

*Heyburn State Park Lots  
Benewah County, Idaho  
IDPR Appraisal Agreement 21182-09-01*

*As of July 22, 2008*

Summary Report

Prepared by:

**AUBLE, JOLICOEUR & GENTRY**

Scot D. Auble, MAI

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October 17, 2008

Ms. Georgia Suchocki  
Idaho Department of Parks and Recreation  
North Region Office  
2885 Kathleen Avenue, Suite #1  
Coeur d'Alene, Idaho 83815

RE: Heyburn State Park Lots  
Benewah County, Idaho  
IDPR Appraisal Agreement 21182-09-01

Dear Ms. Suchocki:

At your request, I have analyzed the real property referenced above to determine the Market Value of the Fee Simple Interest as of July 22, 2008. I personally inspected the property that is the subject of this analysis and report on July 22, 2008. The report was issued on October 17, 2008. I understand that you, and the Idaho Department of Parks and Recreation, as clients, intend to use the results of this analysis to assist in establishing lease rates for the sites. Only you and the stated intended users may rely on the information and opinions expressed in this report and it may not be used for other purposes.

The appraisal analysis and the resulting report were prepared in accordance with the Standards of Professional Practice and Code of Ethics of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. All applicable valuation approaches were employed and developed at sufficient depth to result in a credible opinion of value. The scope of my research and analysis and the results of the appraisal are described in the attached summary report on page 2.

Ms. Georgia Suchocki  
RE: Heyburn State Park Lots  
October 17, 2008  
Page 2

On July 22, 2008, Scot D. Auble, MAI personally inspected the subject property and investigated the market for this type of property, as well as other pertinent facts affecting value. Based on my examination and study of the property and the market, I have reached the conclusions of market value for the subject properties (lots) as shown on the chart on pages 25 through 32 of this report, as of July 22, 2008, based on terms and conditions indicated in the following Summary Report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Scot D. Auble".

Scot D. Auble, MAI  
*Idaho State Certified General Appraiser*  
*Cert. No.: CGA-220*

## CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- 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.
- 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation 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 the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- Christina Dickey, Researcher, assisted in writing the property descriptions and collecting comparable data. No one else provided significant real property appraisal assistance to the person signing this certification.
- I am a Certified General Real Estate Appraiser in the State of Idaho.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



Scot D. Auble, MAI  
*Idaho State Certified General Appraiser*  
*Cert. No. CGA-220*

Valuation Date: July 22, 2008

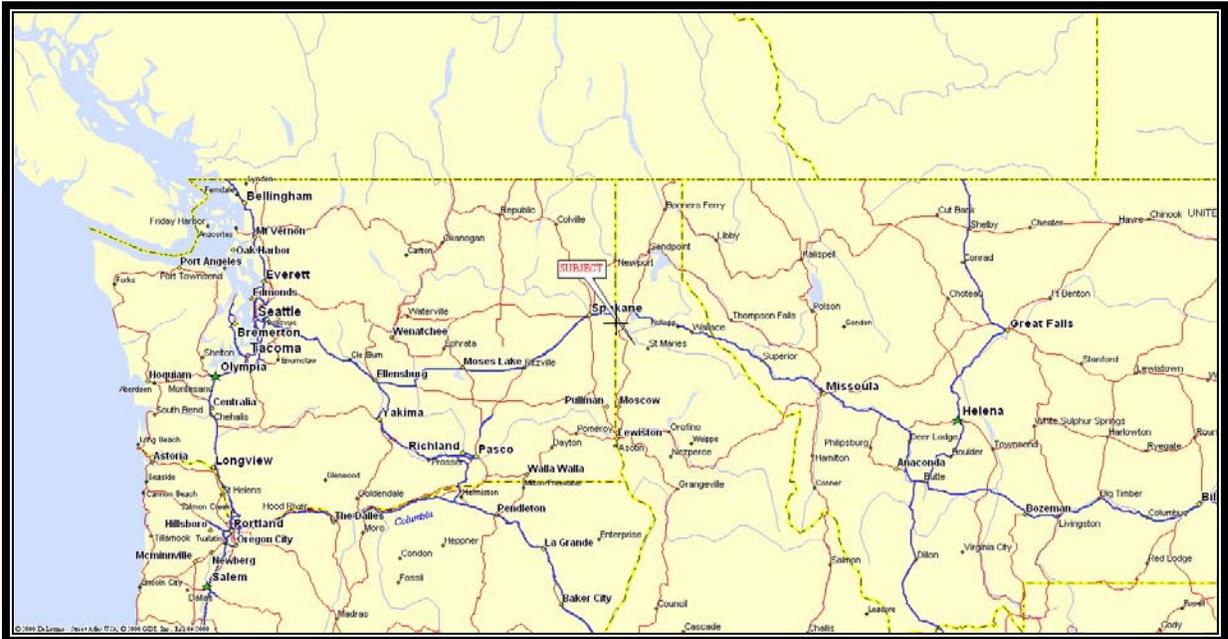
APPRAISAL PROBLEM, SCOPE OF WORK AND INTENDED USE

<b>CLIENT AND OTHER INTENDED USERS:</b>	Ms. Georgia Suchocki Idaho Department of Parks and Recreation North Region Office 2885 Kathleen Avenue, Suite #1 Coeur d'Alene, Idaho 83815			
<b>ANALYST/ APPRAISER:</b>	Scot D. Auble, MAI Auble, Jolicoeur & Gentry 107 S. Howard Street, Suite 300 Spokane, Washington 99201			
<b>INTENDED USE OF ANALYSIS AND REPORT:</b>	<input type="checkbox"/>	Financing	<b>Comments</b>	
	<input type="checkbox"/>	Pricing for Purchase/Sale		
	<input checked="" type="checkbox"/>	Internal/Business		
	<input type="checkbox"/>	Condemnation		
	<input type="checkbox"/>	Litigation Support		
<input type="checkbox"/>	*Other			
<b>REPORT TYPE:</b>	<input type="checkbox"/>	Self Contained	<b>Comments</b>	
	<input checked="" type="checkbox"/>	Summary		
	<input type="checkbox"/>	Restricted Use		
<b>APPRAISAL PROBLEM:</b>		<b>Value Conclusion(s)</b>	<b>Effective Date</b>	<b>Comments</b>
	<input checked="" type="checkbox"/>	Market Value	July 22, 2008	
	<input type="checkbox"/>	Prospective Mkt. Value-Completion		
	<input type="checkbox"/>	Prospective Mkt. Value-Stabilization		
<input type="checkbox"/>	*Other			
<b>INSPECTION DATE:</b>	<input checked="" type="checkbox"/>	July 22, 2008		The FIRREA definition of Market Value is in the Addenda.
<b>REPORT DATE:</b>	<input checked="" type="checkbox"/>	October 17, 2008		
<b>INTEREST VALUED:</b>	<input checked="" type="checkbox"/>	Fee Simple	<b>Comments</b>	
	<input type="checkbox"/>	Leased Fee		
	<input type="checkbox"/>	Leasehold		
<b>PROPERTY CHARACTERISTICS:</b>	<input type="checkbox"/>	Bare/Undeveloped Land	<b>Comments</b>	
	<input checked="" type="checkbox"/>	Existing Buildings/Improvements		Although there are improvements on the lots, only the underlying land value is estimated in this report.
	<input type="checkbox"/>	Proposed Construction		
<b>COMPETENCY:</b>	<input checked="" type="checkbox"/>	Knowledgeable & competent in market and valuation techniques.	<b>Comments</b>	
	<input type="checkbox"/>	Took special measures under Competency Provision of USPAP (see comments)		

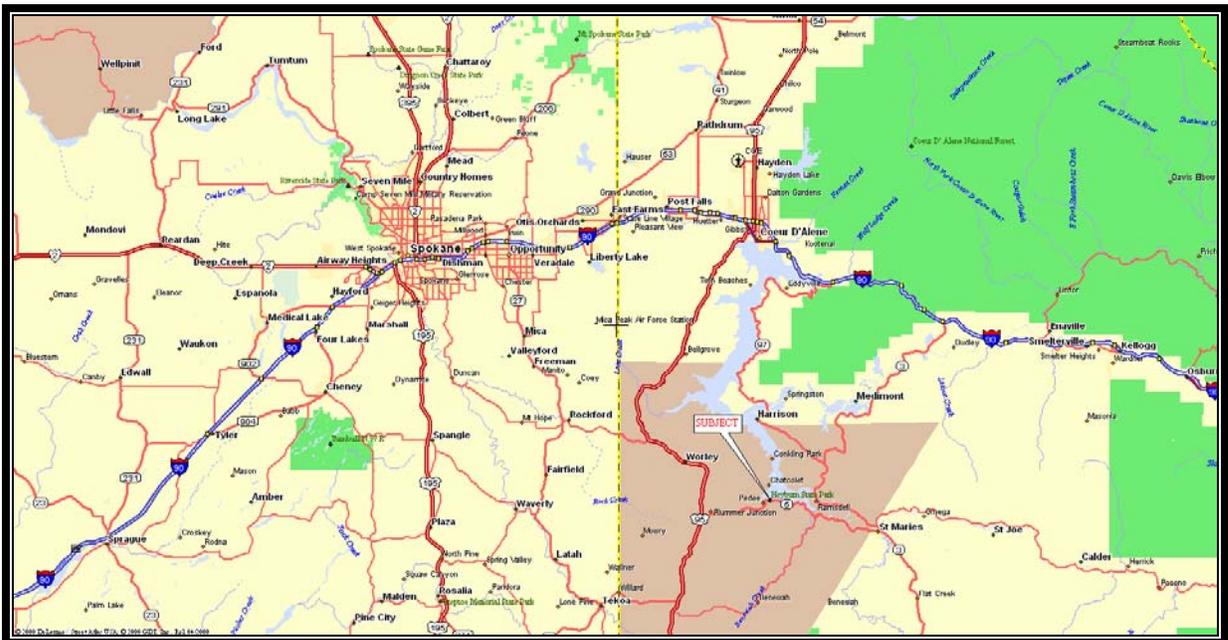
**APPRAISAL PROBLEM, SCOPE OF WORK AND INTENDED USE**

<b>SCOPE OF RESEARCH AND ANALYSIS:</b>	<input checked="" type="checkbox"/>	Inspected exterior of property;	
		Inspected interior of improvements;	
		Measured improvements or verified improvement measurements;	
	<input checked="" type="checkbox"/>	Gathered and analyzed assessed value, property taxes, govt. regulations;	
	<input checked="" type="checkbox"/>	Assembled and analyzed economic and demographic data;	
	<input checked="" type="checkbox"/>	Interviewed individuals familiar with values, sales, and trends in the market;	
		Gathered and analyzed land sales data; determined land value of site as vacant;	
		Gathered and analyzed data necessary to develop Cost Approach;	
		Gathered and analyzed data necessary to develop Income Approach;	
	<input checked="" type="checkbox"/>	Gathered and analyzed data necessary to develop Sales Comparison Approach;	
		Gathered necessary data and developed Subdivision Valuation Analysis;	
<b>ASSISTANCE BY OTHERS:</b>		None.	
	<input checked="" type="checkbox"/>	Christina Dickey provided market research assistance. Scot D. Auble, MAI inspected the property, conducted the necessary research, developed the analysis, and wrote the report.	
<b>PERSONAL PROPERTY:</b>	<input checked="" type="checkbox"/>	No Personal Property included.	<b>Comments</b>
		Personal Property necessary for successful operation is included.	
<b>SPECIAL APPRAISAL PROBLEMS:</b>		None.	
<b>EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS:</b>		General Assumptions and Limiting Conditions are included in the Addenda.	
<b>LEGAL DESCRIPTION:</b>		Heyburn State Park 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.	
<b>OWNER(S):</b>		State of Idaho	
<b>SALES HISTORY:</b>		Heyburn State Park was created by the United States Congress in 1908 and has been owned by the State of Idaho since 1909.	
<b>DEFINITIONS:</b>		Definitions are in the Addenda.	

# REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS



Region Location Map



General Location Map

REGION & COMMUNITY DESCRIPTION

BENEWAH COUNTY

Benewah County is located in northern Idaho and borders Washington State to the west. Latah County is on its southern border, Shoshone County borders it to the east, and Kootenai County is directly north. Benewah County ranks thirty-fourth in the state in area. It is home to the Coeur d’Alene Tribe and the Coeur d’Alene Indian Reservation, which occupies the northwestern portion of the county. The St. Joe National Forest abuts the reservation on its southern boundary.

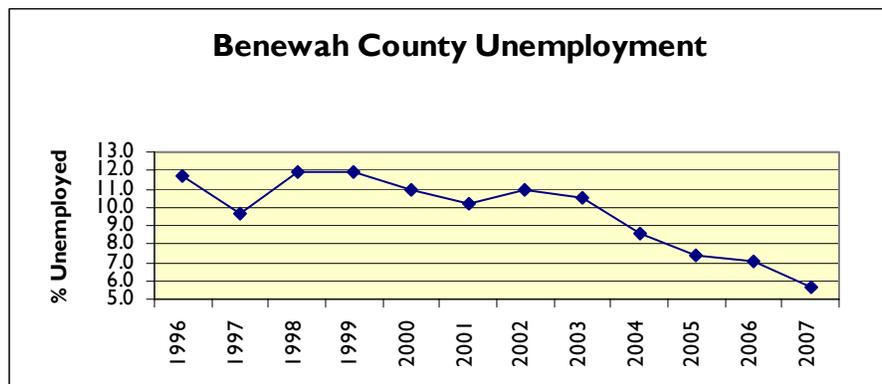
Agriculture, logging of forestlands, and production of lumber and wood products provide the foundation for the local economy. Government employment provided by Benewah County, the State of Idaho, and the U.S. Forest Service also contributes heavily to local payrolls. Recreation and tourism are a growing segment of the local economy. Tourists are attracted to the area by its scenic beauty, and the substantial number of rural areas, lakes, and streams. The region has good two-lane highway transportation to major population centers, and tourism and recreational use are expected to continue to grow.

Forest lands constitute 76% of the land in the county, with agricultural lands making up an additional 16%. Half of the county is within the boundaries of the Coeur d’Alene Indian Tribal lands.

**Labor Force & Employment:** Benewah County’s economy relies heavily on forest products. Manufacturing plays a very small role in the economy (60 jobs outside forest products) and the county’s tourism sector employs less than 200. As forest products downsized from 1998 to 2002, unemployment rose. The forest products sector improved in 2002, when a new mill opened in 2001 in Plummer, which now employs 80 people, and lumber and plywood prices increased.

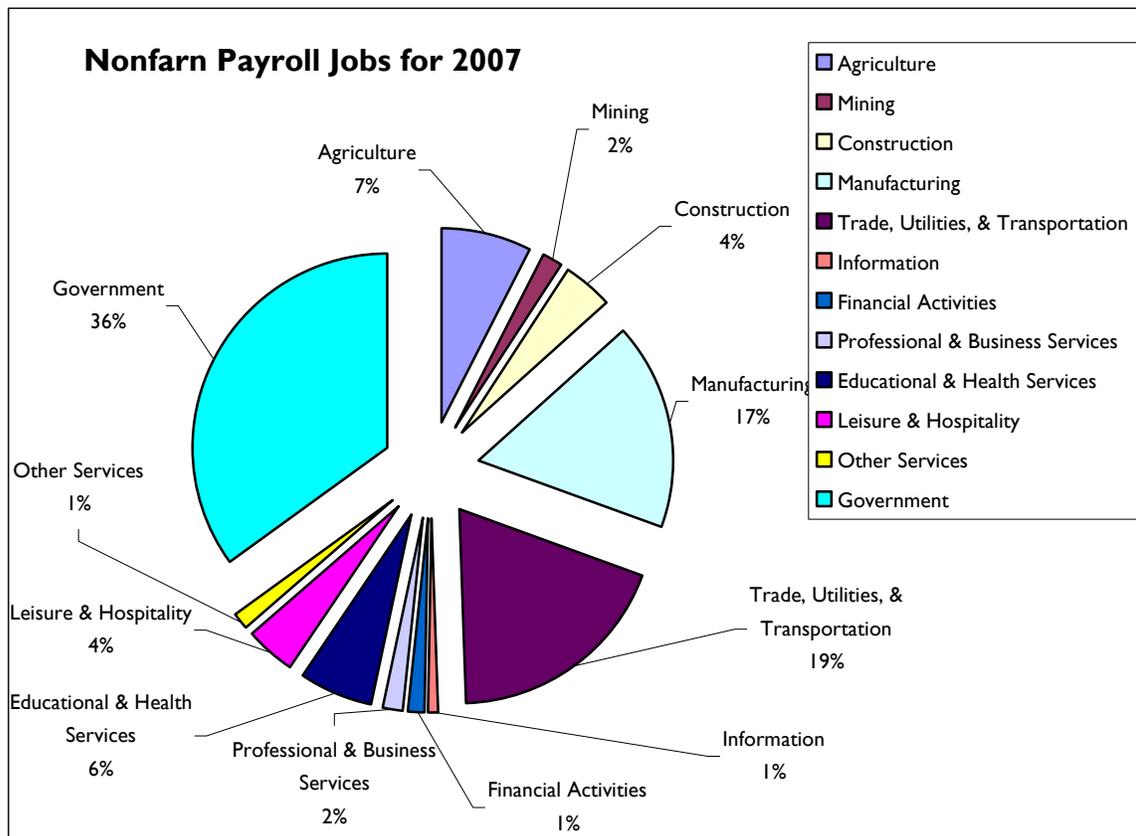
The annual average total civilian employment increased 25.18% from 1990 to 1998. Benewah County’s labor force as of year end 2007 was estimated at 3,942, with an unemployment rate of 5.6%. Unemployment has been decreasing since 2002, which saw a bump in unemployment over 10.0% in 2001. In 1998 & 1999, county unemployment was 11.9%. The county’s employment remains heavily

dependant on forest products, which makes the county vulnerable to high unemployment rates. Since 2006, low lumber prices and the stagnation in the new home construction have reduced employment



## REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS

opportunities. Unemployment decreased to 4.5% in June 2008 but increased to 4.9% in July, the most recent month available. The State of Idaho's unemployment rate remains very low at 4.1%.



Total nonfarm employment in 2007 for Benewah County was 3,942 workers, with the largest sectors being government (35%); trade, utilities, and transportation (18.8%); manufacturing (17.3%); and agriculture (7.4%). Business growth has been slow in the county. The Coeur d'Alene Tribe has fueled most of the employment gains in the county; recent estimates show that they employ around 540 people who live in Benewah County. Another 900 are employed at the tribe's casino, golf course and hotel in Worley, which is in Kootenai County. Major employers in Benewah County are shown at right.

Major Employers
Benewah Community Hospital
Coeur d'Alene Indian Tribe
Jack A. Buell Trucking
Peet Shoe Dryer (manufacturer)
Potlatch Corp.
Regulus Stud Mill
Stimson Lumber
Valley Vista Care (nursing home)
Source: Benewah County Profile, Idaho Department of Labor, June 2008

The US Bureau of Census states that 14.9% of the county's residents lived below the national poverty line in 2005, as compared to 13.4% for the state as a whole and 11.8% for neighboring Kootenai County. The median household income for 2004 was \$35,274 and \$41,269 for Benewah County and the state, respectively. Per capita income is low compared with the state and county: in 2006, per capita income in Benewah County was \$25,911/year, as compared to \$29,920/year in Idaho. This is affected by the high unemployment, low wages, and falling agricultural income.

## REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS

**Population:** Benewah County had a strong population growth in the 1990s, which grew from 8,566 people recorded in 1994 to 9,243 people estimated for 2007. From 2000 to 2007, Idaho's population grew by 15.9% while the county saw an increase of only 0.8%. Population increases are estimated for the near future, due to the perception that this is an attractive place to retire.

<b>Population Estimates</b>											
<b>Benewah County, Idaho</b>											
	<b>Population</b>									<b>Change</b>	
Year	1990	2000	2001	2002	2003	2004	2005	2006	2007	1990-2000	2000-2007
Benewah County	7,937	9,171	8,974	8,923	8,898	8,910	9,053	9,211	9,243	15.5%	0.8%
St. Maries	2,442	2,652	2,602	2,593	2,590	2,584	2,634	2,657	2,624	8.6%	-1.1%
Plummer	804	990	973	968	970	968	985	998	981	23.1%	-0.9%
Tensed	90	126	124	123	123	122	124	127	125	40.0%	-0.8%
Balance of County	4,601	5,403	5,275	5,239	5,215	5,236	5,310	5,429	5,513	17.4%	2.0%

Source: US Bureau of Census. Intercensal estimates as of July 1.

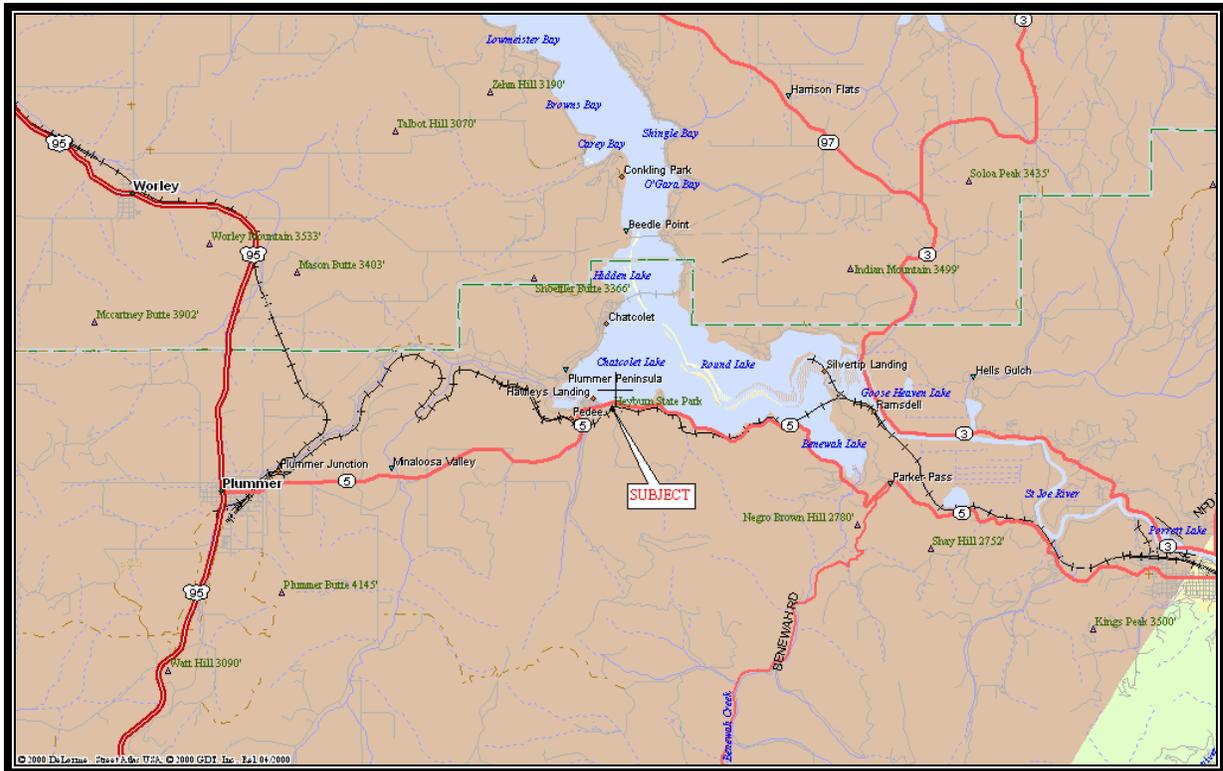
The county seat of Benewah County is St. Maries, a town with a population of approximately 2,624 residents, according to the most recent estimates. St. Maries is located within the St. Joe Valley at the confluence of the St. Joe River and the St. Maries River. It is often referred to as the gateway to the St. Joe River region. Plummer is the next largest city in the county, with 981 people.

**Recreation:** Heyburn State Park, located within the Coeur d'Alene Indian Reservation, is situated at the southern end of Lake Coeur d'Alene within Benewah County, just south of the Kootenai County/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'Alenes passes through Heyburn Park in the northern tip of Benewah County. This 72+ mile long trail, which opened in 2004, is a paved biking trail that connects Mullan and Plummer, Idaho. It was built on the former Union Pacific railway bed, which was constructed to transport metal ore from the Silver Valley to the railroad hub in Plummer. From the mid 1880s to the 1990s, metal ore was shipped by rail to Cataldo on the Coeur d'Alene River, where it was then taken by steamship to Harrison on Lake Coeur d'Alene. The railroad then took the ore from Harrison along the lakeshore to the Chatcolet Bridge, where the rail lines crossed the lake as the St. Joe River flowed into it and traveled seven miles over land to Plummer. The trail has the potential to extend further east to Lookout Pass, which would make it 82 miles. The Union Pacific Railroad Company paid to convert the corridor into a trail as part of a plan to clean up toxins left from mining operations. An estimated \$30 million was spent on soil removal, trail paving, renovation and the improvement of about 40 bridges. Union Pacific also set aside an additional \$2.7 million to help with ongoing maintenance. The Coeur d'Alene Tribe manages the 14.5 mile portion within their reservation boundary (between Plummer and Harrison), while the Idaho Department of Parks and Recreation manages the rest of the trail (between Harrison and Mullan). The Rails To Trails Conservancy has become involved in this project, bringing national exposure to this recreational opportunity in Benewah County.

## REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS

**Summary:** Benewah County business growth has been slow, with the number of private sector businesses with employees decreasing slowly. The Coeur d'Alene Tribe and Timber Plus, the St. Maries economic development group, are working on recruiting new businesses. There is also a push to attract tourists, retirees, and businesses seeking a good business climate.

### NEIGHBORHOOD DESCRIPTION



Neighborhood Map

The subject neighborhood is Heyburn State Park. 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. Heyburn State Park contains approximately 7,825 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.

## REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS

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Heyburn State Park has extensive water frontage on Chatcolet Lake, Hidden Lake, and Benewah Lake. To the casual observer, these three lakes appear to be a 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 for passage. This is a heavily timbered, very scenic area.

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.

The docks within the park are owned by the State of Idaho and have been relocated and consolidated in recent years. The state eventually plans to locate all or most of the moorage and boater facilities in one or more central marinas. There are no future plans to expand the number of recreational residence sites available, but the state does plan to eliminate some sites through acquisition over the next 20 years. Those sites scheduled for acquisition are referred to as "phase out" sites. As they become available, the state may purchase the leasehold improvements on a "willing seller" basis.

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 20 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 of the State of Idaho Department of Parks and Recreation.

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.

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.

**PROPERTY DESCRIPTION**

The subject recreational residence sites consist of three distinct property types in five separate areas. Maps are shown opposite on the following pages. A map of Hanson's Haven is not available.

**Area 1, Chatcolet**, is all first and second tier secondary sites with available boat slips, boat houses, and common parks and waterfront. Block "A" has 15 secondary sites and three park lots; Block "B" has 15 secondary sites and two park lots. Block "C" has 13 secondary sites and one park lot; and Block "D" has five secondary sites and one park lot. Miscellaneous Lots "A," "B," "C," and "D" are all leased. Area 1 has a total of 52 leased lots (all secondary) and seven park lots.

**Area 2, Rocky Point**, consists of both waterfront and first and second tier secondary sites with a lodge, common beach, and marina with rental slips and boat houses. The lodge is not leased. Block "A" has seven secondary sites with common park and beach, and four park lots. Block "B" has 12 waterfront sites. Block "C" is all park with a common beach, a marina with boathouses, and a lodge. Block "D" has 18 waterfront sites and two park lots; Block "E" has 13 waterfront sites and two park lots; Block "F" has seven secondary sites and three park lots; Block "G" has five secondary sites and fire lanes; Block "I" has nine secondary sites and two park lots; and Block "J" has seven secondary sites and three park lots. In Block "J," one secondary lot (#628) and one park lot (#632) share a lot so are one-half lot each for appraisal purposes. Area 2 has a total of 78 sites (43 waterfront and 35 secondary) and 16 park lots.

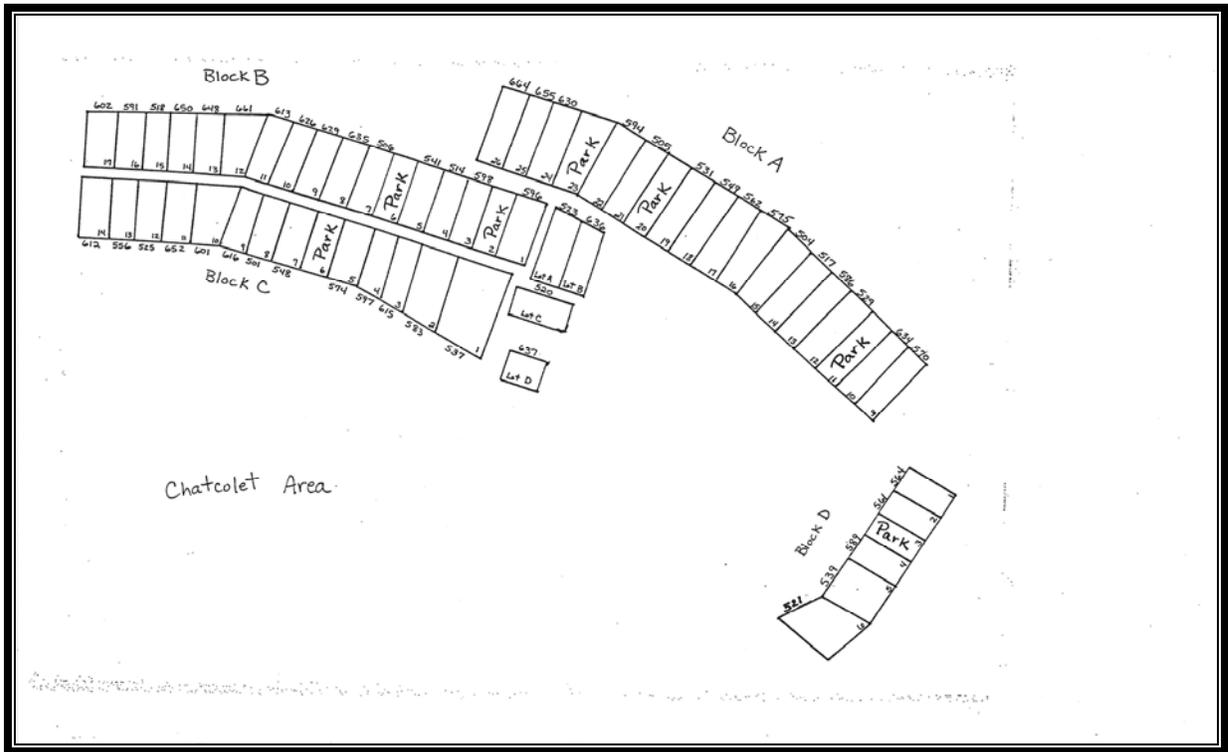
**Area 3, Hawley's Landing**, consists of waterfront sites with private docks and common lots. There are 11 waterfront sites and three park lots.

**Area 4, Hidden Lake**, has float home sites with central parking and trail and water access. There are 33 dock sites, 24 of which are leased with float homes.

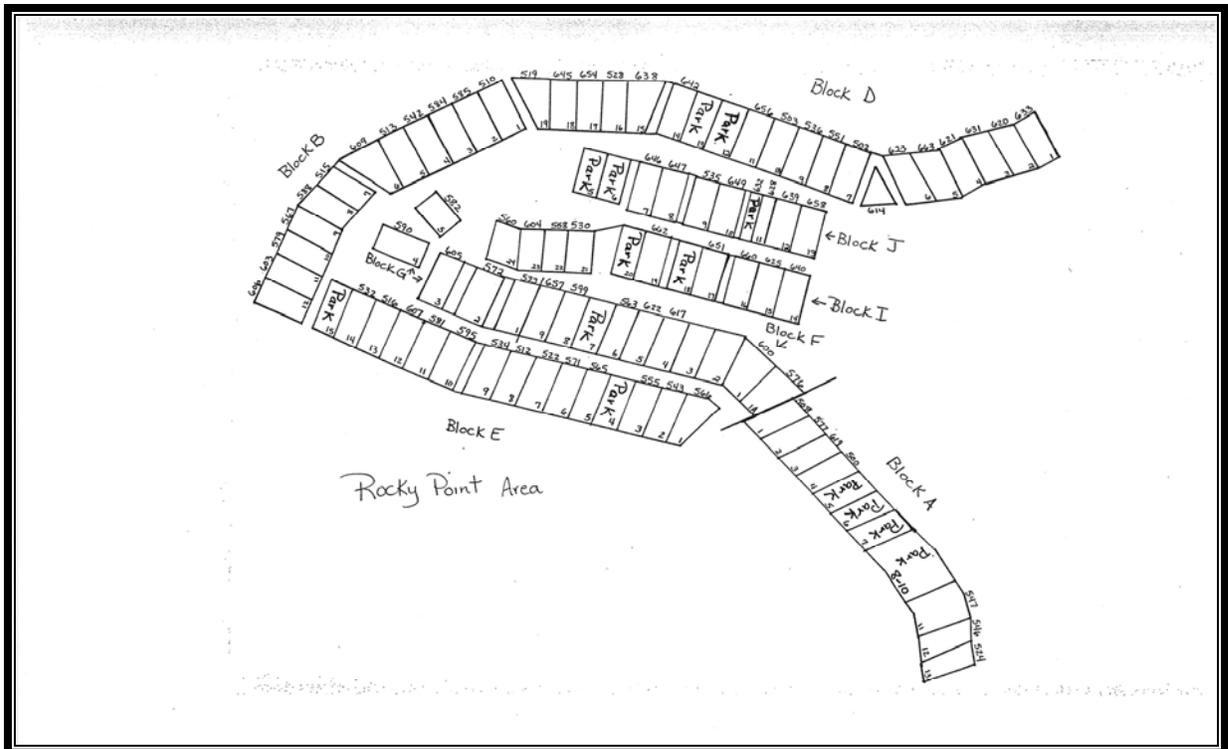
**Area 5, Hanson's Haven**, consists of public access land and one individual waterfront lot adjacent to Highway 5, lying between Hawley's Landing and Rocky Point.

In total, there are 142 land leased sites plus 24 float home/dock sites. Approximately 55 of these front on the water; approximately 87 are secondary sites with waterfront access and boat slips available. Most secondary sites have lake views, although some are screened or blocked. There are 33 float home/dock sites (24 currently leased), one individual cabin site, and 26 park lots and common areas, including rentals. It should be noted that the waterfront sites face the water, but between the sites and the water is public access land that provides unrestricted access to the water. Many of the site lessees utilize this area for small outbuildings, temporary boat docking, etc.

REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS



Chatcolet



Rocky Point

## REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS

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### Site Sizes

No survey of the subject recreational residence sites is available. The sites are generally determined by historic location relative to the actual location of the improvements. 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. Lot 11 of Block "J" at Rocky Point has been divided and is improved with one structure; one is a leased lot, and one is a park lot. Setbacks are generally considered to allow about 10 feet between cabins, or 5 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 conditions 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 restrict use to occupancy to six months but do not designate the actual time frame. The secondary park roads are maintained by the park on a year-round basis with the exception of no snowplowing for Lots 5 through 12 at Hawley's Landing and Block D at Chatcolet. Some cabin owners have established "grandfathered" rights for longer occupancy. These prior rights remain with the grandfathered leaseholder and do not pass to a subsequent owner in the case of a cabin's sale. The limitations imposed by the leases have not been considered in this appraisal.

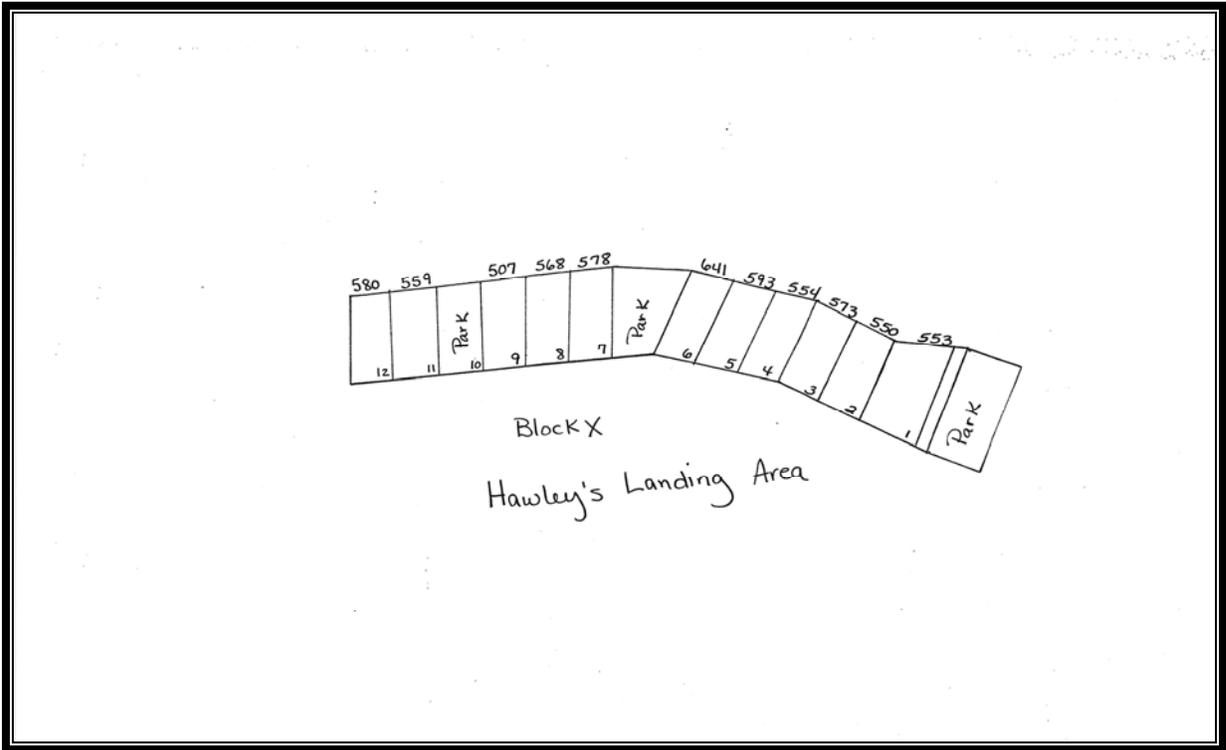
The leases will be up for renewal effective January 1, 2010, and new rental rates for the leased land are to be established and sustained at market value under the state's mandate to derive a "reasonable income" from its lands.

Lease rate for primary, secondary, and float home/dock sites are currently 5% of the appraised value of the lot, according to the Idaho Department of Parks and Recreation's Coeur d'Alene office. The characteristics of each individual lot are summarized in the Valuation section.

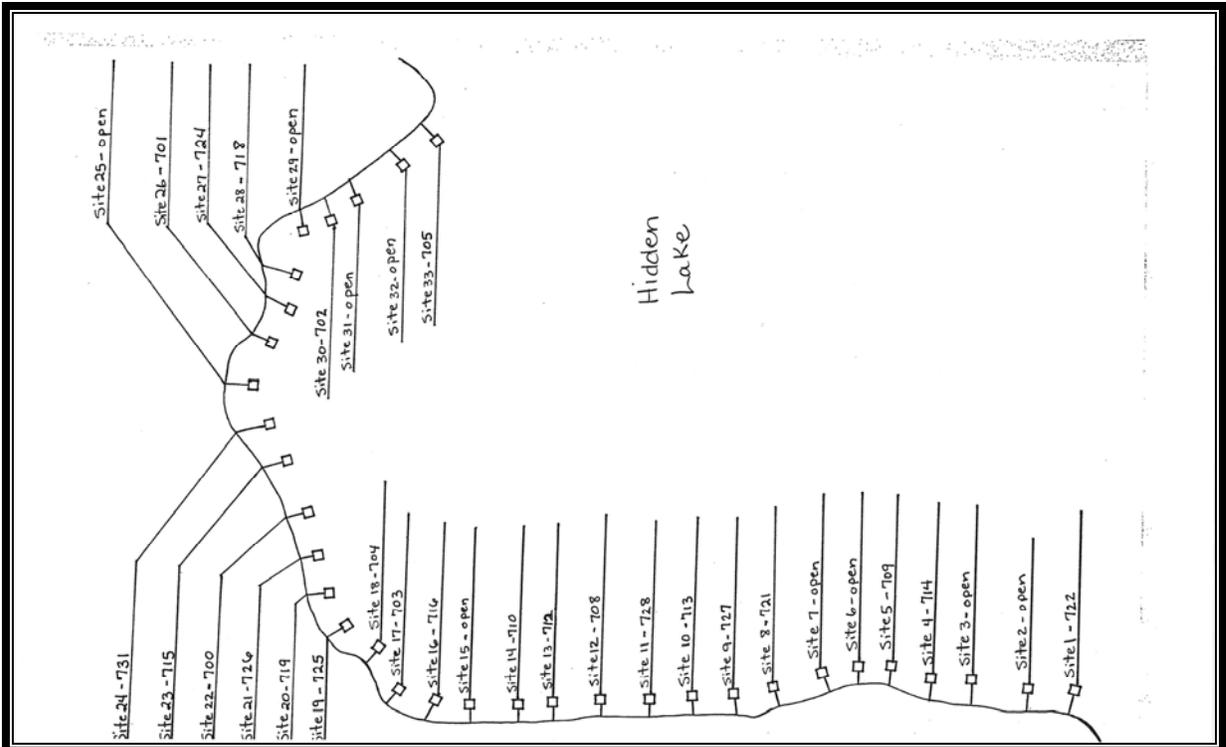
### Utilities and Roads

Electricity and telephone services are available to all subject recreational sites, and water systems serve portions of the park and all of the subject sites, excluding the float home/dock 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 DEQ 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. Leaseholders currently pay a "Water Access Fee" of \$144/year for domestic water and limited fire protection flows.

REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS



Hawley's Landing



Hidden Lake

## REGION, COMMUNITY, NEIGHBORHOOD AND PROPERTY DESCRIPTIONS

There is no community sewer system in the park, so sewage disposal is provided on-site by septic tanks and drain fields. These systems are older and most do not meet current standards for storage tank design and capacity, distance from water, and absorption bed space. When the old existing systems fail, which according to Panhandle Health District happens at a rate of three to five each year, the District allows replacement using a “best possible solution/system” philosophy. This entails locating a site on or near the leased lot that has the least rock and best available soils, since the area is rocky and has poor, non-absorbent soils. Park staff states that off-site areas for suitable drain field replacement space may be made available on a case-by-case basis, but the leaseholder must pay installation costs. Additional fees or costs for easement rights to off-site park property for utilities support may be required.

Heyburn State Park is served year-round by paved and state maintained Highway 5, which provides direct access to Plummer and St. Maries and during spring, summer, and fall months by Conkling Park Road, which provides direct access to Highway 95 near Worley. The park’s interior roads are both paved and graveled, single lane roads maintained by the park staff. Road maintenance includes some required snow plowing in early fall and late spring, patching, grading, and the application of gravel and oil as needed. Park “utility fees” are currently \$72/year for trash disposal and street lighting.

### Zoning

Heyburn State Park is not zoned.

## VALUATION ANALYSIS

The valuation techniques an appraiser commonly considers to determine market value are the Cost Approach, the Income Approach, and the Sales Comparison Approach. Each approach mirrors different analyses that market participants may consider and each relies on comparable data drawn from the real estate marketplace.

In the Cost Approach the appraiser first determines the market value of the site as if it were vacant and available to be put to its highest and best use. Next "Replacement or Reproduction Cost New" of the improvements is determined. Deductions are made for physical deterioration, functional inefficiencies or super-adequacies, and for economic obsolescence. The sum of land value and depreciated improvement value provides the indication of value by the Cost Approach. This approach is generally most applicable when the improvements are new or nearly new and represent the highest and best use of the site. It becomes less meaningful as the improvements age and depreciation and obsolescence increases, making the estimate of depreciation less reliable. The Cost Approach can also produce an unreliable indication of value if the improvements no longer represent the highest and best use of the site.

The Sales Comparison Approach compares the subject property to sales of similar or "comparable" properties. Sales are typically analyzed on a physical unit of comparison basis such as \$/sf or \$/unit. Economic analyses employing gross income or effective gross income multipliers are also developed in the Sales Comparison Approach. Appropriate adjustments are made to the units of comparison indications for changes in market conditions (appreciation/depreciation) and for differences in factors such as location, physical characteristics, and sale terms. This approach is most reliable and applicable when there is an active market for properties like the one being appraised and an adequate number of comparable sales.

The Income Approach analyzes the value of the property through the eyes of the typical investor. The appraiser forecasts gross income by tempering the subject property's contract rent, if leased, with rents achieved by comparable and competitive properties. Deductions are made for anticipated vacancy and collection losses and for operating expenses paid by the property owner. The resulting net operating income is then translated (capitalized) into a value indication at a rate commensurate with the risks inherent with the ownership of the property. This approach is most reliable when there is an active rental and investor-driven market for the type of property being appraised.

The value indications produced by the various approaches are then analyzed collectively; the quantity and quality of market data available and the advantages and applicability of each approach to the property being appraised are carefully analyzed. The final step in the valuation process is a correlation of the approaches into a final value conclusion.

In this valuation assignment, the Sales Comparison Approach has been applied. It is the only applicable approach to value for vacant lots.

## HIGHEST AND BEST USE

Highest and Best Use is defined as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."<sup>1</sup>

## HIGHEST AND BEST USE OF THE SUBJECT SITE AS VACANT

The subject recreational residence sites are located within Heyburn State Park and consist of sites adjacent to and surrounded by park land. These sites are currently owned by the State of Idaho and have been leased for private use for many years. The tenants have built individual structures on these sites, most of which are in good condition, although in various states of repair. Under the terms of the leases, the tenants are responsible for real estate taxes on the improvements only, and the sites are controlled by lease restrictions that dedicate the surrounding land to public use, restrict the trees that can be thinned or trimmed, etc.

All of the available sites are currently improved. Those that are not improved are generally not available but are being held as open space. The state has no current plans for creation of any more recreational residence sites within the park. Some of the existing sites are classified as "phase out" sites. In other words, the state wishes to purchase them over the next 20 years. The area surrounding the lots is very scenic, timbered, and generally rolling to steep. Many of the lots front on the lake, have lake access, and a good view of the lake.

The subject property is not zoned and can be adapted to many uses. It is located in a rural part of Benewah County, some distance from the metropolitan centers of Spokane and Coeur d'Alene. Historically, the subject sites have appealed to those living between St. Maries and the Palouse area of Washington State and, to a lesser degree, those living in Spokane and Coeur d'Alene. As a result of the historic and current use of these sites, it is judged that their highest and best use is for continuing use as recreational residence sites.

The 1990 GDP called for the Hidden Lake area to be phased out by December 31, 2009. However, this area is currently in flux and the ultimate disposition of the float homes is still under consideration by the Park Board. I have appraised these sites as currently utilized.

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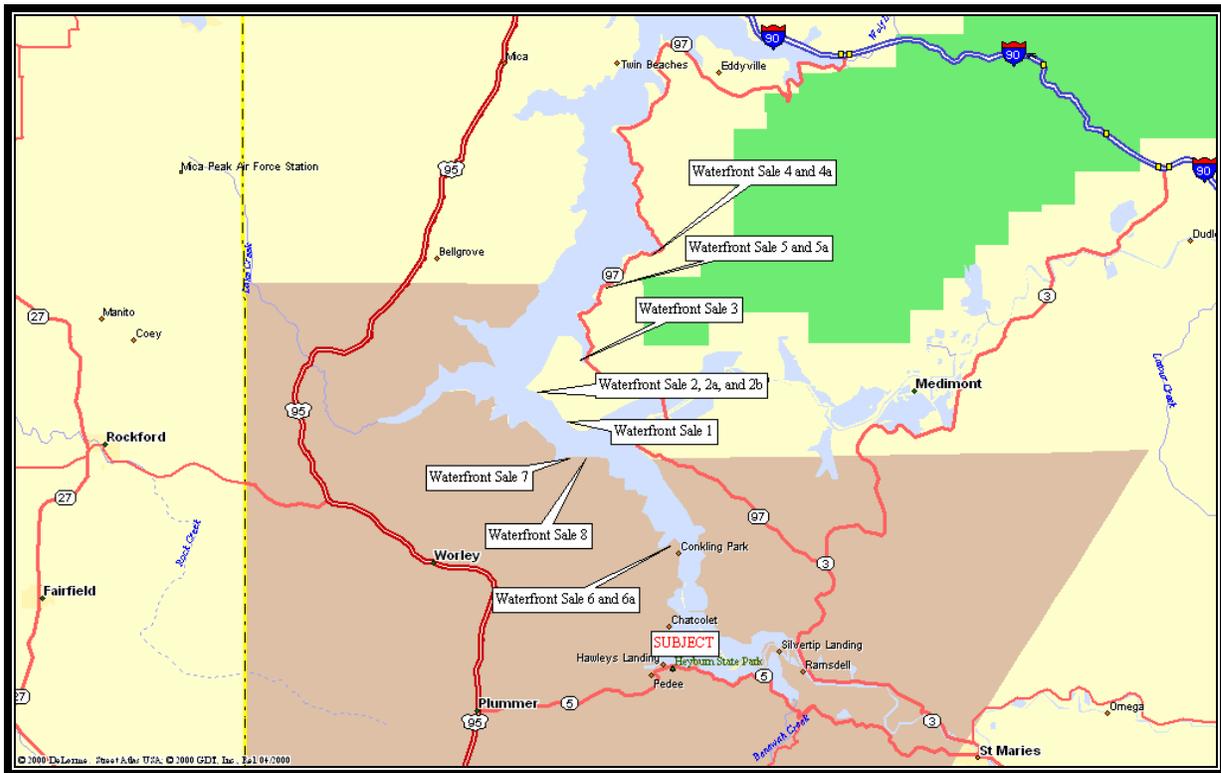
<sup>1</sup>Appraisal Institute, The Dictionary of Real Estate Appraisal, Fourth Edition, 2002.

SALES COMPARISON APPROACH TO VALUE

Market Data

Lake Coeur d'Alene and its surrounding area have been researched for sales of comparable lots. After a preliminary analysis of the data, sales north of the south side of Windy Bay on the west side of the lake were discarded and sales north of the north end of Carlin Bay were discarded. These sales have value influences from the proximity to the city and/or high-end developments, both of which have driven land values far higher than that seen on other portions of the lake, including the Heyburn area in which the subject lots are located. A sufficiently large number of sales were found in the southern portions of the lake from which I have reached value estimates for the subject lots. While I researched and inspected dozens of lot sales, only those that were judged to be helpful in estimating the market values of the subject lots were included in this analysis. It is important to note that very few sales were found to have taken place to date in 2008. This demonstrates the decline in demand as the overall residential market continues to decline. Due to this factor I also considered listings. However they were inconclusive in indicating any change in market price. However, with the lack of sales, some decline in price will likely occur if demand does not increase to normal historical levels. In speaking with Realtors, they stated that the market may have declined up to 15% in the last year, but that they do not have any real evidence other than the lack of sales. I have not considered any adjustments for time or date of sale in the sales due to this factor, although I did find clear evidence of strong appreciation at least up until sometime in 2007. The overall market conditions are taken into account in estimating the final values of the subject lots.

My analysis was completed by grouping data into three types: Primary Waterfront; Secondary Lots; and Float Lots. The important data from the sales is shown on the following tables, and their general locations are found on the accompanying maps.

Primary Waterfront LotsPrimary Waterfront Lot Comparable Location Map

I have included 13 waterfront lot sales in my final analysis. These sales occurred on eight different properties, as I have included older sales of the same properties to demonstrate inflation in the market. For example, Sale 2 sold in 2003, resold in 2007, and is currently listed for sale. These sales/listings are labeled 2, 2a and 2b. The older sales are only used to demonstrate inflation in the market. Only sales from 2006 to present are used to estimate the current value of the subject lots. There are four sale/resale data sets which reflect inflation. These four sets indicate rates per month ranging from 5.3% to 12.2%. They reflect an average and median of 8.6% per month and 8.4% per month, respectively. The lowest indication is provided by the most recent resale, which is likely reflective of the recent slowing of appreciation. The reader should note that a rate of 8.5%/month is roughly 100%/year. The current sales range in sale date from the beginning of 2006 to late 2007. They range in total sales price from \$145,000 to \$375,000 with an average of \$283,939 and a median of \$255,000.

WATERFRONT LOT SALES

Sale #	Development or Road	Parcel	Lake Location	Sales Price	Date of Sale	Days on Market	Sale Conf.	Access	Parking	Terrain	Timber	View	Size	Square Footage	Water-Front	Parcel Depth	WF Rate/lf	SF Rate	Comments
1	East Point	Lot 6, Block 1	Harrow Point	\$255,000	8/20/2007	70	Seller's Agent, MLS	Gravel	Yes	Sloping	Some	Good	0.411	17,903	100	182	\$2,550	\$14.24	Long gravel road, no covenants, rocky to gravel beach, motivated seller, sold to adjacent property owner, lake water, no sewer easement.
2	Webb's East Point	Lot 9	East Point	\$81,000	6/19/2003	146	MLS	Paved	Yes	Steep	Some	Good	0.240	10,454	101	102	\$802	\$7.75	Very steep, also see 2007 resale and 2008 listing
2a	Webb's East Point (resale)	Lot 9	East Point	\$300,000	9/12/2007	50	Buyer's Agent, MLS	Paved	Yes	Steep	Some	Good	0.240	10,454	101	102	\$2,971	\$28.70	Very steep, water from lake, drainfield in but no septic tank, also see 2003 sale and 2008 listing
2b	Webb's East Point (resale listing)	Lot 9	East Point	\$375,900	listing	18	MLS	Paved	Yes	Steep	Some	Good	0.240	10,454	101	102	\$3,723	\$35.96	Very steep, also see 2003 sale and 2007 resale
3	Jensen Powderhorn Bay	Lot 2	Powderhorn Bay	\$250,000	6/22/2006	317	Seller's Agent, MLS	Paved	Yes	Moderate	Some	Good	0.276	12,023	96	irr.	\$2,604	\$20.79	Good access, shallow bay, lake water, septic not possible, steep beach
4	33913 S. Highway 97	Tax # 19545	Carlin Bay	\$225,000	7/22/2004	51	MLS	Paved	Yes	Level	Some	Good	0.294	12,794	150	irr.	\$1,500	\$17.59	Next to store, also see 2006 resale
4a	33913 S. Highway 97 (resale)	Tax # 19545	Carlin Bay	\$575,000	5/5/2006	57	MLS	Paved	Yes	Level	Some	Good	0.294	12,794	150	irr.	\$3,833	\$44.94	Next to store, also see 2004 sale
5	Highway 97	Tax # 10611	Black Bay	\$25,000	5/5/2003	270	MLS	Paved	Yes	Very Steep	Some	Good	0.248	10,807	110	irr.	\$227	\$2.31	Also see 2006 resale
5a	Highway 97 (resale)	Tax # 10611	Black Bay	\$145,000	8/15/2006	28	MLS	Paved	Yes	Very Steep	Some	Good	0.248	10,807	110	irr.	\$1,316	\$13.42	Also see 2003 sale
6	Sargent Park Tracts	Tract 4	Carey Bay	\$135,000	4/28/2005	212	MLS	Paved	Yes	Steep	Some	Good	0.211	9,191	50	irr.	\$2,700	\$14.69	No dock permitted, also see 2006 resale
6a	Sargent Park Tracts (resale)	Tract 4	Carey Bay	\$260,000	2/14/2006	57	MLS	Paved	Yes	Steep	Some	Good	0.211	9,191	50	irr.	\$5,200	\$28.29	No dock permitted, also see 2005 sale
7	Black's Home Sites	Lot 6, Block 2	Cottonwood Bay	\$220,000	1/31/2006	117	MLS	Paved	Yes	Steep	Heavy	Good	0.789	34,369	100	390	\$2,200	\$6.40	Gate to property locked in the winter
8	West Shoreline Tracts	Tract 5 & W 1/2 Tract 6	Cottonwood Bay	\$175,000	8/8/2007	137	MLS	Gravel	Yes	Very Steep	Some	Good	1.009	43,952	147	284	\$1,190	\$3.98	County required geotechnical report

One of the key criteria in the valuation of waterfront lots is the unit price of price per front foot (ff) on the water. For the sales occurring after the beginning of 2006, these rates range from \$1,190/ff to \$5,200/ff, with an average of \$2,843/ff. It is noted that in the 2003 appraisal we prepared, the average rate was \$956/ff. This indicates appreciation of 2.3% per month or 27.6%/year to mid 2007, which is significantly less than the market extracted data indicates. The high end of the range is represented by Sale 6a at \$5,500/front foot, which appears to be an outlier as its characteristics are not sufficiently superior to the rest of the comparables. The next highest sale is Sale 4a at \$3,833/front foot, which is in a far superior location, with good terrain and paved access. It indicates a value far higher than appropriate for the subject lots. The low end of the range is indicated by Sale 5a at \$1,316/front foot and Sale 8 at \$1,190/front foot, which are both extremely steep lots, although access is good on paved roads. However, they indicate a lower value than appropriate for the subject lots due to the terrain making them highly expensive lots to build on. If Sale 2b is not given significant consideration, as it is actually a listing, the range of the remaining sales is \$2,200/front foot to \$2,971/front foot. The subject lots should fall within this range.

As discussed previously, the subject lots do not actually have defined sizes but are assumed to be approximately 50 feet of frontage and 100 feet of depth, creating a relatively small lot of 5,000sf. The sales all have larger lot sizes. Of the sales forming the best indicators as discussed above they range from \$6.40/sf (square foot) to \$28.70/sf. The lowest indication is from a significantly larger lot, Sale 7, at 34,369 sf. The other sales range in size from 12,023 sf to 17,903 sf, and form a range of \$14.24/sf to \$28.70/sf. Typically, the rate per square foot increases as the lots decrease in size. Therefore, a square foot value rate for the subject's fairly small lots which is near the high side of the range is appropriate.

In reconciling a value for the subject lots, I have balanced a square foot rate at the high side of the range of the best comparable sales, with a per front foot rate near the low to mid range of the best comparable sales. I have also considered the currently soft market conditions and lack of sales in 2008. At \$2,300/front foot, a rate of \$23/square foot results. These measurements reconcile well.

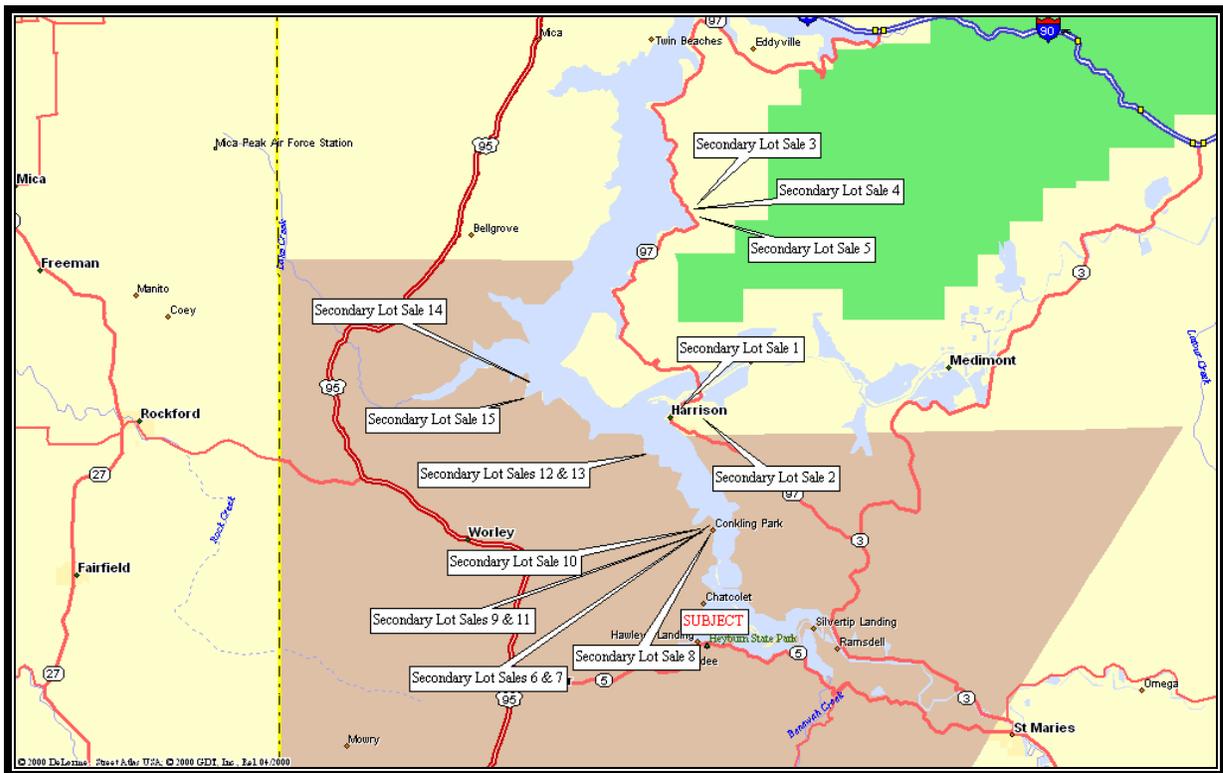
I have estimated a typical waterfront lot value of ( $\$2300/\text{ff} \times 50\text{ff}$ ) of \$115,000. This rate has been applied to the waterfront lots at Rocky Point and Hanson's Haven. The typical lot value applied to waterfront lots at Hawley's Landing is 10% lower at \$103,500/lot, due to an adjustment for the lower waterfront quality at Hawley's Landing. This area is one of the more shallow areas of the lake and has more weed growth.

Other factors that have been considered for the individual subject lots included the availability of parking, terrain, timber, lot size, view, and whether or not the lot is adjacent to park land or private lots being occupied by tenants. Park land is open space that is generally viewed positively by buyers and sellers in the market.

The results of this analysis are summarized on the analysis tables for Rocky Point and Hawley's Landing found on the pages following the analysis section of this report. Hanson's Haven is included as Lease #544 at the bottom of the Rocky Point table because it is only one lot.

After adjustments, the waterfront or primary lots at Rocky Point develop indicate value rates ranging from \$86,250 to \$132,250. After adjustments the waterfront or primary lots at Hawley's Landing indicate value rates ranging from \$93,150 to \$124,000. The Hanson's Haven lot has an adjusted value of \$138,000.

**Secondary Lots**



**Secondary Lot Comparable Location Map**

It is noted that in my conversations with Realtors, the demand for secondary lots increased significantly in 2005 and 2006. Therefore, they state that anecdotally inflation for this lot type likely exceeded inflation for waterfront lots. I have included a total of 15 secondary lot sales in my final analysis. These lot sales ranged in price from \$54,000 to \$221,200, with an average of \$101,229 and a median of \$90,500. The highest priced lot was given little weight due to it being significantly superior in nearly every aspect. After discarding this sale, the range declined to an average of \$88,400/lot and a median of \$90,000/lot. The sales range on a price per square foot basis, from \$1.95/sf to \$9.68/sf, with an average of \$6.23/sf. However, the square foot rate is a poor unit of comparison as all of the lots are significantly larger than the subject lots, with the smallest comparables sales at 7,492 sf. However, this factor supports a value conclusion at the lower end of the range of the comparable lot sales.

SECONDARY WATERFRONT LOT SALES

Sale #	Development or Road	Parcel	Lake Location	Sales Price	Date of Sale	Days on Market	Access	Terrain	Timber	View	Size	Square Footage	SF Rate	Water Access	Comments
1	Cranes Park Addition	Lots 54, 55, & 56, Block 6	Harrison	\$145,000	5/15/2007	335	Paved	Sloping	None	Some	0.344	14,985	\$9.68	Public beach	
2	Sunnyside Addition	Lots 9+15, Block 2	Harrison	\$120,000	7/18/2006	63	Paved	Level to steep	Some	Good	0.588	25,613	\$4.69	Close to public beach and marina	
3	Edgewater Estates	Lot 6, Block 2	Carlin Bay	\$95,000	8/17/2007	108	Paved	Sloping	Some	Filtered	0.755	32,888	\$2.89	Beach, marina	Boat slips available for purchase, airstrip, community water and sewer there but not hooked up
4	Sunset Shores	Lot 15, Block 1	Carlin Bay	\$130,000	5/11/2006	268	Paved	Sloping	Some	Good	0.632	27,530	\$4.72	Beach, marina	Boat slip included in price
5	Sunset Shores	Lot 46, Block 1	Carlin Bay	\$90,000	10/11/2007	156	Paved	Sloping	Some	Filtered	0.433	18,861	\$4.77	Community beach and dock	Community water and sewer hooked up, across street from access to sloped beach, share ownership in airstrip
6	Nebel's Add. To Conkling Park	Lot 11, Block 2	Conkling Point	\$54,000	5/20/2006	65	Paved	Sloping	Some	None	0.199	8,668	\$6.23	Beach, marina	No view
7	Nebel's Add. To Conkling Park	Lot 2, Block 2	Conkling Point	\$67,000	10/2/2007	35	Gravel	Sloping	Some	None	0.215	9,365	\$7.15	Public beach access, public marina nearby	No view, long way to water access, community water and sewer available but not hooked up
8	Hope's Add. To Conkling Park	Lot 5, Block 1	Conkling Point	\$80,000	5/30/2007	258	Paved	Level to sloping	Some	Filtered	0.228	9,932	\$8.06	Public beach, public marina	Boat slips available for rent, community well, septic, not installed
9	Hammon's 2nd Addition	Lot 13, Block 3	Carey Bay	\$91,000	7/2/2007	269	Gravel	Steep	Some	Filtered	0.691	30,100	\$3.02	Community marina	Boat slip included in price, far from water, no beach, perched for septic
10	Hammon's Add.	Lot 8, Block 2	Carey Bay	\$125,000	6/21/2006	69	Gravel	Sloping	Some	Good	0.678	29,534	\$4.23	Community beach, marina	Boat slip included in price, far from water, community water, private septic
11	Hammon's 2nd Addition	Lot 8, Block 3	Carey Bay	\$82,000	1/15/2007	118	Paved	Sloping	Some	Good	0.966	42,079	\$1.95	Beach, marina	Boat slip included in price, far from water
12	Cedar Grove Tracts	Lot 26	Cleland Bay	\$57,000	1/10/2007	199	Paved	Steep	Some	Filtered	0.172	7,492	\$7.61	Beach, community dock	Remove 75' community beach with boat slips, boat slip not included with this lot, lake water, septic not installed
13	Cedar Grove Tracts	Lot 20	Cleland Bay	\$70,000	8/30/2007	106	Paved	Steep	Some	Filtered	0.173	7,556	\$9.29	Community beach, no dock	Non buildable, lake water, septic not possible
14	Carroll's Cove Bay Homesites 2nd	Lot 12	Cave Bay	\$120,000	8/28/2006	49	Paved	Sloping	Some	Good	0.385	12,415	\$9.67	Community beach, marina	Boat slips available for lease, community water and sewer
15	Carroll's Cove Bay Homesites 5th	Lot 8, Block 2	Cave Bay	\$221,000	3/8/2006	279	Paved	Level to sloping	Some	Good	0.630	27,443	\$8.06	Community beach, marina	Deeded boat slip included, community water and sewer

The lowest lot sales are for lots that have remote access and no views, or very steep, or located a good distance from the water. These are sales 6, 7, & 12. These sales are between \$54,000 and \$67,000. Therefore a value above \$60,000/lot is indicated for the subject lots.

The highest prices are for much larger lots with generally good views and access. They range in size from 12,415 sf to 32,888 sf, all at least double the size of the subject lots. These are sales 1, 2, 3, 4, 10, 14 & 15. These sales range in price from \$95,000 to \$221,000 with most between \$120,000 and \$145,000. Therefore, a value below \$95,000 is indicated for the subject lots.

The balance of the sales typically have limited views, but beach and dock access. They have prices between \$70,000 and \$91,000. The lowest indication is for Sale 13, which may not be buildable. Those at the high side of this range are typically in newer subdivisions on larger lots. Those sales most similar to the subject lots are in the mid \$80,000 range. However, the subject lots are significantly smaller than these lots, which range from 9,932 sf to 42,079 sf. Therefore, a value between the lowest indications, above \$60,000, but well below these much larger lots, is best supported. Once again I have considered the very soft market conditions as well.

I have estimated a value for a typical secondary lot of \$65,000. Other factors that have been considered for the individual subject lots included the availability of parking, terrain, timber, lot size, view, and whether or not the lot is adjacent to park land or private lots being occupied by tenants. The Rocky Point secondary lots values range from \$58,500 to \$81,250 after adjustments. The lots at Chatcolet indicate values ranging from \$55,250 to \$81,250 after adjustments.

Float Home Sites/Dock LotsFloat Home Sites/Dock Lot Comparable Location Map

Sales of float home lots or dock lots on Lake Coeur d'Alene have been very few over the last few years. Mainly this is due to the fact that no new float home lots have been created over the last few years. Thus all are already improved. There have been sales of unbuildable lots that have typically ranged from \$125,000 to \$175,000. However, these are still superior to pure dock lots/float home sites such as the subject lots. There have also been numerous sales of condominium-style dock slips. These slips typically sell in the \$100,000 range, but are a very different product, typically in far superior locations. After in-depth research, I only found one recent sale, two older sales, and two current listings for direct comparison. I also considered sales on Lake Pend O'reille, although they are not directly comparable. Finally, I interviewed knowledgeable Realtors. These Realtors were also not aware of any recent sales. They did provide their rule of thumb that they use in pricing dock lots/float home sites. They price these types of lots at 50% of waterfront sites of similar location. This would infer a value of  $(\$115,000 * 0.50 =) \$57,500$ , assuming my market value estimate for the subjects typical waterfront lots is accurate. They concurred with a value in this range for the subject lots. The sales used for direct comparison are included below.

## VALUATION ANALYSIS

### DOCK LOT SALES

Sale #	Area Name	Location	Parcel	Sales Price	Date of Sale	Days on Market	Sale Conf.	Access	Parking	Terrain	Timber	View	Access	Size	Water-front	Comments
1	Cd'A Lake Estates	Squaw Bay	Lot 7, Block 2	\$41,000	3/12/2004	792	MLS	Gravel	Yes	Sloping to steep	Some	Average	Road	0.291	90	Unbuildable Lot
2	Nuthatch Road	Powderhorn Bay	S 90' Tax #3976	\$175,000	listing	28	MLS	Paved	Yes	Sloping	Some	Average	Private road	0.1377	75	Unbuildable Lot
3	Driftwood Point 3rd Add.	Driftwood Point	Lot 13, Block 2	\$85,000	8/12/2004	20	MLS	Paved	Yes	Level to steep	Some	Average	Road	0.143	127	Unbuildable Lot
4	Marine Drive	Blackwell Island	# C-10	\$67,500	9/13/2006	60	MLS	Paved	Yes	Level	None	Average	Road	30 x 50	30	Has 14 x 36 enclosed slip and small apartment
5	Marine Drive	Blackwell Island	# C-10	\$99,000	listing	165	MLS	Paved	Yes	Level	None	Average	Road	30 x 50	30	Has 14 x 36 enclosed slip and small apartment

Sales 2 and 3 are unbuildable lots. Sales 1 and 3 are very old sales. Based upon applying minimal appreciation as extracted in the analysis of waterfront sales, these sales should be adjusted at least 100%, indicating minimum adjusted prices of \$82,000 and \$170,000. However, as unbuildable lots they indicate values higher than appropriate for the subject lots. Sale 2 is actually a listing of a far superior unbuildable lot, once again indicating a value far higher than appropriate. Sales 4 and 5 are an older sale and a resale listing of the same dock lot located at Blackwell Island. This is a location very near the CBD of Coeur d'Alene. This lot is improved with a 14' x 36' enclosed slip and small studio apartment with a chemical toilet. I have subtracted \$35,000 for the improvement (\$10,000 for the enclosed slip and \$25,000 for the apartment), resulting in boat slip prices of \$32,500 and \$64,000, respectively. If Sale 1 is adjusted 50% for time, the result is a value indication of \$48,750. Of course, the listing indicates a much higher figure, but is not an agreed price. Clearly the data analyzed is inconclusive. It tends to roughly bracket a value of \$45,000 to \$80,000. This brackets the Realtors' estimate of 50% of waterfront value, which was previously calculated at \$57,500. There does not appear to be any other data to consider. The significantly older dock lot sales (those occurring from 2001 to 2003) showed prices of \$20,000 to \$25,000. Based upon market extracted appreciation as presented earlier, a current value of at least double these prices is clearly supported. Based on the soft market conditions, I have estimated the market value near the lower end of the supportable range. I have estimated a value of \$55,000 for Dock Lots.

## VALUATION ANALYSIS

LAKE CHATCOLET KEY:		
Typical		
Value:	Secondary	\$65,000
Access:	Dirt Road	0%
Parking:	Limited	-5%
	Yes	0%
Terrain:	Very Steep	-10%
	Steep	-5%
	Gentle-Steep	0%
	Gentle	5%
Timber:	Yes	0%
Size:	Small	-10%
	Typical	0%
	Large	10%
View:	No	0%
	Yes	5%
	Very Good	10%
Adjacent	Pvt. Lot	0%
Land:	Park Lot	5%
	Park	10%

#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adj. Land	Total Adjust.	Adjusted Value
1	602	Secondary \$65,000	Dirt	Limited -5%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	-5%	\$61,750
2	591	Secondary \$65,000	Dirt	Limited -5%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	-5%	\$61,750
3	518	Secondary \$65,000	Dirt	Limited -5%	Very Steep -10%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	-15%	\$55,250
4	650	Secondary \$65,000	Dirt	Yes 0%	Steep -5%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	-5%	\$61,750
5	648	Secondary \$65,000	Dirt	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	0%	\$65,000
6	661	Secondary \$65,000	Dirt	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	0%	\$65,000
7	613	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	10%	\$71,500
8	626	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	5%	\$68,250
9	629	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	10%	\$71,500
10	635	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	10%	\$71,500
11	506	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	No 0%	Park Lot 5%	10%	\$71,500
12	541	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Yes 5%	Park Lot 5%	15%	\$74,750
13	514	Secondary \$65,000	Dirt	Limited -5%	Gentle 5%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	0%	\$65,000
14	598	Secondary \$65,000	Dirt	Limited -5%	Gentle 5%	Yes 0%	Typical 0	No 0%	Park Lot 5%	5%	\$68,250

## VALUATION ANALYSIS

Lake Chatcolet continued												
#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adj. Land	Total Adjust.	Adjusted Value	
15	596	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	No 0%	Park Lot 5%	20%	\$78,000	
16	523	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	5%	\$68,250	
17	636	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	No 0%	Park 10%	15%	\$74,750	
18	520	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	No 0%	Park 10%	15%	\$74,750	
19	537	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	Yes 0%	Pvt. Lot 0%	15%	\$74,750	
20	583	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	No 0%	Pvt. Lot 0%	15%	\$74,750	
21	615	Secondary \$65,000	Dirt	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	5%	\$68,250	
22	597	Secondary \$65,000	Dirt	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	0%	\$65,000	
23	574	Secondary \$65,000	Dirt	Limited -5%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Park Lot 5%	0%	\$65,000	
24	548	Secondary \$65,000	Dirt	Yes 0	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Park Lot 5%	5%	\$68,250	
25	501	Secondary \$65,000	Dirt	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	0%	\$65,000	
26	616	Secondary \$65,000	Dirt	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	0%	\$65,000	
27	601	Secondary \$65,000	Dirt	Limited -5%	Steep -5%	Yes 0%	Large 10%	Yes 5%	Pvt. Lot 0%	5%	\$68,250	
28	652	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	10%	\$71,500	
29	525	Secondary \$65,000	Dirt	Limited -5%	Gentle 5%	Yes 0%	Small -10%	Yes 5%	Pvt. Lot 0%	-5%	\$61,750	
30	556	Secondary \$65,000	Dirt	Limited -5%	Gentle 5%	Yes 0%	Small -10%	No 0%	Pvt. Lot 0%	-10%	\$58,500	
31	612	Secondary \$65,000	Dirt	Limited -5%	Gentle 5%	Yes 0%	Small -10%	No 0%	Pvt. Lot 0%	-10%	\$58,500	
32	664	Secondary \$65,000	Dirt	Yes 0%	Gentle to Steep 0%	Yes 0%	Large 10%	Yes 5%	Park 10%	25%	\$81,250	
33	655	Secondary \$65,000	Dirt	Yes 0%	Gentle to Steep 0%	Yes 0%	Large 10%	Yes 5%	Pvt. Lot 0%	15%	\$74,750	
34	630	Secondary \$65,000	Dirt	Yes 0%	Gentle to Steep 0%	Yes 0%	Large 10%	No 0%	Park Lot 5%	15%	\$74,750	
35	594	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	No 0%	Park Lot 5%	20%	\$78,000	
36	505	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	No 0%	Park 10%	25%	\$81,250	
37	531	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	No 0%	Pvt. Lot 0%	15%	\$74,750	
38	549	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	No 0%	Pvt. Lot 0%	15%	\$74,750	
39	562	Secondary \$65,000	Dirt	Yes 0%	Gentle 5%	Yes 0%	Large 10%	No 0%	Pvt. Lot 0%	15%	\$74,750	

## VALUATION ANALYSIS

Lake Chatcolet continued												
#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adj. Land	Total Adjust.	Adjusted Value	
40	575	Secondary	Dirt	Yes	Gentle	Yes	Large	No	Pvt. Lot			
		\$65,000		0%	5%	0%	10%	0%	0%	15%	\$74,750	
41	504	Secondary	Dirt	Yes	Gentle	Yes	Large	No	Pvt. Lot			
		\$65,000		0%	5%	0%	10%	0%	0%	15%	\$74,750	
42	517	Secondary	Dirt	Yes	Gentle	Yes	Large	No	Pvt. Lot			
		\$65,000		0%	5%	0%	10%	0%	0%	15%	\$74,750	
43	586	Secondary	Dirt	Yes	Gentle	Yes	Large	No	Pvt. Lot			
		\$65,000		0%	5%	0%	10%	0%	0%	15%	\$74,750	
44	529	Secondary	Dirt	Yes	Gentle	Yes	Large	No	Park Lot			
		\$65,000		0%	5%	0%	10%	0%	5%	20%	\$78,000	
45	634	Secondary	Dirt	Yes	Gentle	Yes	Large	No	Park Lot			
		\$65,000		0%	5%	0%	10%	0%	5%	20%	\$78,000	
46	570	Secondary	Dirt	Yes	Gentle	Yes	Large	No	Park			
		\$65,000		0%	5%	0%	10%	0%	10%	25%	\$81,250	
47	564	Secondary	Dirt	Yes	Gentle to Steep	Yes	Typical	No	Park			
		\$65,000		0%	0%	0%	0%	0%	10%	10%	\$71,500	
48	561	Secondary	Dirt	Yes	Gentle	Yes	Typical	No	Park Lot			
		\$65,000		0%	5%	0%	0%	0%	5%	10%	\$71,500	
49	589	Secondary	Dirt	Yes	Gentle	Yes	Typical	Very good	Pvt. Lot			
		\$65,000		0%	5%	0%	0%	10%	0%	15%	\$74,750	
50	539	Secondary	Dirt	Yes	Gentle	Yes	Large	Very good	Pvt. Lot			
		\$65,000		0%	5%	0%	10%	10%	0%	25%	\$81,250	
51	521	Secondary	Dirt	Yes	Gentle	Yes	Large	Very Good	Pvt. Lot			
		\$65,000		0%	5%	0%	10%	10%	0%	25%	\$81,250	
52	637	Secondary	Dirt	Yes	Gentle	Yes	Typical	Very good	Park			
		\$65,000		0%	5%	0%	0%	10%	10%	25%	\$81,250	

## VALUATION ANALYSIS

ROCKY POINT KEY:		
Typical Value:	Primary	\$115,000
	Secondary	\$65,000
Access:	Paved Road	0%
	Dirt Road	0%
Parking	Limited	-5%
	Yes	0%
Terrain:	Very Steep	-10%
	Steep	-5%
	Gentle-Steep	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%
Second. Lot View	No	0%
	Yes	5%
Adjacent Land:	Pvt. Lot	0%
	Park Lot	5%
	Park	10%

Lease										Adj.	Total	Adjusted
#	No.	Type	Access	Parking	Terrain	Timber	Size	View	Land	Adjust.	Adjust.	Value
1	566	Primary \$115,000	Paved 0%	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Typical 0%	Park 10%		15%	\$132,250
2	543	Primary \$115,000	Paved 0%	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Typical 0%	Pvt. Lot 0%		5%	\$120,750
3	555	Primary \$115,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Typical 0%	Park Lot 5%		5%	\$120,750
4	565	Primary \$115,000	Paved 0%	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Typical 0%	Park Lot 5%		0%	\$115,000
5	571	Primary \$115,000	Paved 0%	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Typical 0%	Pvt. Lot 0%		-5%	\$109,250
6	522	Primary \$115,000	Paved 0%	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Typical 0%	Pvt. Lot 0%		-5%	\$109,250
7	512	Primary \$115,000	Paved 0%	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Typical 0%	Pvt. Lot 0%		-5%	\$109,250
8	534	Primary \$115,000	Paved 0%	Limited -5%	Steep -5%	Yes 0%	Typical 0%	Typical 0%	Pvt. Lot 0%		-10%	\$103,500
9	595	Primary \$115,000	Paved 0%	Limited -5%	Steep -5%	Yes 0%	Typical 0%	Typical 0%	Pvt. Lot 0%		-10%	\$103,500
10	581	Primary \$115,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Good 5%	Pvt. Lot 0%		5%	\$120,750
11	607	Primary \$115,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Good 5%	Pvt. Lot 0%		5%	\$120,750
12	516	Primary \$115,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Very good 10%	Pvt. Lot 0%		10%	\$126,500
13	532	Primary \$115,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Very good 10%	Park Lot 5%		15%	\$132,250
14	606	Primary \$115,000	Paved 0%	Yes 0%	Steep -5%	Yes 0%	Typical 0%	Very good 10%	Pvt. Lot 0%		5%	\$120,750

## VALUATION ANALYSIS

Rocky Point continued												
Lease										Adj.	Total	Adjusted
#	No.	Type	Access	Parking	Terrain	Timber	Size	View	Land	Adjust.	Value	
15	603	Primary	Paved	Yes	Steep	Yes	Typical	Very good	Pvt. Lot			
		\$115,000	0	0%	-5%	0%	0%	10%	0%	5%	\$120,750	
16	579	Primary	Paved	Yes	Steep	Yes	Typical	Very good	Pvt. Lot			
		\$115,000	0%	0%	-5%	0%	0%	10%	0%	5%	\$120,750	
17	567	Primary	Paved	Yes	Steep	Yes	Typical	Good	Pvt. Lot			
		\$115,000	0%	0%	-5%	0%	0%	5%	0%	0%	\$115,000	
18	588	Primary	Paved	Yes	Steep	Yes	Typical	Good	Pvt. Lot			
		\$115,000	0%	0%	-5%	0%	0%	5%	0%	0%	\$115,000	
19	515	Primary	Paved	Yes	Very steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
20	609	Primary	Paved	Yes	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
21	513	Primary	Paved	Limited	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
22	542	Primary	Paved	Limited	Very steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
23	584	Primary	Paved	Limited	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
24	585	Primary	Paved	Yes	Very steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
25	510	Primary	Paved	Yes	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
26	519	Primary	Paved	Limited	Very steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
27	645	Primary	Paved	Limited	Very Steep	Yes	Small	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	-10%	0%	0%	-25%	\$86,250	
28	654	Primary	Paved	Limited	Very steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
29	528	Primary	Paved	Limited	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
30	638	Primary	Paved	Limited	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
31	642	Primary	Paved	Yes	Very Steep	Yes	Typical	Typical	Park Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	5%	-5%	\$109,250	
32	656	Primary	Paved	Yes	Very Steep	Yes	Typical	Typical	Park Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	5%	-5%	\$109,250	
33	503	Primary	Paved	Yes	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
34	536	Primary	Paved	Limited	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
35	551	Primary	Paved	Yes	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
36	502	Primary	Paved	Yes	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
37	614	Primary	Paved	Limited	Very Steep	Yes	Small	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	-10%	0%	0%	-25%	\$86,250	
38	623	Primary	Dirt	Limited	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$97,750	
39	663	Primary	Dirt	Yes	Very Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$103,500	
40	621	Primary	Dirt	Yes	Steep	Yes	Typical	Typical	Pvt. Lot			
		\$115,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$109,250	

## VALUATION ANALYSIS

Rocky Point continued											
#	Lease		Access	Parking	Terrain	Timber	Size	View	Adj. Land	Total Adjust.	Adjusted Value
	No.	Type									
41	631	Primary	Dirt	Yes	Steep	Yes	Typical	Typical			
		\$115,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$109,250
42	620	Primary	Dirt	Yes	Steep	Yes	Typical	Typical	Pvt Lot		
		\$115,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$109,250
43	633	Primary	Dirt	Yes	Steep	Yes	Typical	Typical	Pvt. Lot		
		\$115,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$109,250
44	524	Secondary	Paved	Yes	Gentle	Yes	Typical	No	Park		
		\$65,000	0%	0%	5%	0%	0%	0%	10%	15%	\$74,750
45	546	Secondary	Paved	Yes	Gentle	Yes	Typical	No	Park		
		\$65,000	0%	0%	5%	0%	0%	0%	10%	15%	\$74,750
46	547	Secondary	Paved	Yes	Gentle	Yes	Large	No	Park		
		\$65,000	0%	0%	5%	0%	10%	0%	10%	25%	\$81,250
47	500	Secondary	Paved	Yes	Gentle	Yes	Typical	No	Park		
		\$65,000	0%	0%	5%	0%	0%	0%	10%	15%	\$74,750
48	619	Secondary	Paved	Yes	Gentle	Yes	Typical	No	Park		
		\$65,000	0%	0%	5%	0%	0%	0%	10%	15%	\$74,750
49	577	Secondary	Paved	Yes	Gentle	Yes	Typical	No	Park		
		\$65,000	0%	0%	5%	0%	0%	0%	10%	15%	\$74,750
50	508	Secondary	Paved	Yes	Gentle	Yes	Typical	No	Pvt. Lot		
		\$65,000	0%	0%	5%	0%	0%	0%	0%	5%	\$68,250
51	576	Secondary	Paved	Yes	Gentle to Steep	Yes	Small	No	Pvt. Lot		
		\$65,000	0%	0%	0%	0%	-10%	0%	0%	-10%	\$58,500
52	600	Secondary	Paved	Yes	Steep	Yes	Large	No	Park		
		\$65,000	0%	0%	-5%	0%	10%	0%	5%	10%	\$71,500
53	617	Secondary	Paved	Yes	Steep	Yes	Typical	No	Park		
		\$65,000	0%	0%	-5%	0%	0%	0%	5%	0%	\$65,000
54	622	Secondary	Paved	Limited	Steep	Yes	Typical	Yes	Pvt. Lot		
		\$65,000	0%	-5%	-5%	0%	0%	5%	0%	-5%	\$61,750
55	563	Secondary	Paved	Limited	Steep	Yes	Typical	Yes	Park Lot		
		\$65,000	0%	-5%	-5%	0%	0%	5%	5%	0%	\$65,000
56	599	Secondary	Paved	Limited	Steep	Yes	Typical	Yes	Park Lot		
		\$65,000	0%	-5%	-5%	0%	0%	5%	5%	0%	\$65,000
57	657	Secondary	Paved	Limited	Steep	Yes	Typical	Yes	Pvt. Lot		
		\$65,000	0%	-5%	-5%	0%	0%	5%	0%	-5%	\$61,750
58	533	Secondary	Paved	Limited	Steep	Yes	Typical	Yes	Pvt. Lot		
		\$65,000	0%	-5%	-5%	0%	0%	5%	0%	-5%	\$61,750
59	572	Secondary	Paved	Yes	Steep	Yes	Typical	No	Pvt. Lot		
		\$65,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$61,750
60	605	Secondary	Paved	Yes	Gentle to Steep	Yes	Typical	No	Park		
		\$65,000	0%	0%	0%	0%	0%	0%	10%	10%	\$71,500
61	590	Secondary	Paved	Yes	Gentle to Steep	Yes	Typical	Yes	Park		
		\$65,000	0%	0%	0%	0%	0%	5%	10%	15%	\$74,750
62	582	Secondary	Paved	Yes	Gentle to Steep	Yes	Small	Yes	Park		
		\$65,000	0%	0%	0%	0%	-10%	5%	10%	5%	\$68,250
63	658	Secondary	Paved	Yes	Gentle to Steep	Yes	Typical	No	Park		
		\$65,000	0%	0%	0%	0%	0%	0%	10%	10%	\$71,500

## VALUATION ANALYSIS

Rocky Point continued												
Lease										Adj.	Total	Adjusted
#	No.	Type	Access	Parking	Terrain	Timber	Size	View	Adj. Land	Adjust.	Value	
64	639	Secondary \$65,000	Dirt 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Yes 0%	0%	0%	\$65,000	
65	628	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Small -10%	Yes 5%	Park 5%	0%	\$65,000	
66	649	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Yes 5%	Park 5%	10%	\$71,500	
67	535	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	5%	\$68,250	
68	647	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Yes 5%	Pvt. Lot 0%	5%	\$68,250	
69	646	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	Yes 5%	Park 10%	15%	\$74,750	
70	560	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Large 10%	Yes 5%	Park 10%	25%	\$81,250	
71	604	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	0%	\$65,000	
72	558	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	0%	\$65,000	
73	530	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Park 10%	10%	\$71,500	
74	662	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Park Lot 5%	5%	\$68,250	
75	651	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Park Lot 5%	5%	\$68,250	
76	660	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	0%	\$65,000	
77	625	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Pvt. Lot 0%	0%	\$65,000	
78	640	Secondary \$65,000	Paved 0%	Yes 0%	Gentle to Steep 0%	Yes 0%	Typical 0%	No 0%	Park 10%	10%	\$71,500	

Hanson's Haven												
Lease										Total	Adjusted	
#	No.	Type	Access	Parking	Terrain	Timber	Size	View	Adj. Land	Adjust.	Value	
I	544	Primary \$115,000	Paved 0%	Yes 0%	Gentle 5%	Yes 0%	Typical 0%	Good 5%	Park 10%	20%	\$138,000	

## VALUATION ANALYSIS

HAWLEY'S LANDING KEY:		
Typical		
Value:	Primary	\$103,500
Access:	Dirt Road	0%
Parking:	Limited	-5%
	Yes	0%
Terrain:	Very Steep	-10%
	Steep	-5%
	Gentle-Steep	0%
	Gentle	5%
Timber:	Yes	0%
Size:	Small	-10%
	Typical	0%
	Large	10%
View:	Typical	0%
	Good	5%
	Very Good	10%
Adjacent Land:	Pvt. Lot	0%
	Park Lot	5%
	Park	10%

Lease									Adj.	Total	Adjusted
#	No	Type	Access	Parking	Terrain	Timber	Size	View	Land	Adjust.	Value
1	580	Primary	Dirt	Yes	Gentle to Steep	Yes	Typical	Typical	Park		
		\$103,500		0%	0%	0%	0%	0%	10%	10%	\$113,850
2	559	Primary	Dirt	Yes	Gentle	Yes	Typical	Typical	Park Lot		
		\$103,500		0%	5%	0%	0%	0%	5%	10%	\$113,850
3	507	Primary	Dirt	Yes	Gentle	Yes	Typical	Typical	Park Lot		
		\$103,500		0%	5%	0%	0%	0%	5%	10%	\$113,850
4	568	Primary	Dirt	Yes	Gentle	Yes	Typical	Typical	Pvt. Lot		
		\$103,500		0%	5%	0%	0%	0%	0%	5%	\$108,675
5	578	Primary	Dirt	Yes	Gentle to Steep	Yes	Typical	Typical	Park Lot		
		\$103,500		0%	0%	0%	0%	0%	5%	5%	\$108,675
6	641	Primary	Dirt	Yes	Steep	Yes	Typical	Typical	Park Lot		
		\$103,500		0%	-5%	0%	0%	0%	5%	0%	\$103,500
7	593	Primary	Dirt	Yes	Very steep	Yes	Typical	Typical	Pvt. Lot		
		\$103,500		0%	-10%	0%	0%	0%	0%	-10%	\$93,150
8	554	Primary	Dirt	Yes	Gentle to Steep	Yes	Large	Yes	Pvt. Lot		
		\$103,500		0%	0%	0%	10%	5%	0%	15%	\$119,025
9	573	Primary	Dirt	Yes	Gentle to Steep	Yes	Typical	Yes	Pvt. Lot		
		\$103,500		0%	0%	0%	0%	5%	0%	5%	\$108,675
10	550	Primary	Dirt	Yes	Gentle to Steep	Yes	Typical	Very Good	Pvt. Lot		
		\$103,500		0%	0%	0%	0%	10%	0%	10%	\$113,850
11	553	Primary	Dirt	Yes	Gentle to Steep	Yes	Large	Very Good	Pvt. Lot		
		\$103,500		0%	0%	0%	10%	10%	0%	20%	\$124,200

## RECONCILIATION AND VALUE CONCLUSION

Based on the analyses discussed in this report, the indicated market value ranges for each type of recreational residence site are shown below. The indicated values for each individual lot are found on the charts on the referenced summary pages.

### Rocky Point

Primary: \$86,250/lot to \$132,250/lot  
Secondary: \$58,500/lot to \$81,250/lot  
Summary: Pages 28 – 31

### Hanson's Haven

Primary: \$138,000  
Summary: Page 31

### Hawley's Landing

Primary: \$93,150/lot to \$124,200/lot  
Summary: Page 32

### Lake Chatcolet

Secondary: \$55,250/lot to \$81,250/lot  
Summary: Pages 25 – 27

### Dock Sites

\$55,000 each

# ADDENDA

Assumptions and Limiting Conditions

Definitions

Subject Photographs

Engagement Contract

Appraiser Qualifications

## ASSUMPTIONS AND LIMITING CONDITIONS

Unless otherwise stated, this appraisal report is made expressly subject to the following conditions and stipulations.

1. This appraisal report is considered confidential between the appraiser and the client.
2. In the course of developing this analysis/appraisal, information was gathered from numerous individuals. These data have been verified to the extent reasonably possible and data obtained in the verification process is assumed to be true and correct. No liability can be assumed should these data be proven inaccurate.
3. This analysis and the resulting report have been prepared in accordance with appraisal standards and reporting requirements of the Appraisal Institute and the Appraisal Foundation.
4. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are associated, or any reference to the Appraisal Institute or the MAI designation.
5. The date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser/analyst assumes no responsibility for economic or physical changes or events occurring after the effective date of this analysis, even if the change or event would affect the opinions stated herein. Should any additional pertinent information become available after the date of the appraisal, the appraisal may be subject to revision, and an additional fee.
6. Any projections included in this report are utilized to assist in the valuation process and are based on current market conditions and forecasted trends. Future market and property conditions are outside of the analyst's/appraiser's control and may vary from the projections made in this analysis/appraisal, resulting in different outcomes than project at the time of the analysis/appraisal. The appraiser(s)/analysts(s) make no assurances about the property's future performance or future value.
7. The appraiser(s)/analyst(s) intend to express no legal opinions or other opinions which would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report. A reasonable attempt has been made to consider all available governmental regulations or restrictions, but no responsibility for future conditions that are not readily available or public knowledge at the time of the appraisal is assumed.
8. No opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions, except

## ASSUMPTIONS AND LIMITING CONDITIONS

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those specifically discussed in the report. The property is assumed to operate under responsible ownership and with competent management, and available for its highest and best use.

9. The appraiser(s)/analyst(s) have made no engineering survey. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
10. Maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
11. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, and the property is not known to be subject to surface entry for the exploration or removal of such materials, except as is expressly stated.
12. Testimony or attendance in court or at any other hearing is not required by reason of rendering this assignment.
13. The liability of Auble & Associates, Inc. dba Auble, Jolicoeur & Gentry, and its employees, is limited to the client only and only up to the amount of the fee actually received for the assignment. Furthermore, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. No responsibility is assumed for any costs incurred to discover or correct any deficiency in the property.
14. Because no title report was provided, no responsibility is assumed for such items of record not disclosed by normal investigation methods.
15. We have not considered the possible existence of potentially hazardous material used in the construction or maintenance of the building—such as the presence of urea-formaldehyde foam insulation, radon gas, and/or existence of toxic waste. These substances may or may not be present on the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. We are not qualified to detect such substances. The client is urged to retain an expert in this field if desired.
16. It is assumed that the ownership and property are in full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated, defined, and considered in the appraisal report. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous material, or the existence of underground storage tanks for petroleum products, may affect the value of the property. We are not qualified to detect such substances. The value estimate is predicated on the assumption that there are no such materials or tanks

## ASSUMPTIONS AND LIMITING CONDITIONS

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on or in the property in a form or condition that would cause a loss in value. This appraisal has been developed under the assumption that there has been no discharge, dumping, spillage, uncontrolled loss, seepage, migration, or storage of hazardous substances that would adversely affect the value of the subject property. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain experts in the various fields if desired.

17. The appraiser has no expertise with respect to toxic wastes, hazardous materials, or undesirable substances. A Level One Environmental Audit of the property by qualified experts is recommended to determine whether or not there are any hazardous materials or undesirable substances in or on the property. No representations, either expressed or implied, regarding the existence or nonexistence of hazardous materials or undesirable substances in, on, or by the property have been made. Problems involving toxic wastes, hazardous materials, or undesirable substances can be extremely costly to correct. It is the responsibility of the Sellers/Lessors, Buyers/Tenants, and Lenders to retain qualified experts to deal with the detection and correction of such matters.

18. Due to the possible discharge, dumping, spillage, uncontrolled loss, seepage, migration, or storage of hazardous substances which would adversely affect the value of this property, the following steps must be performed to determine the property liability:

An NCIT\* Certified hazardous waste environmental audit of past uses of property to determine if any uses, permits, licenses, or legal proceedings exist with reference to any hazardous substances. An NCIT\* Certified hazardous waste risk assessment/cleanup including testing, borings, sampling, and cleanup of hazardous substances. Completing steps one and two qualifies the property for the recommended purchase of Hazardous Waste Cleanup Insurance for property transfer, refinancing, or escrow, thus ensuring the appraised value of the property is not offset by cleanup costs of undiscovered soil contamination caused by hazardous waste. \*NCIT – National Certification of Instrument Technicians Certified Hazardous Waste Cleanup Monitor.

19. We assume that the subject property meets an acceptable level of compliance with the design and construction requirements set forth in the Fair Housing Amendments Act of 1988 (The FHAA) and the Americans with Disabilities Act of 1990 (the ADA). The FHAA specifies certain requirements which must be satisfied in multifamily housing structures to enable accessibility for handicapped persons. The ADA states that similar provisions must be adhered to in development of all public accommodations, including places of employment. These statutes became effective March 31, 1991, and January 26, 1992, respectively. If the subject should be found to be in non-compliance, the eventual renovation costs and/or penalties may negatively impact the present value of the property. Auble & Associates Inc. dba Auble, Jolicoeur & Gentry, its partners, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties, or diminution in value resulting from non-compliance.

## ASSUMPTIONS AND LIMITING CONDITIONS

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20. The conclusions expressed in this report are based on the assumption that the property is not, nor will it be, in violation of the National Environmental Policy Act, State Environmental Policy Act, Shoreline Management Act, or any and all similar government regulations or laws.
  
21. The appraiser has not been provided with a survey of the subject property, nor had the benefit of legal markers from which to locate the boundaries of the property on the ground. This appraisal assumes the legal description provided to the appraiser corresponds with reasonable accuracy to the subject property, as it physically exists, as described in this report. The appraisal further assumes all building and site improvements, utilities, public road access, etc. are within the boundaries of the legal description in this document. The appraiser has no expertise in the area of surveying and makes no representations with regard to matters involving property boundaries.

## DEFINITIONS

The area on which the tenant pays rent varies from building to building, and in the market, is typically rented on one of three ways: on a usable area basis; on a rentable (leasable) area basis; or on a gross building area (GBA) basis. The various lease and area definitions are as follows:

**Gross Building Area** is the total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Single-tenant buildings are typically leased on a gross building area basis.

**Gross Leasable Area** is the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines, and measured from the center of interior partitioning to outside wall surfaces; the standard measure for determining the size of shopping centers where rent is calculated based on the GLA occupied.

**Gross or Full-Service Lease** is a lease in which the landlord receives stipulated rent and is obligated to pay all or most of the property's operating expenses and real estate taxes.

**Modified Gross** is a lease in which the landlord and tenant share any or all expenses.

**Net Lease/Triple Net Lease** is a lease under which the lessee assumes all expenses of operating the property, including both fixed and variable expenses, in addition to the stipulated rent.

**Rentable Area** is the amount of space on which the rent is based; calculated according to local practice.

**Usable Area** is the actual occupiable area of a floor or an office; computed by measuring the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. The usable area of a floor is equal to the sum of all usable areas of that floor. No deductions are made for columns and projections necessary to the building.

**Fair Market Value as defined by Courts in Washington State:** The amount in cash which a well informed buyer, willing but not obligated to buy the property, would pay, and which a well informed seller, willing but not obligated to sell it, would accept, taking into consideration all uses to which the property is adapted and might in reason be applied. It may be assumed that the hypothetical buyer is ready, willing, and financially able to purchase for cash; further, it is never necessary to show that a willing buyer and a willing seller do, in fact, exist. If a hypothetical buyer, whose existence is to be assumed and need not be proven, would exact a discount for cash as opposed to terms, then the amount of such discount should be estimated.

**Insurable Value** is defined as value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost less deterioration and non-insurable items. Sometimes cash value or market value but often entirely a cost concept.

**Fee Simple Estate** is defined as 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.

**Leased Fee Estate** is defined as an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease.

**Leasehold Interest** the interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

**Market Value** is defined as: “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 both 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.”<sup>2</sup>

**Prospective Value Estimate** is defined as “The prospective market value as of a future date. Prospective future value can include value upon completion of construction, value upon reaching stabilized occupancy, or value upon some other event. Prospective future value upon completion of construction means the prospective market value of a property on the date construction is completed, based upon market conditions forecast to exist as of that completion date. Prospective future value upon reaching stabilized occupancy means the prospective market value of a property at a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy.”<sup>3</sup>

**Entrepreneurial Profit:** A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which

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<sup>2</sup>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 536110-53618; Monday, December 31, 1990. (Technical corrections published at 56 FR 1229 do not affect this definition.)

<sup>3</sup>Dictionary of Real Estate Appraisal, Third Edition, The Appraisal Institute, 1993.

represents the entrepreneur's compensation for the risk and expertise associated with development.

In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward. See also entrepreneurial incentive.

**Traditional Appraisal Process - Approaches to Value:** To estimate the value of a property, the appraiser traditionally develops the Cost, Income, and Sales Comparison Approaches to Value. These approaches are defined below:

**The Cost Approach to Value** is based on the premise that a purchaser would pay no more for a property than the cost of obtaining an equally desirable site and building improvements of similar functional utility to the subject. To employ the Cost Approach, the appraiser estimates the market value of the subject site as vacant and available to be put to its highest and best use. The appraiser also estimates the cost new of the subject improvements and any depreciation that has accrued from various physical, functional and economic factors.

**The Income Approach to Value** is based on the premise that a knowledgeable purchaser would pay no more for the property than the cost of obtaining an equally desirable, similar property as an investment, providing similar risk and opportunities for return on and return of the investment. To employ the Income Approach to Value, the appraiser reviews the operating history of the subject and compares its income and expenses against similar factors from competing properties. The net income estimate is then translated into a value indication by using significant ratios developed from analysis of comparable sales and from other investment indicators and criteria.

**The Sales Comparison Approach to Value** is based on the premise that a knowledgeable purchaser would pay no more for a property than the cost of obtaining another equally desirable property of similar functional utility. To employ the Sales Comparison Approach to Value, the appraiser researches the market for recent sales of improved properties similar to the subject. These comparable sales are then adjusted to the subject for physical, functional, and economic differences.

## Subject Photographs



Aerial photograph of the Rocky Point area.



Photo of Rocky Point Block A.

Subject Photographs



Rocky Point Block E.



Rocky Point Blocks B and E.

Subject Photographs



Rocky Point Block B.



Rocky Point Blocks J and F.

## Subject Photographs



Aerial photograph of Hanson's Haven.



Aerial photograph of Hawley's Landing.

## Subject Photographs

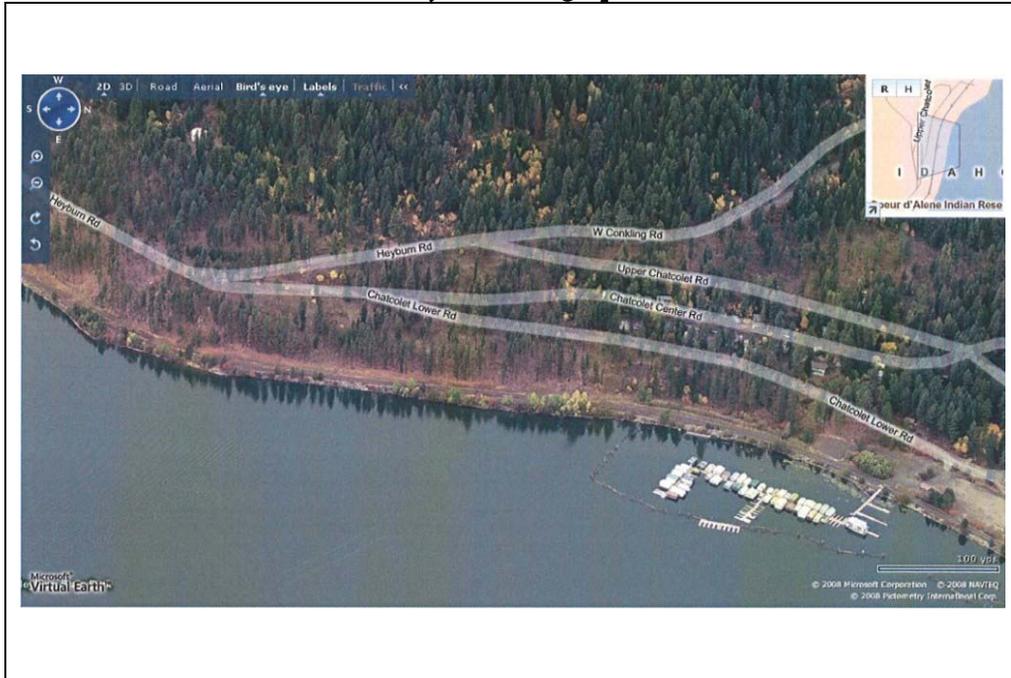


Photograph from within Hawley's Landing.



Aerial of the northern portion of the Chatcolet area.

## Subject Photographs



Aerial of the southern portion of the Chatcolet area.



Upper road in the Chatcolet area.

Subject Photographs



Photo from Block D in the Chatcolet area.

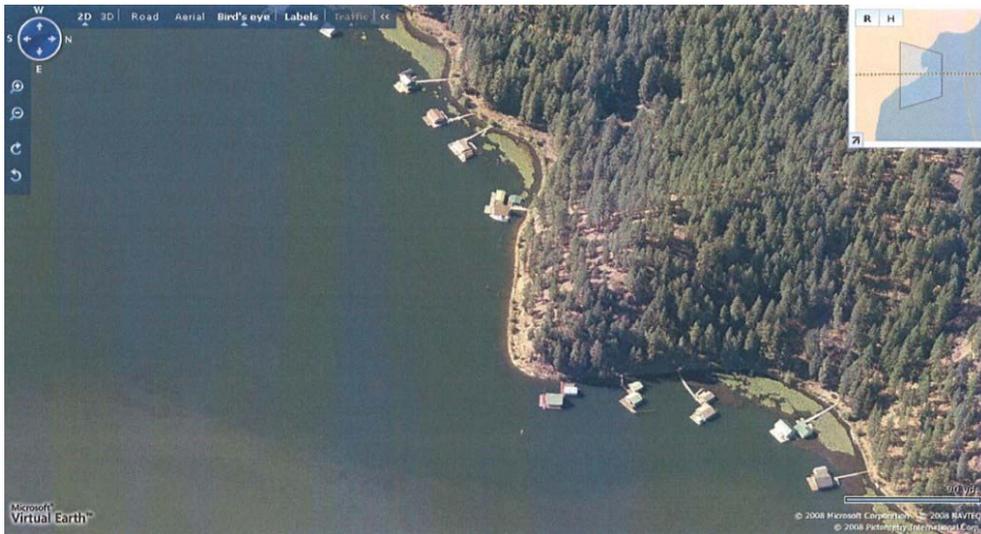


Center road in the Chatcolet area.

## Subject Photographs



Lower road in the Chatcolet area.

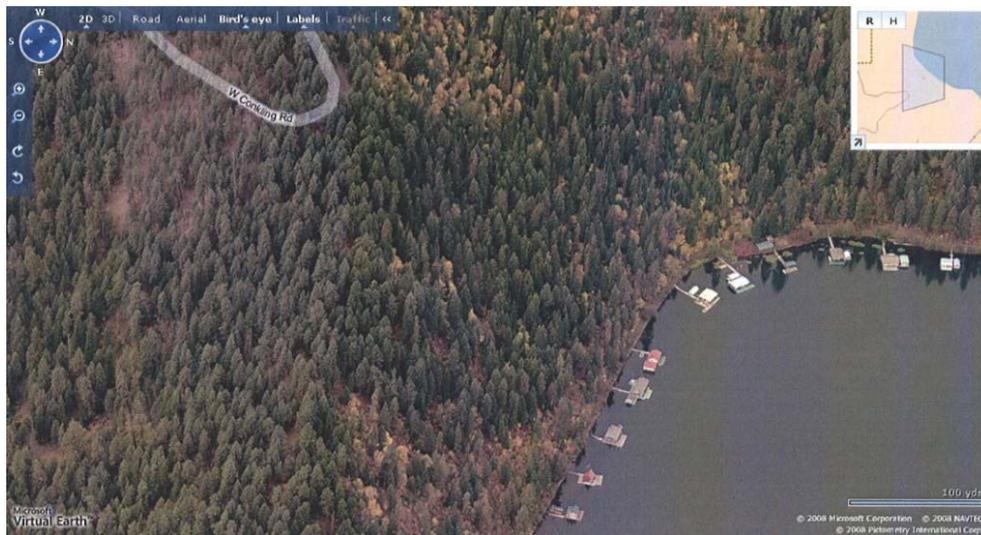


Aerial of the northern portion of the Hidden Lakes float homes.

## Subject Photographs

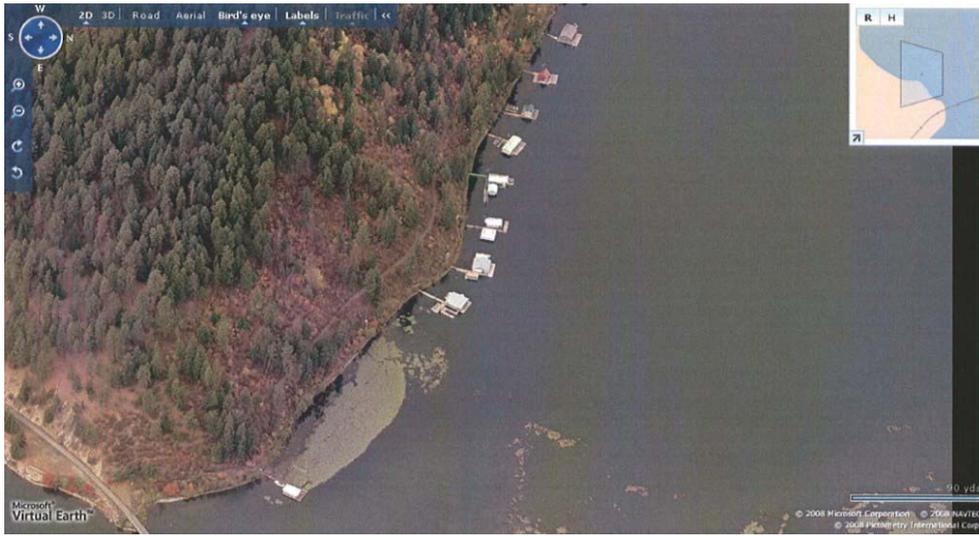


Aerial of the north-central portion of the Hidden Lakes float homes.



Aerial of the south-central portion of the Hidden Lakes float homes.

## Subject Photographs



Aerial photograph of the southern portion of the Hidden Lakes float homes.

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

**ORIGINAL**

**Summary Appraisal Report, Heyburn State Park Cottage Site Lots  
IDPR Appraisal Agreement 21182-09-01**

This Agreement ("Agreement") is between the Idaho Department of Parks and Recreation (the "Department"), whose address is 2885 Kathleen Avenue-Ste #1, Coeur d'Alene, Idaho 83815 and Auble, Jolicoeur & Gentry (the "Contractor"), whose address is 107 S Howard Street-Ste #300, Spokane, WA 99201, 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 Department and the Contractor, in consideration of the mutual covenants and conditions contained herein, agree as follows:

**I. AUTHORITY**

This agreement is entered into pursuant to Idaho Code, Section 67-5718 and the IDAPA rules of the State Division of Purchasing. If there is a conflict between this Agreement and the statutes or rules applicable to the Division of Purchasing, the statutes and IDAPA rules shall take precedence.

**II. TERM OF AGREEMENT**

This Agreement shall commence on June 1, 2008 and expire on October 31, 2008 unless extended, in writing, by the parties or unless terminated earlier in accordance with this Agreement.

**III. 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 Department's offices. Project status meetings may be held upon reasonable notice and request of the Department, 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. The Contractor warrants that for a period of nine (9) months following final acceptance, all deliverables delivered under this Agreement shall be corrected. In event of nonconformity, and without limitation upon any other remedy, the Department 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 Department has in law or equity. Without limiting the foregoing, the Contractor recognizes its obligation to work with the Department to correct any errors discovered after delivery 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.

**IV. TAXES**

The State of Idaho and the Department 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 Department 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.

#### V. PAYMENT

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

##### Invoicing

1. Payment for services rendered shall be made upon acceptance of the work by the Department and submission of a signed itemized invoice to the Department. The Agreement name and number must be shown on all invoices. Invoices must specify the dates that services were performed, the nature of the work, and cost of work performed.
2. Billing must be done when the services are completed. If the Department disputes any invoiced amount, it shall notify the Contractor in writing within five (5) business days. The Department will process payments of any amounts not in dispute, in accordance with Idaho Code 67-5735.
3. Invoices are to be sent directly to: Department of Parks and Recreation, North Region Office, 2885 Kathleen Avenue-Ste #1, Coeur d'Alene, ID 83815. Alternative invoicing arrangements must be mutually agreed upon in writing and specified in Attachment B. The Contractor understands that, while the Department will use its best efforts to secure prompt payment of invoices, as a state agency, the Department 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.

#### VI. OWNERSHIP

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

#### VII. RELATION OF PARTIES

The service or services to be rendered under this Agreement are those of an independent contractor. The Department 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 Department as those terms are used in Idaho Code § 6-902, et al, and is not entitled to any benefits provided by the Department to employees.

#### VIII. 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.

#### IX. SAVE HARMLESS

The Contractor shall exonerate, indemnify, and hold the Department 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. The Contractor will maintain Worker's Compensation Insurance and will provide certificate of same if requested by the Department. Failure to provide a Certificate of Workman's Compensation Insurance may result in a price adjustment to cover any cost to the Department of providing the necessary workman's compensation insurance. The Department will not assume liability as an employer. The Contractor must 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.

The Contractor shall protect, indemnify, and save the Department 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 Department 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.

X. ASSIGNMENTS

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

XI. DEFAULT AND TERMINATION

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) days after receipt of written notice from the Department 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 Department may terminate this Agreement. Upon such termination, the Department may pursue any and all legal, equitable and other remedies available to the Department. The Contractor shall be liable for any and all expenses that are incurred by the Department 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.

2. For Convenience:

The Department may terminate this Agreement for its convenience at any time upon ten (10) business days written notice and, upon such termination, the Department'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 Department 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.

XII. 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."

XIII. 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.

XIV. NO PENALTY

It is understood and agreed by the parties that the Department 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. If, in the sole judgment of the Department, the state or federal legislature fails to appropriate such funds as may be

required to make payments under this Agreement, this Agreement shall terminate upon ten (10) days' written notice to the Contractor.

**XV. NONWAIVER OF BREACH**

The failure of the Contractor or the Department 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 Department.

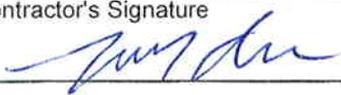
**XVI. DUPLICATE ORIGINALS**

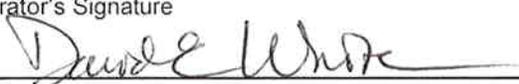
This Agreement may be executed in duplicate originals. Each of the two agreements with an original signature of each party shall constitute one original.

**XVII. GENERAL PROVISIONS**

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.
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. It 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. In the event of any legal proceeding to enforce or obtain performance under this Agreement, the prevailing party shall be awarded such sums as the court may adjudge for reasonable attorneys' fees and costs.

By signature of their authorized representatives below, the parties hereto have caused this Agreement to be executed as of the day and year executed by the Department.

Contractor's Business Name Auble, Jolicoeur & Gentry	
Contractor's Printed Name Scot D. Auble	Title Principal (President)
Contractor's Signature 	Date 6/2/08

Department of Parks & Recreation, North Region Manager's Printed Name David E. White	
Administrator's Signature 	Date 6-12-08

**Summary Appraisal Report, Heyburn State Park Cottage Site Lots  
IDPR Appraisal Agreement 21182-09-01**

**Attachment A  
Scope of Work and Delivery Schedule**

Prepare a Summary Appraisal Report in the same format and covering the same areas and factors as the report prepared by Auble, Jolicoeur & Gentry dated September 10, 2003. More specifically: Analyze and appraise the 166 recreational residence sites in Heyburn State Park, Benewah County, Idaho in order to estimate the fee simple market value of each site as of time of delivery and effective date of this new appraisal report (using the factors of Type, Access, Parking, Terrain, Timber, Size, View, and Adjacent Land to determine the Adjusted Value of each lot).

The intended use of this appraisal is to provide the Department with value estimates of the subject sites on which to base appropriate lease rates for the sites.

Report to be delivered in draft form no later than October 1, 2008 for review by Department staff. Draft will be returned for to the Contractor no later than October 15, 2008. Contractor will submit final report by October 31, 2008. Project may be submitted at any time prior to the October 31, 2008 date.

By signature of their authorized representatives below, the parties hereto have agreed to the Scope of Work or Service described above.

Contractor's Business Name Auble, Jolicoeur & Gentry		
Contractor's Printed Name Scot D. Auble	Title Principal (President)	
Contractor's Signature 	Date 6/2/08	

Department of Parks & Recreation, North Region Manager's Printed Name David E. White	
Administrator's Signature 	Date 6-2-08

**Summary Appraisal Report, Heyburn State Park Cottage Site Lots  
IDPR Appraisal Agreement 21182-09-01**

**Attachment B  
Costs**

- A. Total cost to the Department for the Summary Appraisal Report will be \$16,500 inclusive.
1. Payment for services rendered shall be made upon acceptance of the work by the Department and submission of a signed itemized invoice to the Department. The Agreement name and number must be shown on all invoices. Invoices must specify the dates that services were performed, the nature of the work, and cost of work performed.
  2. Billing must be done when the services are completed. If the Department disputes any invoiced amount, it shall notify the Contractor in writing within five (5) business days. The Department will process payments of any amounts not in dispute, in accordance with Idaho Code 67-5735.
  3. Invoices are to be sent directly to: Department of Parks and Recreation, North Region Office, 2885 Kathleen Avenue-Ste #1, Coeur d'Alene, ID 83815. Alternative invoicing arrangements must be mutually agreed upon in writing. The Contractor understands that, while the Department will use its best efforts to secure prompt payment of invoices, as a state agency, the Department 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.

By signature of their authorized representatives below, the parties hereto have agreed to the fully burdened costs described above for the services described in this Agreement.

Contractor's Business Name Auble, Jolicoeur & Gentry	
Contractor's Printed Name Scot D. Auble	Title Principal (President)
Contractor's Signature 	Date 6/2/09

Department of Parks & Recreation, North Region Manager's Printed Name David E. White	
Administrator's Signature 	Date 6/2/09



## SCOT D. AUBLE, MAI, PRESIDENT

### PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

- Member Appraisal Institute, MAI Certificate #10620
- State of Washington Certified General Real Estate Appraiser, #270-11-1100632
- State of Idaho Certified General Real Estate Appraiser, #CGA-220
- Excell Executive Leadership Exchange, 1999-Present
- Spokane-Kootenai Real Estate Research Committee, Chair, 2005
- WSU Real Estate Advisory Board, Chair, 2002-2004
- Spokane Home Builders Association, Member, Government Affairs Committee, Chair, 2003
- Spokane County Board of Equalization, 1996-1999
- Inland Northwest Chapter of Appraisal Institute, President, 1998
- Downtown Spokane Partnership, Member
- Downtown YMCA Advisory Board, Chair
- Washington State University-Spokane, President's Advisory Council

### BUSINESS EXPERIENCE

- Auble & Associates, Inc., dba Auble, Jolicoeur & Gentry, President
- Qualified as Expert Witness in Spokane, Pend Oreille, and Douglas Counties, Washington, Kootenai County, Idaho
- Owner and manager of several personal real estate investments
- Real Estate Appraiser and Consultant since 1985
- Familiar with the valuation of nearly all property types; specialist in investment analysis

### EDUCATION

- Washington State University, Bachelor of Arts in Criminal Justice
- Appraisal Institute Courses:
  - Completed all the educational & examination requirements for the MAI designation, 1994
  - Uniform Standards of Professional Real Estate Practice, 2005 & 2007
  - Attacking & Defending in Appraisal Litigation, 2007
  - Business Practices & Ethics, 2005
  - Evaluating Commercial Construction, 2004
  - Separating Real & Personal Property from Intangible Business Assets, 2002
  - Appraisal Review, 2001
  - Condemnation Appraising, 2001
  - Valuation of Detrimental Conditions in Real Estate, 2000
  - Standards of Professional Practice - Part C, 1999
  - The Appraisal of Local Retail Properties, 1998
  - Highest and Best Use and Market Analysis, 1998
  - Timberland Valuation, 1997
  - Working with Legal Descriptions, 1996
  - Zoning, Police Power & Regulatory Takings, 1996
- Standards of Professional Practice, 1995
- Litigation Valuation, 1995
- Understanding Limited Appraisals-General, 1994
- Subdivision Analysis, 1994
- Appraisers Complete Review Seminar, 1994
- Report Writing and Valuation Analysis, 1993
- Standards of Professional Practice, 1991
- Case Studies in Real Estate Valuation, 1991
- Appraisal Theory, 1991
- State Certification Program, 1991
- Appraiser's Legal Liability, 1990
- American Institute of Real Estate Appraisers:
  - Valuation of Leased Interest Part I and II, 1989
  - Capitalization Theory & Techniques Part A, 1989
  - Capitalization Theory & Techniques Part B, 1989
  - Cash Equivalency, 1988
  - Basic Valuation, 1986
  - Appraisal Principles, 1985

### PROPERTY TYPES ANALYZED

- Agricultural Land
- Apartment Projects
- Banking Facilities
- Commercial Conversions
- Commercial Land & Buildings
- Day-Care Centers
- Expert Witness Testimony
- Feasibility Analysis
- High-End Homes & Estates
- Industrial Land & Buildings
- Lease Analysis
- Master Planned Developments
- Mobile Home Parks
- Office Buildings
- Personal Investments
- Ranches
- Residential Condominiums
- Residential Subdivisions
- Right-of-Way
- Shopping Centers
- Timberland
- Waterfront Land & Developments