19	365	39,878.18	15,763.31	24,114.87	876,645.85
		365	39,878.18	15,763.31	24,114.87	
103	07-01-20	366	39,878.18	15,383.33	24,494.85	852,151.00
		366	39,878.18	15,383.33	24,494.85	
104	07-01-21	365	39,878.18	14,912.64	24,965.54	827,185.46
		365	39,878.18	14,912.64	24,965.54	
105	07-01-22	365	39,878.18	14,475.75	25,402.43	801,783.03
		365	39,878.18	14,475.75	25,402.43	
106	07-01-23	365	39,878.18	14,031.20	25,846.98	775,936.05
		365	39,878.18	14,031.20	25,846.98	
107	07-01-24	366	39,878.18	13,616.08	26,262.10	749,673.95
		366	39,878.18	13,616.08	26,262.10	
108	07-01-25	365	39,878.18	13,119.29	26,758.89	722,915.06
		365	39,878.18	13,119.29	26,758.89	
109	07-01-26	365	39,878.18	12,651.01	27,227.17	695,687.89
		365	39,878.18	12,651.01	27,227.17	
110	07-01-27	365	39,878.18	12,174.54	27,703.64	667,984.25
		365	39,878.18	12,174.54	27,703.64	
111	07-01-28	366	39,878.18	11,721.75	28,156.43	639,827.82
		366	39,878.18	11,721.75	28,156.43	

NO.	PMT-DATE	DAYS	AMOUNT	INTEREST	PRINCIPAL	BALANCE
026	07-01-43	365	39,878.18	3,313.25	36,564.93	152,763.70
		365	39,878.18	3,313.25	36,564.93	
027	07-01-44	366	39,878.18	2,680.69	37,197.49	115,566.21
		366	39,878.18	2,680.69	37,197.49	
028	07-01-45	365	39,878.18	2,022.41	37,855.77	77,710.44
		365	39,878.18	2,022.41	37,855.77	
029	07-01-46	365	39,878.18	1,359.93	38,518.25	39,192.19
		365	39,878.18	1,359.93	38,518.25	
330	07-01-47	365	39,878.05	685.86	39,192.19	
		365	39,878.05	685.86	39,192.19	
		683	1,196,345.27	259,792.56	936,552.71	

DEQ Loan Ledger

1,041,777
X.874013
910,526.64

From 07/01/2005 to 03/26/2018

Loan#	Cust#	Customer Name	Original Loan Amount	Int Paid To Date	Current Balance	Int Rate	Maturity Date	Loan Officer	Class	Type		
WW1504	1033	HIDDEN LAKE FLOAT HOME ASSOC	1,200,000.00	06/21/2017	910,527.00	1.7500	04/29/2045	C02	CL	DISB		
Trans#	Entred	TC	As Of Date	Description	Principal	Interest	Prior Balance	Days	Rate	Pmt Short	Unapplied	Accrued Int
00006545	10/27/2015	D	10/27/2015	#1-2 017974885	26,240.00	0.00	0.00	161	3.0000	0.00	0.00	0.00
00006550	10/27/2015	M	10/27/2015	MARK-DOWN TRANSACTION	-2,189.00	0.00	26,240.00	0	3.0000	0.00	0.00	0.00
00006643	12/03/2015	D	12/03/2015	#3A 018017596	8,179.00	0.00	24,051.00	37	3.0000	0.00	0.00	73.14
00006645	12/03/2015	D	12/03/2015	#3B 018017596	37,549.00	0.00	30,230.00	0	3.0000	0.00	0.00	0.00
00006649	12/03/2015	M	12/03/2015	MARK-DOWN TRANSACTION	-3,648.00	0.00	67,779.00	0	3.0000	0.00	0.00	0.00
00006731	01/04/2016	D	01/04/2016	#4 018048833	8,121.00	0.00	64,131.00	32	3.0000	0.00	0.00	168.67
00006740	01/04/2016	M	01/04/2016	MARK-DOWN TRANSACTION	-878.00	0.00	72,252.00	0	3.0000	0.00	0.00	0.00
00006850	03/17/2016	D	03/17/2016	#5-6 018294714	11,688.00	0.00	71,574.00	73	3.0000	0.00	0.00	429.44
00006858	03/17/2016	M	03/17/2016	MARK-DOWN TRANSACTION	-975.00	0.00	83,262.00	0	3.0000	0.00	0.00	0.00
00006969	04/29/2016	D	04/29/2016	#7-8 018477085	8,424.00	0.00	82,287.00	43	3.0000	0.00	0.00	290.82
00006970	04/29/2016	M	04/29/2016	MARK-DOWN TRANSACTION	-703.00	0.00	90,711.00	0	3.0000	0.00	0.00	0.00
00007093	06/17/2016	D	06/17/2016	#9-10 018615837	75,924.00	0.00	90,008.00	49	3.0000	0.00	0.00	382.50
00007097	06/17/2016	M	06/17/2016	MARK-DOWN TRANSACTION	-8,335.00	0.00	166,932.00	0	3.0000	0.00	0.00	0.00
00007192	08/04/2016	D	08/04/2016	#11 018666702	178,064.00	0.00	159,597.00	48	3.0000	0.00	0.00	629.64
00007198	08/04/2016	M	08/04/2016	MARK-DOWN TRANSACTION	-14,857.00	0.00	337,661.00	0	3.0000	0.00	0.00	0.00
00007245	09/14/2016	D	09/14/2016	#12 018707952	346,197.00	0.00	322,804.00	41	1.7500	0.00	0.00	634.52
00007246	09/14/2016	M	09/14/2016	MARK-DOWN TRANSACTION	-58,603.00	0.00	669,001.00	0	1.7500	0.00	0.00	0.00
00007338	11/08/2016	D	11/08/2016	#13-14 018789648	244,180.00	0.00	610,398.00	55	1.7500	0.00	0.00	1,609.61
00007342	11/08/2016	M	11/08/2016	MARK-DOWN TRANSACTION	-30,763.00	0.00	854,578.00	0	1.7500	0.00	0.00	0.00
00007373	11/28/2016	D	11/28/2016	#15 018788751	6,412.00	0.00	823,815.00	20	1.7500	0.00	0.00	789.96
00007375	11/28/2016	M	11/28/2016	MARK-DOWN TRANSACTION	-806.00	0.00	830,227.00	0	1.7500	0.00	0.00	0.00
00007583	02/14/2017	D	02/14/2017	#16 018882522	20,881.00	0.00	829,419.00	78	1.7500	0.00	0.00	3,101.80

Monday, March 26, 2018

Page 1 of 2

Trans#	Entred	TC	As Of Date	Description	Principal	Interest	Prior Balance	Days	Rate	Pmt Short	Unapplied	Accrued Int	
00007568	02/14/2017	M	02/14/2017	MARK-DOWN TRANSACTION	-2,631.00	0.00	850,300.00	0	1.7500	0.00	0.00	0.00	
00007780	06/21/2017	D	06/21/2017	#17-19 019408504	66,375.00	0.00	847,669.00	127	1.7500	0.00	0.00	5,161.49	
00007782	06/21/2017	M	06/21/2017	MARK-DOWN TRANSACTION	-8,362.00	0.00	914,044.00	0	1.7500	0.00	0.00	0.00	
00008089	12/19/2017	D	12/19/2017	#20 019607488	5,543.00	0.00	905,682.00	181	1.7500	0.00	0.00	7,859.58	
00008098	12/19/2017	M	06/21/2017	MARK-DOWN TRANSACTION	-698.00	0.00	911,225.00	0	1.7500	0.00	0.00	0.00	
Total Disbursements					1,041,777.00	0.00						21,111.20	
Total Payments					0.00	0.00							21,111.20
Total Capitalized Interest					0.00	0.00							0.00
Total Forgiven					-131,250.00	0.00							0.00

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Engagement Letter

Professional Services And Consulting Agreement
Idaho Department of Parks and Recreation - State of Idaho

Agreement Title: HEYBURN STATE PARK RECREATIONAL RESIDENCE SITE APPRAISAL

This Agreement ("Agreement") is between the Idaho Department of Parks and Recreation (the "Agency"), whose address is 5657 Warm Springs Avenue, Boise, Idaho 83716 and Valbridge Property Advisors (the "Contractor"), whose address is 1875 N. Lakewood Drive, suite 100, Coeur d'Alene, Idaho, 83814, for the services described in this Agreement. The Contractor agrees to undertake performance of this Agreement under the terms and conditions set forth herein. The Agency and the Contractor, in consideration of the mutual covenants and conditions contained herein, agree as follows:

1 AUTHORITY

Pursuant to Idaho Code, Section 67-9221, the director of the department of administration and the administrator may approve noncompetitive acquisitions. Pursuant to IDAPA 38.05.01.044.07, state agencies may acquire professional services in the open market under certain conditions. The Agency has determined that this Agreement meets those conditions.

2 TERM OF AGREEMENT

This Agreement shall commence upon signature and expire on June 1, 2019 unless extended, in writing, by the parties or unless terminated earlier in accordance with this Agreement.

3 CONTRACTOR RESPONSIBILITIES

The Contractor shall perform services and provide deliverables as described in **Attachment A**, incorporated herein by reference. This Agreement shall have no force or effect until Attachment A is finalized, signed by the parties and attached to this Agreement. Services shall be performed at the Contractor's place of business and, as necessary, at the Agency's offices. Project status meetings will be held weekly or bi-monthly, upon reasonable notice and request of the Agency, at IDPR North Region Service Center, 2885 W. Kathleen Ave., Suite 1, Coeur d'Alene, Idaho to review the progress of the work.

The Contractor shall be required to assume responsibility for production and delivery of all material and services detailed in Attachment A, whether or not the Contractor is the manufacturer or producer of them. Further, the Contractor will be the sole point of contact on contractual matters, including payment of charges resulting from the use or purchase of items selected.

The Contractor warrants that its services under this Agreement shall be performed in a professional manner and shall be of a high grade, nature and quality. In event of nonconformity, and without limitation upon any other remedy, the Agency shall have no financial obligation in regard to the nonconforming goods or services. This right is not to the exclusion of any other right that the Agency has in law or equity. Without limiting the foregoing, the Contractor recognizes its obligation to work with the Agency to correct any errors discovered after delivery and installation and the start of the warranty period.

The Contractor represents and warrants that it has the necessary and requisite skill to perform the work required under this Agreement and that the personnel assigned by the Contractor to perform any such work will be qualified to perform the assigned duties.

It will be the responsibility of the Contractor to fully comply with the State of Idaho law regarding

the minimum wage law for residents hired to help on projects and jobs in Idaho.

4 TAXES

The State of Idaho and the Agency are generally exempt from payment of Idaho State Sales and Use Tax for property purchased for its use under the authority of Idaho Code, Section 63-3622 as a government instrumentality. In addition, the State of Idaho and the Agency are generally exempt from payment of Federal Excise Tax under a permanent authority from the district Director of the Internal Revenue Service. Exemption certificates will be furnished upon written request by the Contractor. If the Contractor is required to pay any taxes incurred as a result of doing business with the State of Idaho, it shall be solely responsible for the payment of those taxes. If the Contractor is performing public works construction (installation of fixtures, etc.), it shall be responsible for payment of all sales and use taxes as required.

5 PAYMENT

Payment by the Agency and its obligations under this Agreement are conditioned upon and subject to the continued availability of state funds. The Agency shall pay the Contractor in amounts as detailed in Attachment B, incorporated herein by reference.

Invoicing

5.1 Payment for services rendered shall be made upon acceptance of the work/required deliverables by the Agency and submission of a signed itemized invoice to the Agency. The Agreement number and/or purchase order numbers must be shown on all invoices. Invoices must specify the dates that services were performed, the nature of the work done on each date, and the number of hours worked on each date.

5.2 Billing must be done on a monthly basis or when the services are completed, whichever is sooner. If the Agency disputes any invoiced amount, it shall notify the Contractor in writing within five (5) business days. The Agency will process payments of any amounts not in dispute, in accordance with Idaho Code 67-9218.

5.3 Invoices are to be sent directly to: Idaho Department of Parks and Recreation, 2885 W. Kathleen Ave., Suite 1, Coeur d'Alene, Idaho 83815. Alternative invoicing arrangements must be mutually agreed upon in writing and specified in **Attachment B**. The Contractor understands that, while the Agency will use its best efforts to secure prompt payment of invoices, as a state agency, the Agency may not make direct payment under this Agreement, but must submit the invoices to the State Controller's Office for payment. Any late payments shall be governed by Idaho Code Section 67-2302.

6 OWNERSHIP

All information furnished to the Contractor for its use pursuant to this Agreement shall belong to the Agency and shall be returned to the Agency in good order upon completion of the Agreement or upon the Agency's request. All documents, reports, and any other data developed by the Contractor for the Agency in the performance of this Agreement shall become the property of the Agency. The Agency shall retain exclusive rights of ownership to all work produced by the Contractor under this Agreement.

7 RELATION OF PARTIES

The service or services to be rendered under this Agreement are those of an independent contractor. The Agency is interested only in the quality of service or services provided and the final results to be achieved; the conduct and control of the work will be solely with the Contractor. The Contractor is not an officer, employee, or agent of the Agency as those terms

are used in Idaho Code § 6-902, et al, and is not entitled to any benefits provided by the Agency to employees.

8 TIME OF PERFORMANCE

Time is of the essence to this Agreement; therefore, all times for performance stated herein will be strictly followed by the parties.

9 SAVE HARMLESS

The Contractor shall exonerate, indemnify, and hold the Agency harmless from and against and assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, workman's compensation, and income tax laws with respect to the Contractor or the Contractor's employees engaged in the performance of this Agreement. If requested by the Agency, the Contractor will provide either a certificate of workers' compensation insurance issued by a surety licensed to write workers' compensation insurance in the State of Idaho, as evidence that the contractor has in effect a current Idaho workers' compensation insurance policy, or an extraterritorial certificate approved by the Idaho Industrial Commission from a state that has a current reciprocity agreement with the Industrial Commission, or proof that the Contractor is exempt from the workers' compensation requirement. Failure to provide a Certificate of Workman's Compensation Insurance upon request may result in termination of this Agreement. The Agency will not assume liability as an employer.

The Contractor shall maintain insurance of the types and in the amounts typically maintained by professionals of the same type as the Independent Contractor, including, but not limited to, comprehensive general liability insurance in the minimum amount of \$1,000,000 per occurrence, and professional liability insurance, all with insurance companies properly licensed to do business in Idaho and reasonably satisfactory to the Client.

The Contractor shall protect, indemnify, and save the Agency harmless from and against any damage, cost, or liability including reasonable attorney's fees for any or all injuries to persons, property or claims for damages arising from any acts or omissions of the Contractor, its employees, or subcontractors.

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the Agency be in any way personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Agreement.

10 ASSIGNMENTS

This Agreement or any interest therein shall not be transferred by the Contractor without prior written permission of the Agency.

11 DEFAULT AND TERMINATION

11.1 For Cause:

Contractor default occurs if the Contractor fails to perform any of the covenants or conditions of this Agreement or the Contractor fails to prosecute the work so as to endanger performance of this Agreement, and the Contractor does not cure such defects in performance within ten (10) business days after receipt of written notice from the Agency informing it of such defects in performance. If at the end of such cure period, the Contractor is still in default or noncompliance, then the Agency may terminate this Agreement. Upon such termination, the Agency may pursue any and all legal, equitable and other remedies

available to the Agency. The Contractor shall be liable for any and all expenses that are incurred by the Agency as a result of the default, including, but not limited to, the costs of procuring substitute performance, legal fees, and losses incurred due to default.

11.2 For Convenience:

The Agency may terminate this Agreement for its convenience at any time upon 10 business days written notice to Contractor, and, upon such termination, the Agency's sole obligation shall be to pay for services satisfactorily rendered to the date of such termination.

Notwithstanding any other provision in this Agreement, the Agency may terminate this Agreement immediately if the Contractor becomes insolvent or voluntarily or involuntarily bankrupt, or if a receiver or other liquidating officer is appointed for substantially all of the business of the Contractor or if the Contractor makes an assignment for the benefit of creditors.

12 ANTI-DISCRIMINATION CLAUSE

Acceptance of this Agreement binds the Contractor to Section 601, Title VI, Civil Rights Act of 1964: In that "No person in the United States shall, on the grounds of race, color, national origin, sex, or age, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance." In addition, "No otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

13 GOVERNING LAW

This Agreement shall be governed by the laws of the State of Idaho. The venue of any action brought by any party to this Agreement shall be the Fourth District Court in and for the County of Ada.

14 NO PENALTY

It is understood and agreed by the parties that the Agency is a governmental entity and that this Agreement shall in no way bind or obligate the State of Idaho beyond the terms of any particular appropriation of funds by the state or federal legislature, as may exist from time to time.

15 NONWAIVER OF BREACH

The failure of the Contractor or the Agency to insist upon strict performance of any of the covenants and conditions of this Agreement or to exercise any option herein conferred in any one or all instances shall not be construed to be a waiver or relinquishment of any such covenant or condition but the same shall be and remain in full force and effect unless such waiver is evidenced by prior written consent of the Contractor or the Agency.

16 DUPLICATE ORIGINALS

This Agreement may be executed in duplicate originals. Each of the two agreements with an original signature of each party shall constitute one original.

17 GENERAL PROVISIONS

17.1 Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement or interruption of service resulting from Acts of God, civil or military authority, acts of war, riots, or insurrections.

17.2 This Agreement, with **Attachments A** and **B** attached hereto, constitutes the entire Agreement between the parties with respect to the subject matter hereof and shall supersede

all previous proposals, both oral and written, negotiations, representations, commitments, and all other communications between the parties. This Agreement may not be released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

Unless otherwise stated above, this Agreement is effective on the date of last signature:

Contractor's Legal Name <i>Vicki K. Mundlin</i>	
Contractor's Authorized Representative's Printed Name <i>Vicki K. Mundlin</i>	Title <i>Senior Managing Director</i>
Signature <i>Vicki K. Mundlin</i>	Date <i>1-8-19</i>
Agency Administrator/Director Printed Name <i>DAVID E. WHITE, IDPR NORTH REGION MANAGER</i>	
Signature <i>David E. White</i>	Date <i>1-17-19</i>

Attachment A**Scope of Work and Delivery Schedule****SCOPE OF SERVICES**

1. Research, investigate and analyze pertinent comparative sales data;
 - a. Confirm sales data as reasonably available;
 - b. Physically inspect sales;
 - c. Photograph lots.
2. View all 166 recreational residence lease sites and make appropriate notes regarding unusual parcels.
3. Utilize the Site Comparison Factors following schedule or "grid", provided on the following page, to assess each site as applicable. The "grid" is to better allow IDPR to assess administrative challenges to valuations, and is not intended to direct appraisal adjustments. The appraiser is to exercise his or her judgment as to which, if any, site factors require adjustments to be made to fair market value.
4. Physically inspect each recreational residence site to classify each site
5. Assign rating/value estimate of fair market value for each site
6. Prepare a complete appraisal report in summary format listing each site by parcel number, lessee, address, legal description and valuation
7. Prepare a summary appraisal report outlining the method(s) used to determine/estimate site values; to include any charts, graphs or grids
8. Submit a bill to IDPR based on report completion, hourly work completed and/or progress payments (with a not-to-exceed limit)
9. Forward completed report to IDPR on or before March 17, 2019
10. If required, be present to explain appraisal to Park Board in May 2019 and be available to respond to leaseholder committee questions at designated meetings.

SITE COMPARISON FACTORS		
Typical:	Primary	\$ _____
Value:	Secondary	\$ _____
Access:	Paved Road	0%
	Dirt Road	0%
Parking:	Limited	-5%
	Yes	0%
Terrain:	Very Steep	-10%
	Steep	-5%
	Moderate	0%
	Gentle	5%
Timber:	Yes	0%
Size:	Small	-10%
	Typical	0%
	Large	10%
Primary Lot View	No	0%
	Typical	0%
	Good	5%
	Very Good	10%
Secondary Lot View	No	0%
	Yes	5%
Adjacent Land:	Pvt. Lot	0%
	Park lot	5%
	Park	10%

APPRAISER'S QUALIFICATIONS

The appraisal will be completed by a state certified general real estate appraiser.

The appraiser must have experience in appraising recreational residential property.

APPRAISAL INSTRUCTIONS

I. APPRAISAL STANDARDS – GENERAL PROVISIONS

The appraisal shall conform to the Uniform Standards of Professional Appraisal Practice (USPAP) and comply with the requirements of the appraisal contract. The appraiser shall be a state certified general real estate appraiser with considerable experience appraising recreational home site properties. Any departure or deviation from USPAP or from the requirements of this contract shall be by prior written approval from the state contract supervisor.

II. APPRAISAL REPORT – GENERAL PROVISIONS

The appraisal report shall be a summary appraisal report, as described in the USPAP. Minimum content requirements for the summary appraisal are discussed below and further summarized in Attachment 1.

III. PROPERTY DESCRIPTION

There are 166 recreational residence sites within Heyburn State Park as identified in the attached maps (see Attachment 2). There are 143 land sites and 23 float home sites. All sites have telephone, central garbage service and electricity available. All land sites are served with roads and streetlights and are connected to the Park's community water system and centralized sewer system. The land sites pay a fee for the streetlights, water access, trash collection, and sewer system. Float home sites are connected to the centralized sewer system but have only indirect access to the Park's water system. Float home sites pay fees for trash collection, sewer system, and a modified water access fee to cover indirect use. Access to the float home sites is by footpath or boat only.

The land sites are divided into two categories based upon proximity to the shoreline. Primary sites are located adjacent to the shoreline. Secondary sites have lake views, although some are screened or blocked. The beach front is reserved as public use; therefore, the waterfront lessee cannot establish buildings within 50 feet of the water. The lakeshore area adjacent to each of the recreational residence sites in Hidden Lake (float home sites) is considered part of the recreational residence site but is also available for public use.

Number	Type	Utilities/Amenities Available
23	Float Home	Electricity, telephone, central garbage, central parking, footpath, sewer system, and indirect access to Park water system. Electrical, telephone, and sewer lines were extended to Hidden Lake at float home owners' expense.

56	Primary	Electricity, telephone, streetlights, central garbage, park sewer and water system, roads
87	Secondary	Electricity, telephone, streetlights, central garbage, park sewer and water system, roads

IV. PURPOSE, INTENDED USER AND INTENDED USE OF APPRAISAL

The purpose of the appraisal is to establish a fair market value of the lease sites as if they were owned in fee title. The intended user of the appraisal is IDPR. IDPR will use the fair market value of each site as the basis for determining annual rent, which, by agreement, is fixed as a percentage of fair market value. Appraisals may be shared with lessees, who are given the opportunity to appeal appraisal results – appeals are handled by IDPR staff and the appraiser is not expected to participate in such appeals. IDPR causes appraisals to be conducted every five years to establish a base site value; between appraisals the Consumer Price Index (CPI) is used to adjust the annual rent

V. PROPERTY RIGHTS TO BE APPRAISED, VALUES TO BE REPORTED

The appraiser shall estimate the fee simple market value of the site as if it were vacant and unimproved, based on the highest and best use, and subject to any outstanding rights and reservations of record. This is a hypothetical condition. Vacant and unimproved is not the same as "natural state." For upland recreational residence sites, the following definition of "vacant and unimproved" will be used:

A vacant and unimproved lot is land that has been defined and designated administratively for a single recreational residence, but is neither surveyed nor platted, with electrical, water, and sewer service available to the lot line, and with legal and physical access.

For float home sites, the following definition of "vacant and unimproved" will be used.

A vacant and unimproved float home site is a length of shoreline and corresponding adjacent surface water that has state authorization for placement of a single recreational float home residence and associated boat garage, but is neither surveyed nor platted, and with walk-in or boat-in access.

Recreational residences are subject to lease provisions that restrict use to no more than six months in any twelve consecutive months or 185 days in any 365 day cycle. Leases also limit home construction to no more than 1,000 square feet of living space, including enclosed porches. Such lease restrictions are not to be taken into account in the appraisal valuations, because they are accounted for in the lease rate set by the Idaho Park and Recreation Board.

No title report shall be necessary for the appraisal. The appraiser shall be provided with maps of the recreational residence and float home sites as shown by the records of the IDPR. Lessee owned improvements are not to be included in the value conclusion and the appraiser must research, and when applicable, adjust the sales in order to reach a value conclusion for the fee simple interest as if vacant and unimproved.

Appraisal Problem: The client and property owner is the State of Idaho, under the

management and oversight of the IDPR. The valuation problem is to estimate the fair market value of each site as if vacant and unimproved.

VI. DEFINITION OF VALUE TO BE SOUGHT

Market value is defined in the Financial Institutions Reform, Recover and Enforcement Act of 1989 (FIRREA), as well as the USPAP.

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. Other definitions used in the appraisal shall be derived from *The Dictionary of Real Estate Appraisal* (6th ed. 2015).

VII. SCOPE OF WORK; DESCRIPTION OF SERVICES; AND DATA TO BE PROVIDED

1. The appraiser shall make a detailed field inspection and identification of the properties and shall make such investigations and studies as are appropriate and necessary to enable the appraiser to derive sound conclusions and to prepare an appraisal report to be furnished under this agreement. The appraiser shall personally inspect each subject property and each property used as a sales comparison and perform the analyses and prepare the conclusions in the report.
2. Upon completion of the property inspections, data collection and analyses, the appraiser shall prepare and furnish three (3) copies of the preliminary appraisal report, (and final report after review) to IDPR. The report shall, in form and substance, conform to recognized appraisal principles and practices applicable to determine value; shall present adequate and factual data to support rates and amounts used in the appraisal report; and relate conclusions to those facts. A public meeting with the lessees', Park Board, or both may be necessary to discuss the results of the appraisal.
3. The appraisal report shall include, but not be limited to, the items outlined in Attachment 1 (Appraisal Report) attached hereto. The report must be sufficiently descriptive to enable a reader to ascertain the estimated market value of the subject sites in accordance with these instructions.

4. The contract supervisor will provide access to the appraiser to inspect the parcels in question upon arrangements.

VIII. REVIEW AND PAYMENT

Payment of the agreed amount as set forth in the contract will be made after receipt of the completed appraisal reports and upon satisfactory review by the IDPR's designated representatives. The report (s) shall be mailed to 2885 W. Kathleen Avenue, Suite 1, Coeur d'Alene, ID 83815.

IX. PERFORMANCE TIME AND DELIVERY DATE

Work may commence once the contractor has received a signed copy of the contract and has had a pre-work conference with the contract supervisor. The contractor will be provided until March 17, 2019 for completion of the assignment and delivery of the reports.

X. LIQUIDATED DAMAGES FOR LATE DELIVERY

Delivery after the above-stated deadline will result in increased administrative costs for IDPR. As liquidated damages for the suffered increase in administrative costs, the amount due to contractor will be reduced by one percent (1%) or \$100/per day (whichever is greater) for each day the report is beyond the deadline.

XI. ATTACHMENTS

1. Appraisal Report Outline
2. Recreation Residence Site Lease Maps

Attachment 1:

APPRAISAL REPORT OUTLINE

Appraisal preparation, documentation and reporting shall be in conformity with the USPAP.

The Summary Appraisal Report is not limited to, but will include the following:

Identify and describe the real estate being appraised;

State the real property interest being appraised;

State the purpose and intended use of the appraisal;

Define the value to be estimated;

Summarize the extent of the process of collecting, confirming and reporting data;

State all assumptions and limiting conditions that affect the analyses, opinions and conclusions;

Summarize the information considered, the appraisal procedures followed and the reasoning that supports the analyses, opinions and conclusions;

Explain and support the exclusion of any of the usual valuation approaches;

Summarize any additional information that may be appropriate to show compliance with or clearly identify and explain permitted departures from the requirements of Standard 1;

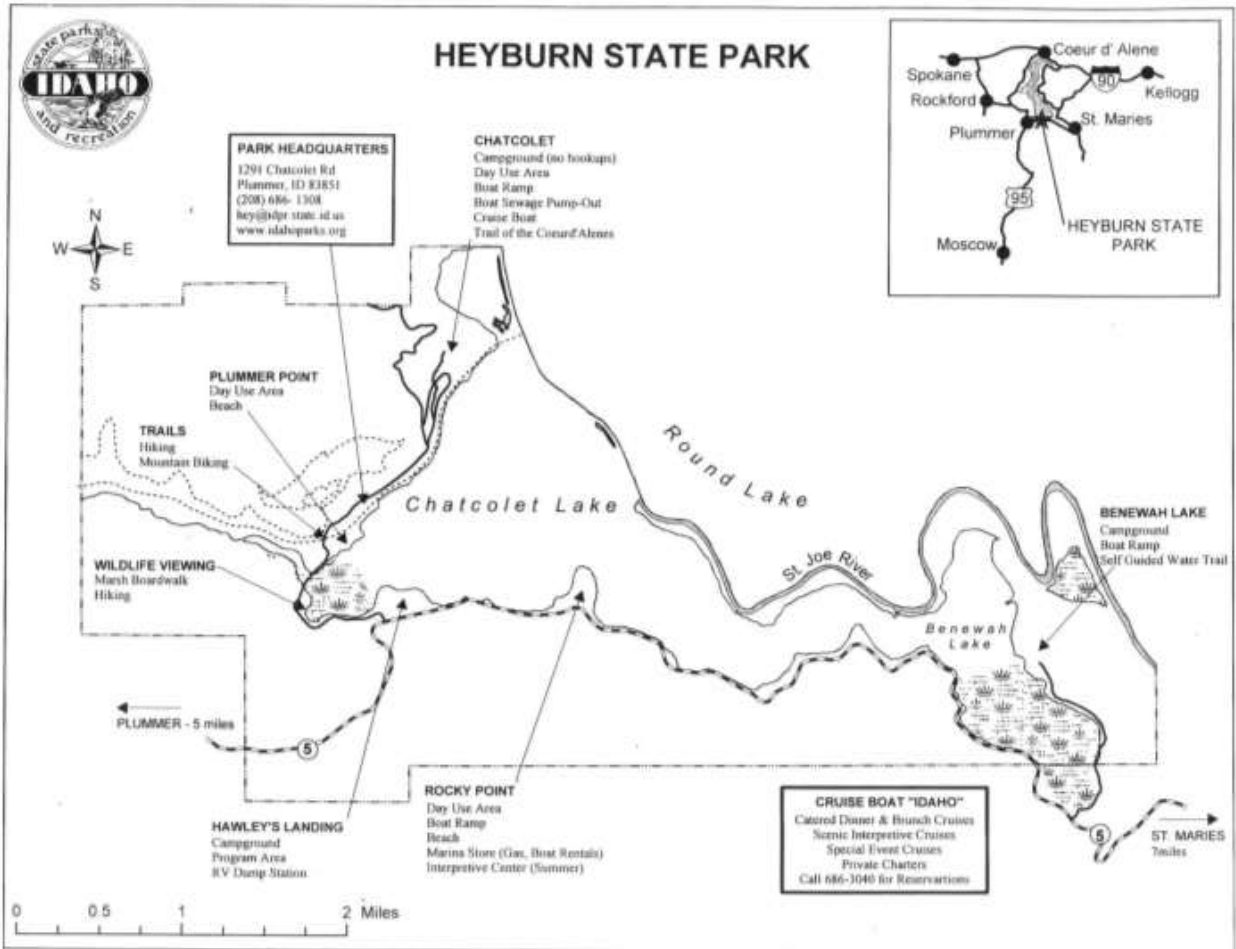
Include a signed certification in accordance with Standards Rule 2-3

Attachment 2:

RECREATION RESIDENCE SITE LEASE MAPS

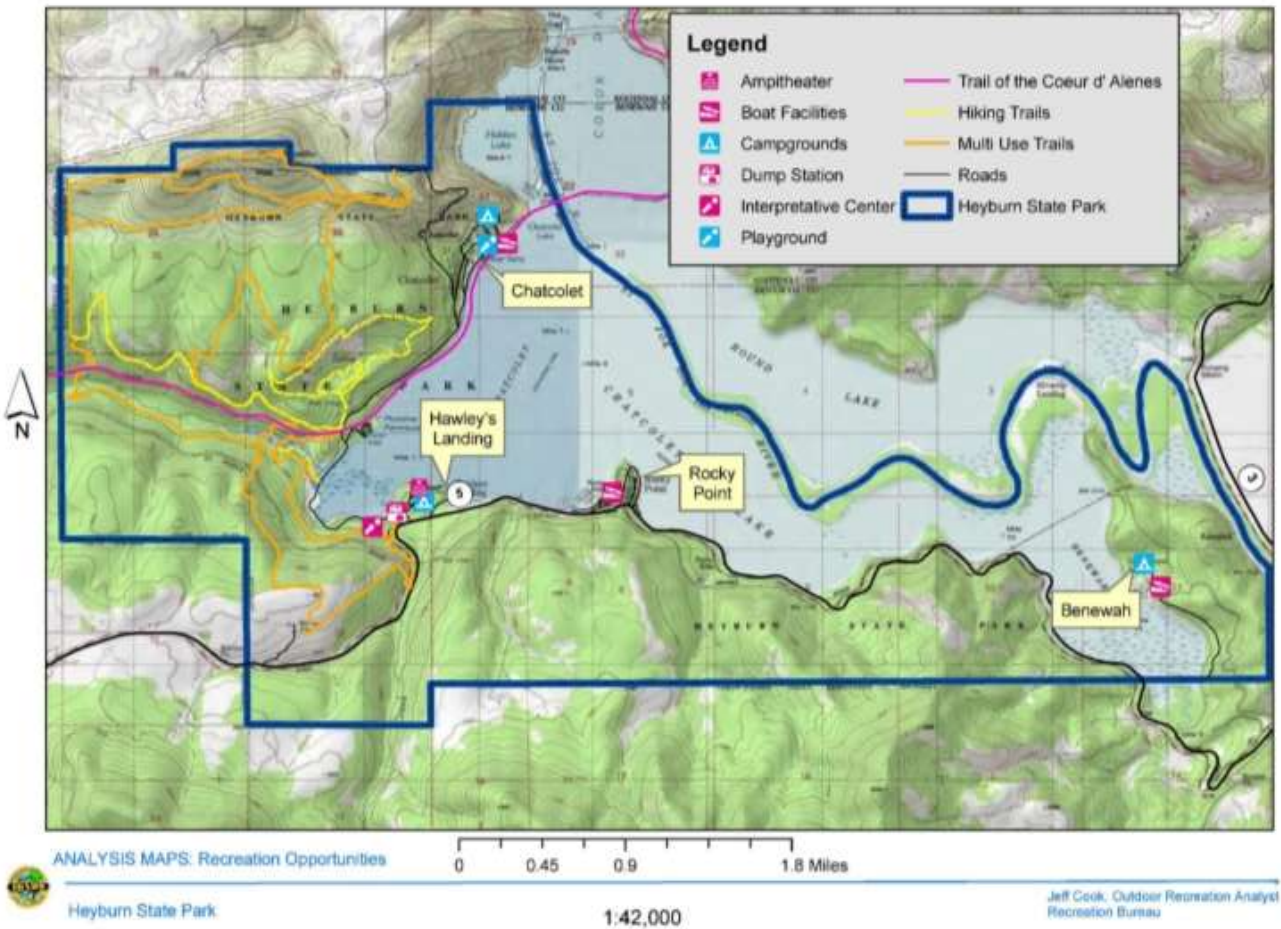
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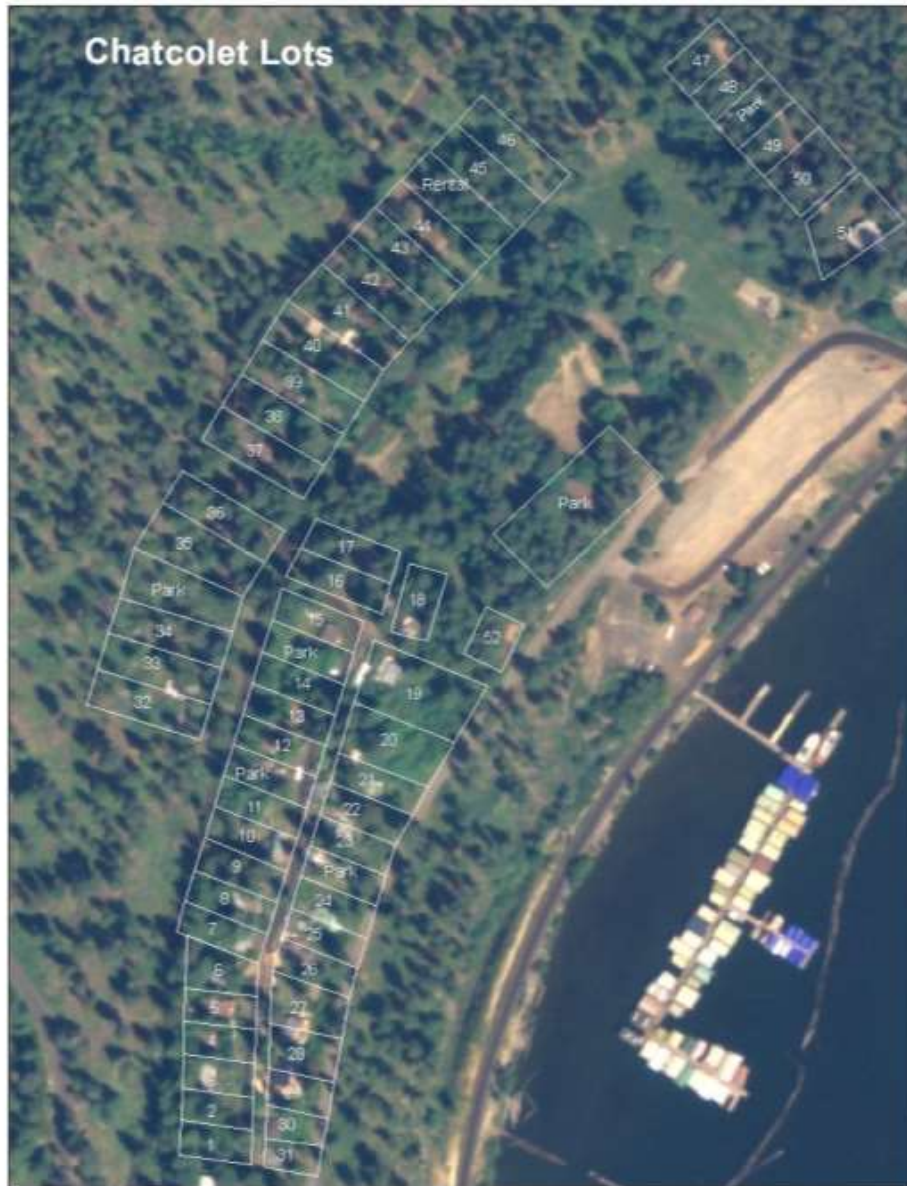
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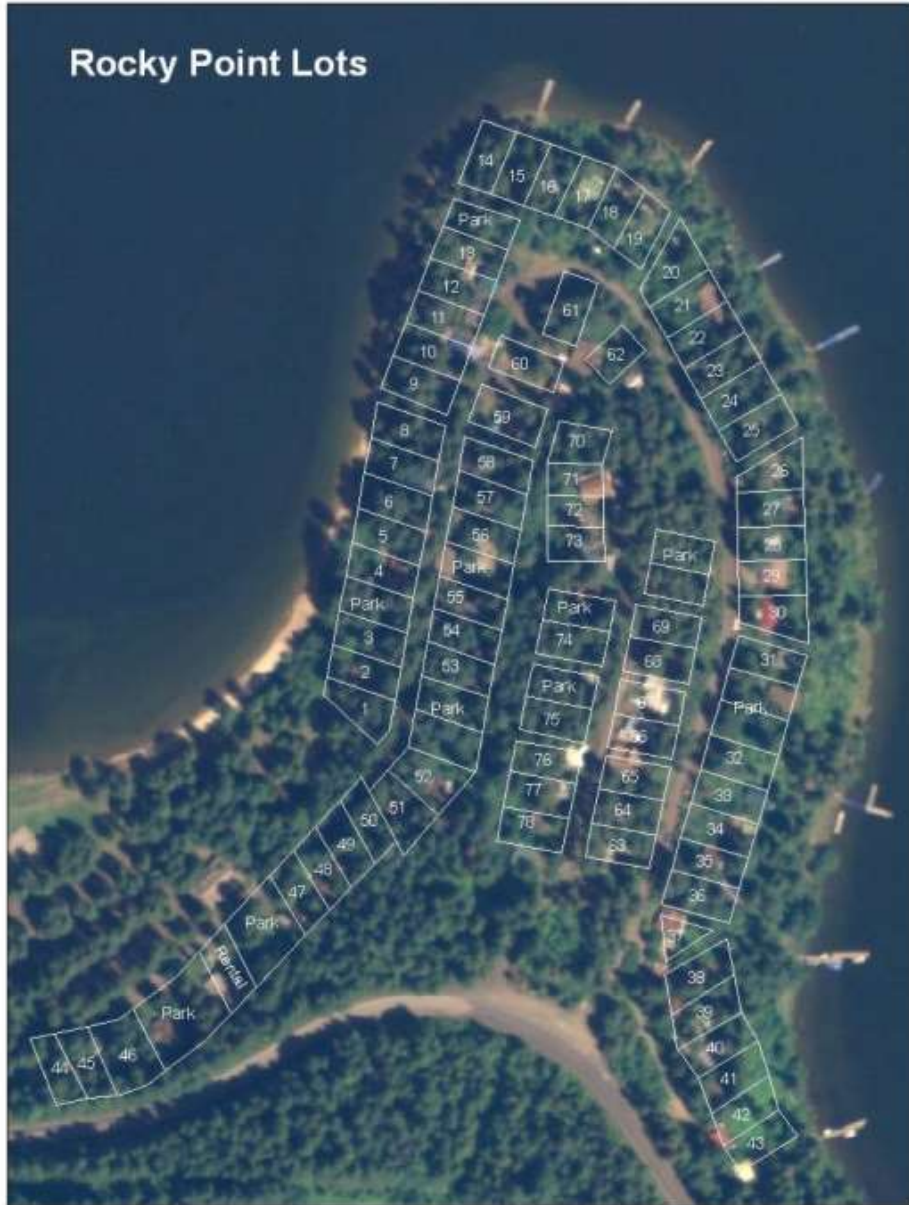
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Attachment B
Cost and Billing Procedure

The appraiser's contract pricing shall be invoiced upon completion of the appraisal, and thereafter monthly for any additional work required by IDPR and shall not exceed:

1. Appraisal: \$12,000.00

Contract price includes all travel, per diem, lodging. No additional reimbursement shall be invoiced.

2. Required Hourly Work:

Appraisal Analysis (including travel time).....	\$225/hour
Research Assistant	\$90/hour
Additional Analysis and Consulting Services (including travel time)	\$225/hour
Deposition Preparation (including travel time).....	\$225/hour
Deposition Testimony	\$295/hour (\$700 minimum)
Court/Trial Testimony including waiting (travel at \$115/hr.) ..	\$350/hour (\$700 minimum)

Associated travel outside of the Spokane/Coeur d' Alene metro area billed at actual cost, or IRS recognized rate, as applicable.

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage*

ratio (DSCR). A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
- 2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

- 1) The date on which the appraisal or review opinion applies. (SVP)
- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

- 1) The time a property remains on the market.
- 2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in

aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

- 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
- 2) Gross leasable area plus all common areas.
- 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

- 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.

- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value (In Federally Regulated Transaction)

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;

- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

Market Value (UASFLA)

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property.³

Fair Market Value as defined in Washington State Courts

Fair market value means the amount in cash that a well-informed buyer, willing but not obligated to buy the property, would pay, and that a well-informed seller, willing but not obligated to sell it, would accept, taking into consideration all uses to which the property is adapted or may be reasonably adaptable.⁴

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

² Board of Governors of the Federal Reserve System (FRS), 12 CFR Part 225; Federal Deposit Insurance Corporation (FDIC), 12 CFR Part 323; National Credit Union Administration (NCUA), 12 CFR Part 722; Office of the Comptroller of the Currency (OCC), 12 CFR 34.42(g); Office of Thrift Supervision (OTS), 12 CFR 564.2(f); and the Resolution Trust Corporation (RTC), 12 CFR Part 1608. Washington, DC: Federal

Register, Vol. 55, No. 251, pages 536110-536118; Monday, December 31, 1990. (Technical corrections published at 56 FR 1229 do not affect this definition.)

³ Uniform Appraisal Standards for Federal Land Acquisitions-2016, Sixth Edition, Section 1.2.4, Page 10

⁴ Source: Washington Pattern Jury Instruction Civ. WPI 150.08 (6th ed.)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation

project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior,

or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance,

building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary) (The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

Qualifications of Vicki K. Mundlin, MAI
Senior Managing Director
Valbridge Property Advisors | Inland Pacific Northwest

Independent Valuations for a Variable World

State Certifications

State of Washington
State of Idaho
State of Montana

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Member: Appraisal Institute – MAI Designation
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Member: Coeur d'Alene Traders Club
Member: Coeur d'Alene Chamber of Commerce
Member: Spokane Home Builders Association

Appraisal Institute & Related Courses:

Appraisal Institute Courses:
Review Theory - 2018
Uniform Standards of Professional Practice – 2016, 2018
Subdivision Valuation – 2016
Uniform Appraisal Standards for Federal Land Acquisitions – 2017
Eminent Domain and Condemnation – 2017
Appraisal Overview Curriculum – 2011
Business Practices & Ethics – 2005, 2010, 2014, 2016
Real Estate Finance, Statistics and Valuation Modeling – 2011
Supervising Appraisal Trainees – 2012
Land, Condo & Subdivisions, Solutions to Hard Value Assets – 2010
Condominiums, Coops and PUDs – 2007
General Appraiser Market Analysis & Highest & Best Use – 2008
Evaluating Commercial Construction – 2004
Valuation of Detrimental Conditions – 2002
Separating Real & Personal Property from Intangible Bus. Assets –
2002, 2013

Experience:

Senior Managing Director

ValbridgePropertyAdvisors|Inland Pacific Northwest (2013-Present)

Principal & Analyst/Appraiser

Auble, Jolicoeur & Gentry, Inc. (2004-2013)

Appraiser

Auble, Jolicoeur & Gentry, Inc. (1992-2003)

Appraisal/valuation and consulting assignments include: agricultural land; apartment buildings; assisted living facilities; commercial land & buildings; development land; master planned developments; industrial land; residential condominiums; retail/warehouse buildings; rural acreage; timberland; waterfront properties; wetlands.



FAST FACTS COMPANY INFORMATION

- Valbridge is the largest, independent, national, commercial real estate valuation and advisory services firm in North America.
 - Total number of MAIs (200 on staff)
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 - Total number of staff (675 strong)
- Valbridge covers the entire U.S. from coast to coast.
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