

APPRAISAL ASSIGNMENT
(Summary) Report Format
Lessee: J. Michael Hanigan
Property: 2251 Payette Drive
City of McCall, Valley County, Idaho, 83638

As of
January 10, 2024

Prepared For
Mr. Roger Hall
Real Estate Bureau Chief
Idaho Department of Lands
300 N. 6th Street, Suite 103
Boise, ID 83702

Prepared by
Hall - Widdoss & Company, P.C.
Steven A. Hall, MAI, CCIM
IDAHO CGA-257
Expires 8/11/2024

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April 26, 2024

Mr. Roger Hall
Real Estate Bureau Chief
Idaho Department of Lands
300 N 6th Street Suite 103
PO Box 83720
Boise ID 83720-0050

RE: Appraisal Report, Lessee J. Michael Hanigan, located at 2251 Payette Drive, City of McCall, Valley County, Idaho, 83638; Subject to Hypothetical Conditions & Extraordinary Assumptions. IDL Contract 15-101, Contract Modification No. 17; 2024 Payette Lake VAFO, Ground Lease and ULA Appraisals Valley County, ID

Dear Mr. Hall:

This letter of transmittal recognizes Contract #15-101, Modification No. 17, dated 9/06/2023 between the State of Idaho, Department of Lands and the firm of Hall – Widdoss & Company, PC. Please be advised this report is being prepared with specific reference to the sales catalog that has been provided under separate cover. As a result, this appraisal report is not a stand-alone document and to comply with the terms of the Appraisal Instructions/Scope of Work, Payette Lake VAFO Appraisals, the sales catalog must be made available for reference. This appraisal is intended to include the lessee's personal property, as that term is identified (site improvements & structural improvements). The purpose of the appraisal is to provide IDL with a current market value for this site which will be used as the basis for the VAFO auction. Personal Property is addressed within the legal considerations of the VAFO auction process. In this appraisal, the personal property is classified as a "tear-down" meaning the improvements contribute no value to the land (vacant & unimproved cottage site). I have assumed the lessee is responsible for the removal of the existing cabin.

This report is submitted as being in full compliance with the 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. In addition, the appraisal presented is intended to be in full compliance with all applicable laws & regulations affecting this service & report in which jurisdiction the subject property is located.

The appraisal being submitted here is in recognition of the VAFO 2024 cycle for Payette Lake. The contract modification requires the appraisal to establish the market value of this cottage site, as though "vacant & unimproved." This report, in conjunction with the sales catalog, forms the report option "Appraisal Report" in compliance with USPAP 2024-2025.

This is a single-family residential/recreational cabin site located on a secondary lot to Payette Lake (non-water frontage but with common area lake access). The cottage site, as vacant & unimproved is described in the body of this report. This cottage site has a specific size, front foot of road access, topography, ground cover, and utility access that are all weighted as to a scale of measuring the quality of the lot. Private road access is maintained by Homeowner Association(s); commonly stated as an HOA. Access is Warren Wagon Road to Pine Haven Place & either Tamarack Road or Payette Drive to the property. The site is serviced by electricity, telephone, public (PLRSWD) sewer and well water with the latter two utilities being personal property and which are not included in the valuation of the cottage site, as vacant & unimproved.

From review, the subject lot is regulated by an R-4 zoning district. The subdivision plat filed in Valley County contains Conditions, Covenants & Restrictions, more commonly known as CC&R's. This regulates the individual cottage site for a single-family residential use, no further subdivision of the lot, as set forth in that plat CC & R's. No more than one single-family dwelling unit and such associated accessory structures are allowed.

Personal Property is defined as a residential/recreational single-dwelling unit (together with any/all ancillary structures). The specific details of these improvements have been included based on the purpose of the appraisal, which is to establish a market value for the underlying "Vacant & Unimproved" cottage site and to include the Personal Property under the market value of the fee simple title with the difference being the contributory value of the Personal Property (leasehold improvements).

Please reference the scope of work section of this report for important information regarding the scope of research and analysis for this appraisal, including property identification & inspection, and an analysis of highest and best use analysis and valuation methodology. Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions: Hypothetical condition that the underlying site represents a 'Vacant & Unimproved' condition so valuation of cottage site is land only pursuant to the original contract. Leasehold Improvements are termed personal property which includes the composite of all site & structural improvements made to the property. The purpose of this appraisal is to provide a valuation of the Cottage Site for the 2024 VAFO, Ground Lease, ULA cycle. That requires the use of this hypothetical condition that the land is Vacant & Unimproved (assumes that the improvements do not exist as of the date of value).

The property was inspected during October 3-5, 2023. The extraordinary assumption is that the property is the same as of the effective date of value of January 10, 2024, as what I observed during the October 2023 inspection (property observation).

I certify that I have no present or contemplated future interest in the property beyond the value opinions expressed herein. The appraiser has performed prior services regarding the subject within the previous three years of the appraisal date, as noted.

Based upon my investigations, studies and analyses, it is my opinion the *market value of the subject property defined herein as the Fee Simple Estate*, (hypothetical condition), and subject to the extraordinary assumption related to the inspection date vs. the effective date of value of January 10, 2024, is:

Four Hundred Forty-Three Thousand Dollars and Zero Cents
\$443,000

Further, it is my opinion the *market value of the subject property defined herein as the "Vacant & Unimproved" cottage site*, reflecting the hypothetical condition as "Vacant & Unimproved", as of January 10, 2024, is:

Four Hundred Forty-Three Thousand Dollars and Zero Cents
\$443,000

Finally, it is my opinion *the market value of the subject property defined herein as the Leasehold Personal Property (IDL Approved Improvements Only)*, reflecting that same extraordinary assumption included herein, as of January 10, 2024, is:

Zero Dollars and Zero Cents
\$ 0.00

Pursuant to USPAP, it is necessary for this appraisal to consider & analyze exposure time when developing an opinion of market value. Please refer to the sales catalog for the discussion & analysis presented regarding exposure time.

Your attention is invited to the data found within the body of this report which, in part, is the foundation of this conclusion. I wish to thank you for this opportunity to be of service. If there are any questions or issues that need attention, please do not hesitate to contact me.

Respectfully submitted,
Hall - Widdoss & Company, P.C.



Steven A. Hall, MAI, CCIM
ID Certified General CGA-257
Expires August 11, 2024

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY IDENTIFICATION

Land: The chart below reflects the site characteristics as the vacant & unimproved cottage site.

Site Description		Location		Legal Description	
Address/Legal Description		2066 Ferndale Way		Lot 2, Block 6, State Subdivision - Amended Pinecrest Addition	
Site Size (SF)		14,766	Square Feet	Lease No.	
Site Size (Ac.)		0.339	Acre	R500366	Size based on Valley County Assessor
Road Frontage/Access		Warren Wagon Road is a paved public roadway that serves the west side of Payette Lake. This property is accessed from that paved road to Rocky Shore Drive to Ferndale Way. The subject has road frontage & road access from Ferndale Way with Payette Drive (R/W) to the east side but no developed road at that location. The site has frontage to both Ferndale Way and Payette Drive but only direct vehicular access from Ferndale Way.			
Topography - Brief Description		Mostly level/knoll to NE			
Topography Narrative		The parcel is mostly level and at-grade with Ferndale Way with an upslope & cross-slope to the east/NE. The existing cabin location is at the very NE corner of the site and that location is not compliant with setback requirements. This is a land only valuation so the improvement issues with setbacks is not relevant to this appraisal. The eastern part of the site provides some view qualities of Payette Lake which is considered a positive feature of the site. The topography is considered a knoll with an upslope from Ferndale Way to the far eastern portion of the site that is the highest elevation (from here, the view is achieved). Development of a cabin site would require a daylight basement with the focus of any building being toward the east/SE.			
Shape/Configuration-Brief		Rectangular			
Shape/Configuration-Narrative		Parcel is almost perfect rectangle with an approximate average of 99.54' X 148.34' (estimated site size is 14,765 SF which is 0.339 acres). See the plat map for better visualization where frontage to Ferndale is 98.75' and frontage to Payette Drive is 100.32'.			
Vegetative Cover		Parcel has moderate tree cover with deciduous understory.			
Utilities		The site is serviced by electricity, telephone, and public (community) sewer. It is assumed an on-site water well would be required for potable water. Neither sewer or water are considered part of the vacant & unimproved description of the cottage site. Availability of sewer is recognized but not the connection fee being paid.			
Street Improvements		Warren Wagon Road is a paved public roadway that serves the west side of Payette Lake. This road has wide shoulders with a barrow pit to the subject side of the R/W. The site is accessed using Rocky Shore Drive to Ferndale Way or Wild Rose to Ferndale Way and then direct to the subject on Ferndale Way. Utilities are generally found within the R/W of Ferndale Way.			
Zoning/Land Use		From review, it would appear that all leased lots defined by this contract are regulated by an R-4 zoning district. The subdivision plat filed in Valley County contains Conditions, Covenants & Restrictions, as more commonly known as CC&R's. This regulates the individual cottage site for a single-family residential use, no further subdivision of the lot, as set forth in that plat CC & R's. No more than one single-family dwelling unit and such associated accessory structures are allowed.			
Flood Hazard (Map Panel/Flood Risk)		1602200175A		Dated: 9/5/1990. Rating is Low Flood Risk	
Easements/Encroachments		The official plat does not show any easements. The site gains access to sewer in the R/W of Ferndale Way. Overhead power is found in the Payette Drive R/W to the cabin in the NE corner. There is a well on the subject site that appears to have an encroachment over Lot 5. I am not sure why the line crosses south into Lot 5 but assume that would be an easement. The lot is accessed directly from Ferndale Way.			
Site is rectangular in shape. This is a treed parcel with the access & road frontage to the west side of the tract on Ferndale Way but there is also the R/W of Payette Drive to the east boundary (road does not exist at this location). This is a "knoll-like" topography with a level site portion for the western area & then the easterly 1/4 of the site reflects an upslope to the eastern boundary. It is at this eastern location that a view of Payette Lake is achieved. Based on setbacks, the ability to obtain the view will require a daylight basement facing to the NW but focusing the dwelling to the SE.					

Improvements: The Personal Property is defined as residential/recreational single residential unit. Ancillary structures included are defined below. Typically, I would present a chart that would describe and/or identify the subject as to pertinent details of construction type & quality (and condition) and to present photographs & a drawing (sketch) to provide clear visualization of both the site features & qualities as well as the improvement features & qualities.

For this property, the cabin is classified as a "tear-down" meaning there is no value contribution to the underlying site value & a potential buyer will consider this a vacant parcel.

VALUE INDICATIONS	
Land Value:	\$443,000
Cost Approach:	N/A
Sales Comparison Approach	N/A
 OPINION OF MARKET VALUE – REAL PROPERTY (Land + Improvements)	 \$443,000
Less: Land Value (Vacant & Unimproved)	<u>\$443,000</u>
 FINAL OPINION OF VALUE – PERSONAL PROPERTY	 <u>\$ 0</u>
<i>Effective Date</i>	<i>January 10, 2024</i>

SCOPE OF WORK

This was defined in the sales catalog/project report and will not be repeated here except for the very specific conditions imposed by the Scope of Work.

1. **Client:** The client is the Idaho Department of Lands (IDL).
2. **Intended user:** The intended user is the Idaho Department of Lands (IDL). Although it is recognized the individual cottage site Lessee will be provided a copy of this Appraisal, the Lessee is not an intended user of the appraisal. For the VAFO appraisals, the potential bidders are not recognized as intended users.
3. **Purpose/Intended use:** The Purpose of this appraisal is to provide an opinion of the market value of the cottage site, as though "Vacant & Unimproved." The intended use recognizes the Idaho Constitution, Article IX, Section 8 that provides, "no state lands shall be sold for less than the appraised price." As such, the intended use is to establish the minimum bid amount at the VAFO auction to be held in 2024. Further, the intended use is to establish a market value for the personal property (IDL Approved Improvements) that will establish the value to be paid the existing lessee should the lessee not be the successful bidder on the underlying cottage site auction. Where IDL is the owner of the fee simple estate (land & improvements), the intended use is to simply establish the minimum bid amount for the real property.
4. **Type of value:** The type of value, as required by Scope of Work, is market value. That term has been defined within this report.
5. **Effective Date of Value:** The effective date of appraisal is January 10, 2024, which is consistent with the date of inspection. This is a current value assignment. The report date is that date shown on the letter of transmittal which coincides with the final report delivery to the client.
6. **Subject characteristics:** Deals with the extent of the subject property such as inspection/property viewing, property rights appraised, etc. This requires further address which is reflected within this appraisal.
7. **Assignment conditions:** Refers to hypothetical conditions and special or extraordinary assumptions & limiting conditions. Please refer to the paragraphs below regarding these issues. The site valuation reflects a hypothetical condition that the cottage site is viewed as though vacant and unimproved, ignoring for valuation purposes, any lessee personal property. All recognized (approved) improvements are considered personal property which is also being valued herein.
8. **Prior Services:** I have been involved in an appraisal of the subject cottage site as of August 4, 2021.

(6. continuation) As identified in the Appraisal Instructions/Scope of Work, Payette Lake Cottage Sites, Item II. states "*At a minimum, the appraisal is to comply with the reporting requirements under Standards Rule 2-2(b) of the USPAP for a Summary Appraisal. The Appraisal Report, as described in USPAP, shall be used to support each individual lot appraisal. A report shall include photos, addenda, plats, maps, etc. that support the facts and the opinion of market value presented in the appraisal. All appraisal report forms must be in compliance with the current version of USPAP.*" Under USPAP 2024-2025 an Appraisal Report or a Restricted Report are the classifications of the written report. In historic context, this is further classified as a narrative appraisal report (a summary appraisal report).

For this appraisal, the extent of the subject inspection involved a viewing of the exterior boundaries of the site to the extent possible. The personal property viewing included an exterior as well as interior observation of the property and all appurtenant improvements were measured and discussed for valuation. The site view and site analysis reflect the State Subdivision plat as recorded in Valley County and it incorporates the Overlay maps of the recorded State Subdivisions with the Inventory Surveys provided by JUB Engineers, Inc. It is this latter map that clearly identifies what is an IDL Approved Improvement. ***“Clarification to the Scope of Work: If the improvements have changed since the provided 2011 inventory survey, plats, and maps, it is assumed they are IDL approved unless otherwise stated.”***

Boat lifts, personal watercraft lifts, community boat slips and such items are excluded from valuation. These are classified along the lines of personal furniture or fixtures that are not part of the IDL Approved Improvements. Kitchen equipment and laundry equipment, when specifically excluded, will require adjustment to the sale since this type of personal property is typically included as part of the transaction.

The property view may or may not have included an owner interview though the seller’s property disclosure statement was provided. In some instances, the lessee was on-site and provided additional information and was available to answer questions.

(7. continuation) The client requested an opinion of the market value for the 1.) Cottage Site as Vacant & Unimproved and 2.) the Personal Property (improvements only). It is a condition of this appraisal that the underlying site represents a “VACANT AND UNIMPROVED” condition so the personal property being valued is the composite of all site & structural improvements made to the property measured by the fee simple valuation less the vacant & unimproved lot value which expresses the personal property contribution to total market value. *The use of extraordinary assumptions and hypothetical conditions within the report should be viewed within context that their use might have affected the assignment results.*

The appraisal assignment reflects **State Endowment Trust Land Information** specifically Idaho Department of Lands mission is to manage State Endowment Trust Lands (State Trust Lands) in a manner that will maximize long-term financial returns to the Beneficiary Institutions. The IDL mission is a constitutional mandate and is overseen by the State Board of Land Commissioners. State Trust Lands are not managed for the public at large and should not be referred to as public lands or open space, either specifically or in a generic sense.

These are working lands producing revenue for the Beneficiary Institutions. IDL has had a leasing program for recreation residential sites since the 1920’s. What began as a simple opportunity to lease State Trust Land for use as primitive cabin sites has evolved into the existing cottage site developments with a range of structure types from large expensive structures to quaint cabins. This appraisal is to reflect market value of the vacant and unimproved cottage site for purposes of establishing a bid amount under the 2024 VAFO auction cycle. The process begins with the auction (for sale) of this cottage site “as vacant & unimproved. If the current lessee is not the successful bidder, then the lessee is to be paid the appraised value of the Personal Property (IDL Approved Improvements). These terms were defined in the sales catalog. The subject neighborhood plat has been recorded. The rights and obligations associated with the platting, recording CCRs, and forming of neighborhood associations will be assumed to be in-place and operating at time the lot has been appraised.

The personal property, as it is defined by contract, reflects the permanent improvements to the site in the form of site development (leveling, logging, cutting in roads, extending utilities, improving the shoreline, etc.) as well as structural improvements made to the site. This assumes, per the terms of the contract and pursuant to the IDL lease, the lessee is entitled to the market value of those improvements without including any benefit associated with the underlying lease or recognizing any discount associated with a risk that the underlying site lease cannot continue.

For the reader's edification, I have incorporated definitions for hypothetical conditions and extraordinary assumptions. These definitions are taken from the USPAP 2024-2025.

“HYPOTHETICAL CONDITION: *a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”*

“EXTRAORDINARY ASSUMPTION: *an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.”*

The use of extraordinary assumptions and hypothetical conditions within the report should be viewed within context that their use might have affected the assignment results.

USPAP states there to be additional reporting requirements when the appraisal involves a hypothetical condition and, it is assumed equally, when there is an extraordinary assumption. This is necessary to ensure the intended user(s) understands:

- (a) *the improved subject property does not yet, in fact, exist as of the date of the appraisal;*
- (b) *the analyses performed to develop the opinion of value are based on a hypothesis, specifically that the improved subject property is assumed to exist when in fact it does not exist;*
- (c) *certain events need to occur, as disclosed in the report, before the property appraised with the proposed improvements will in fact exist; and*
- (d) *the appraisal does not address unforeseeable events that could alter the proposed property improvements and/or the market conditions reflected in the analyses.*

Relevant to the preceding paragraph, factual market data gathered or researched for this appraisal includes vacant residential/recreational land sales. For purposes of helping the client in conflict situations, the assignment also included sales research of improved sales.

It is recognized that Idaho is a non-disclosure State and verification of sales is commonly handled through real estate agent confirmation as well as buyer and/or seller verification. There are times when the confirming party does not wish to be identified or where the price is not to be divulged. All of these elements are considered appropriate and common under peer review. I have relied upon the Mountain States MLS service to assist in the appraisal research for Payette Lake. I had previously been a member of the Intermountain MLS (Boise, Idaho) but did not find that service to provide any additional coverage that was not part of the local McCall area MLS.

It is recognized that I lack special expertise or knowledge with respect to the detection and measurement of hazardous substances. For this appraisal, I have not been provided either a Phase I or Phase II environmental audit relating to this topic for any of the lessee personal

property improvements. I have assumed there to be no environmental concerns relating to this cottage site, which is a typical assumption & limiting condition.

The following identifies the individuals, companies and governmental agencies that have been contacted during this investigation. It should be noted that this is not considered to be an all-inclusive list although it does identify the primary contacts made.

Valley County Appraiser/Assessor
Valley County Treasurer
Valley County Clerk and Recorder

Valley County Planning
Valley County Sanitarian
Site to Do Business

*Mountain Central Association of Realtors MLS Idaho Department of Lands
Various appraisers & appraisals done previously Listing and Selling brokers & agents*

*** For the individual MLS sheets shown, the confirmation includes either one or both of the listing broker/agent and/or the selling broker/agent. Please refer to those identified on the MLS sheet.**

RECORD OWNER

According to the information provided by IDL, the current Lessee for this property is shown as follows:

Lessee	:J. Michael Hanigan
Lease #	:R500377

SALES HISTORY

There have been no recent or relevant transfers of ownership for the subject property within the previous three years. This is endowment land administered by the Idaho Department of Lands.

LOCATION OF PROPERTY

The property being appraised is located in Valley County, Idaho. More specifically, the property is located in the McCall area. The street address for the property is identified as 2251 Payette Drive, City of McCall, Idaho.

LEGAL DESCRIPTION

According to the IDL provided information and based on county records, the subject property is more particularly identified as follows:

Lot 2, Block 6, State Subdivision - Amended Cedar Knoll Acres

PURPOSE OF APPRAISAL & DEFINITION OF VALUE

The purpose of the appraisal is to provide an opinion of the ***Fee Simple market value*** of the individual cottage site, described as the subject property. The valuation reflects the fee simple value of the cottage site, as “Vacant & Unimproved” and the fee simple value of the real property that is the cottage site and all site & structural improvements on the site together with all rights associated with fee ownership. The definition of market value was contained in the sales catalog.

For this appraisal, it needs to be understood that the definition of market value states cash or financing terms equivalent to cash. I was informed through a review process on previous work conducted for IDL that The Appraisal Foundation requires an appraiser to conclude the value is in terms of cash or of financing terms equivalent to cash. I believe that is well beyond the public perception of the definition and what is a practical form of measurement. Some buyers have sufficient capital to pay cash. Other buyers choose to finance part or most of their purchase.

Where financing terms did not specifically alter or impact price, I believe the requirement of identifying cash or equivalent is adequate. To clarify, it is my opinion the sales best relate to the term or financing terms equivalent to cash. I do not believe there is a market distinction between in terms of cash or of financing terms equivalent to cash.

REASONABLE EXPOSURE TIME

This was discussed and analyzed within the sales catalog. In summary, the market value of the subject property reflects a reasonable exposure time summarized in the table below which identifies NWF-Land, NWF-Improved and WF-Improved.

Property Type	# of Indicators	Range/Bracket	Mean	Median
NWF Land	125	12 - 715	154	118
NWF Improved	143	1 - 761	109	73
WF Land (No Payette Lake)	26	5 - 525	160	137
WF Improved	13	1 - 222	101	95

PROPERTY RIGHTS APPRAISED

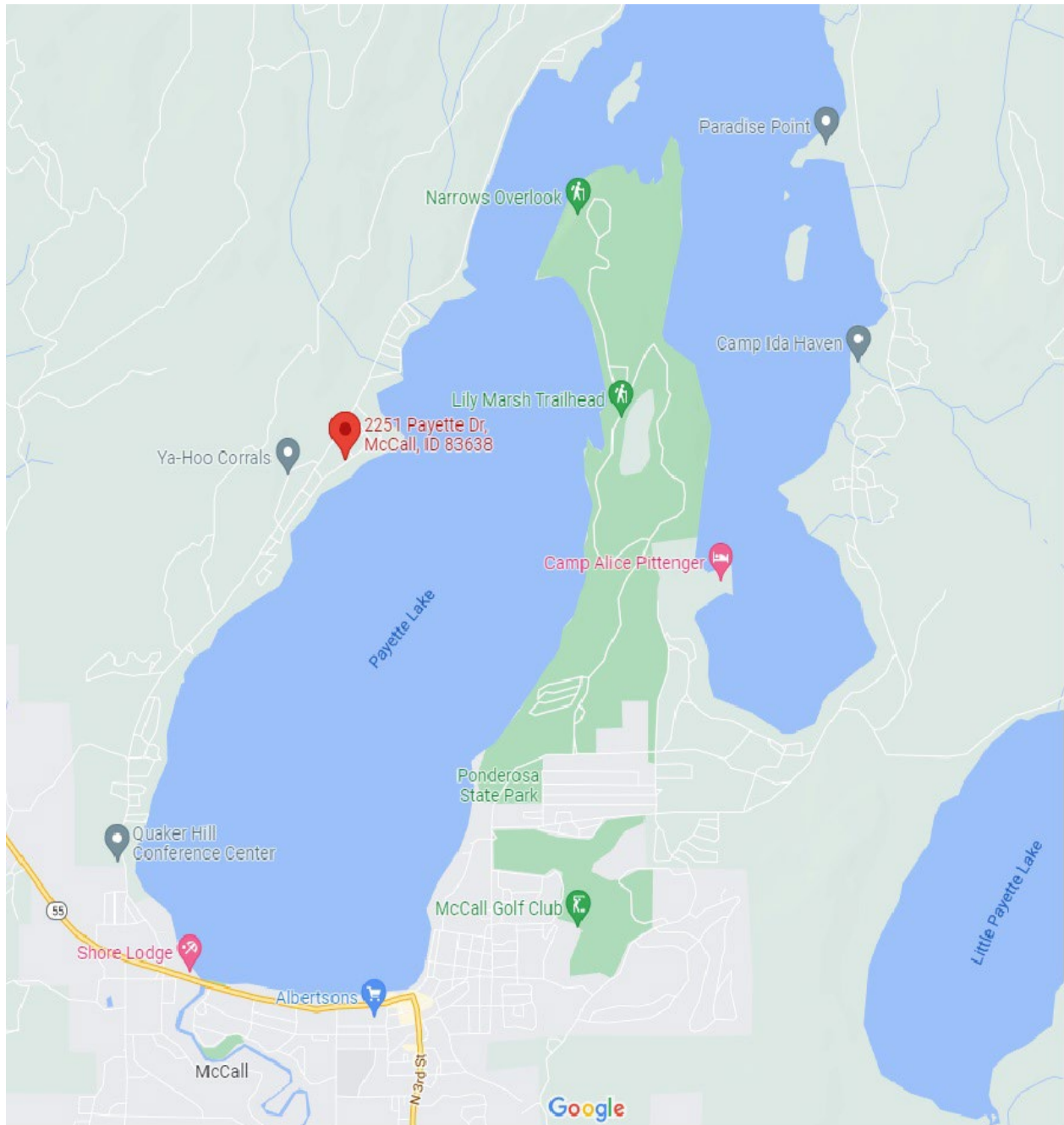
The subject property is being valued as a site, representing the “vacant and unimproved” condition (hypothetical condition since there are improvements on the property). The appraisal includes the valuation of the Personal Property under a fee simple valuation where the difference in market value between the fee simple estate and the market value of the underlying site as “Vacant & Unimproved” reflects the market value of the Personal Property (IDL Approved Improvements). To accomplish the valuation of the vacant land, this purpose requires the hypothetical condition of the appraisal that there are no existing improvements (no Personal Property). That is contrary to known fact in appraising the site as vacant and that is the explanation for this hypothetical condition.

Easements for access & utilities are common and not felt to be an element of value concern. The value opinions expressed herein assume legal physical access to the site together with a legal right to connect to city or municipal sewer but the fee to connect is part of the leasehold and not the “vacant & unimproved” condition.

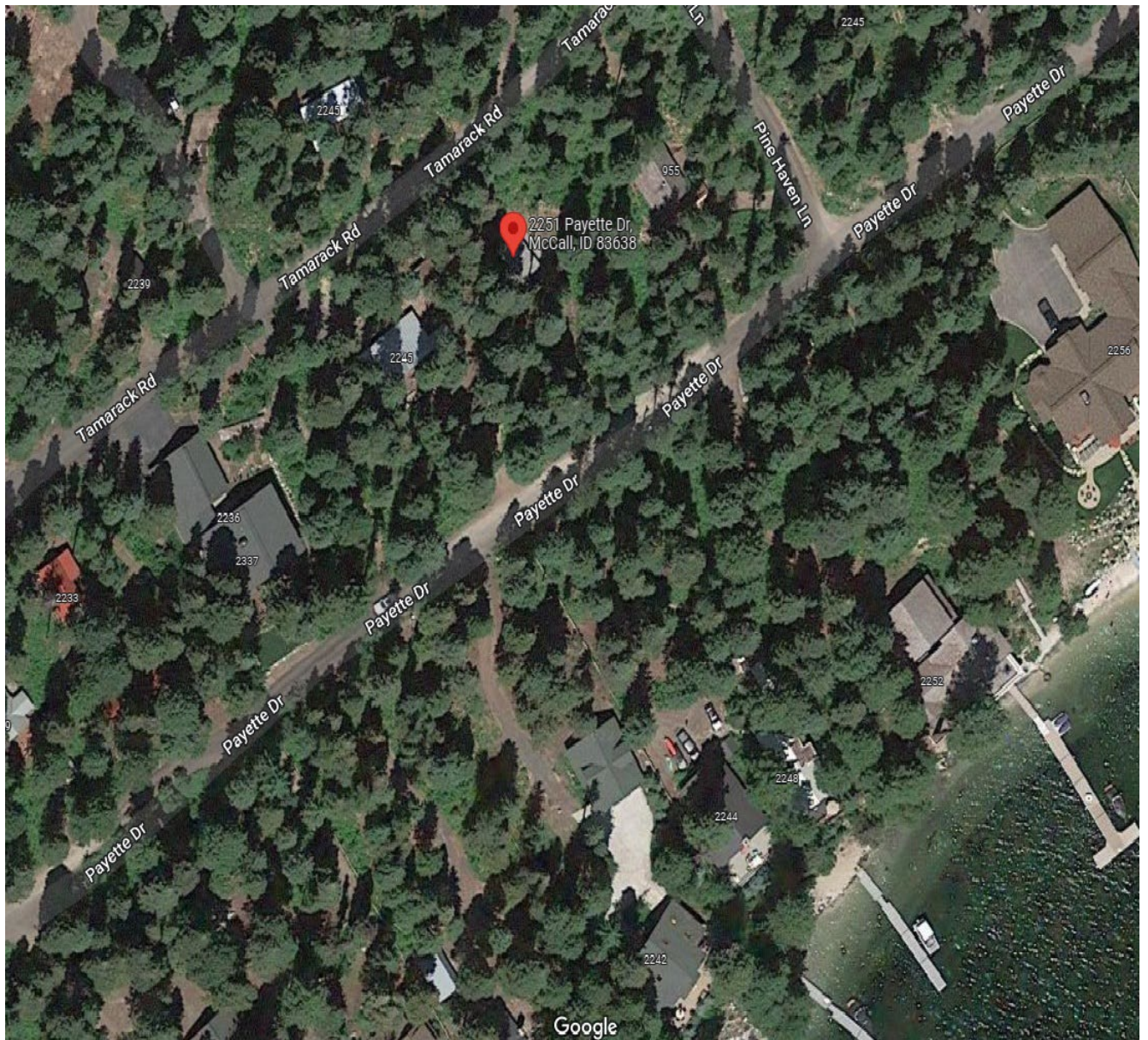
There is electrical power to the parcel as well as telephone service. This is consistent with the “Vacant & Unimproved” condition of the property. Although there is recognition of sewer and water services to the lot, these are not included in the valuation of “Vacant & Unimproved.”

For valuation purposes I am not considering the separation of leased fee and leasehold estates. Simply, I am providing a value opinion on the fee simple estate of the cottage site as vacant & unimproved and the fee simple valuation of the property, inclusive of all site improvements and structural improvements. The difference between these two valuations is the value opinion of the Personal Property.

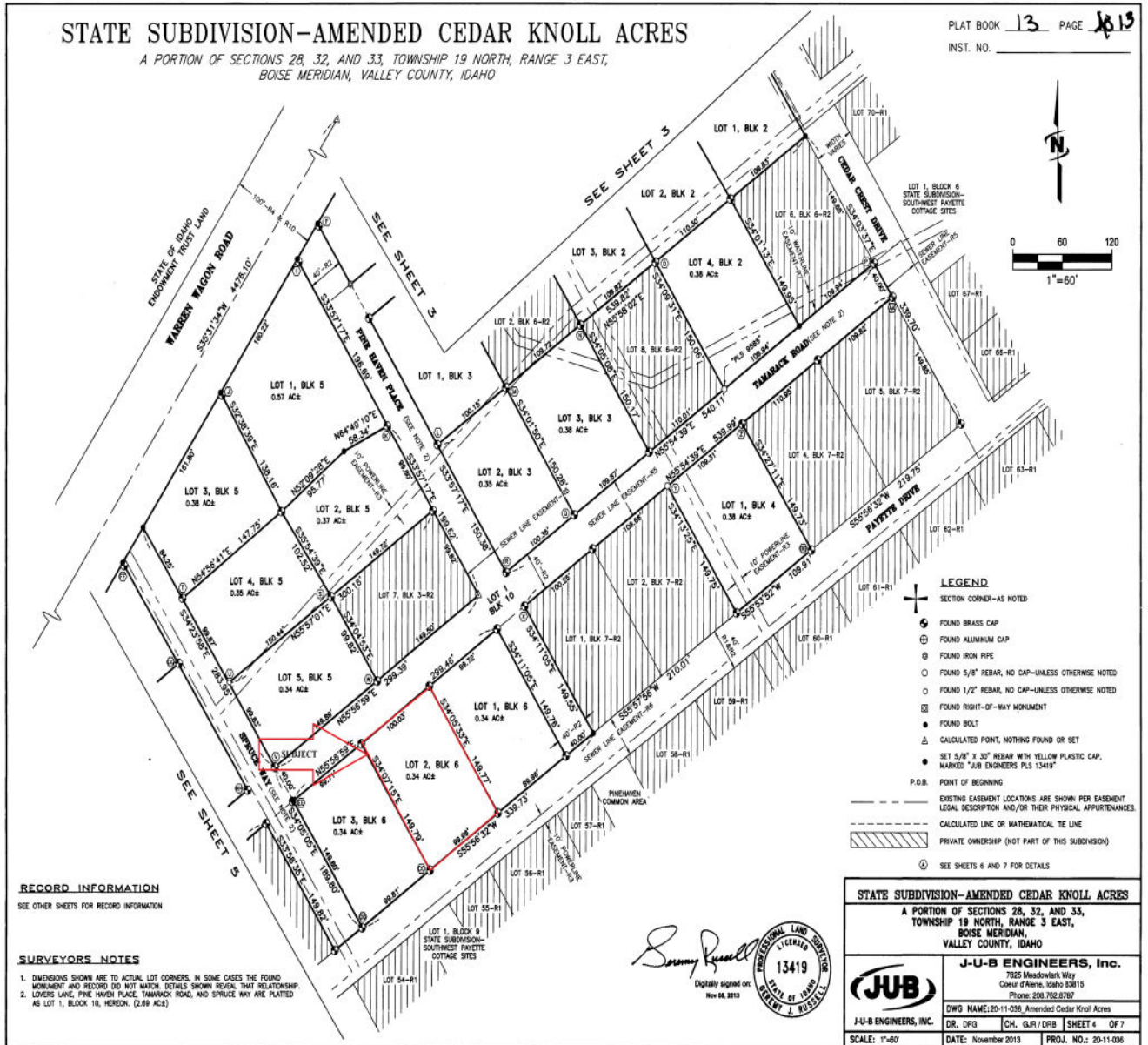
LOCATION MAP



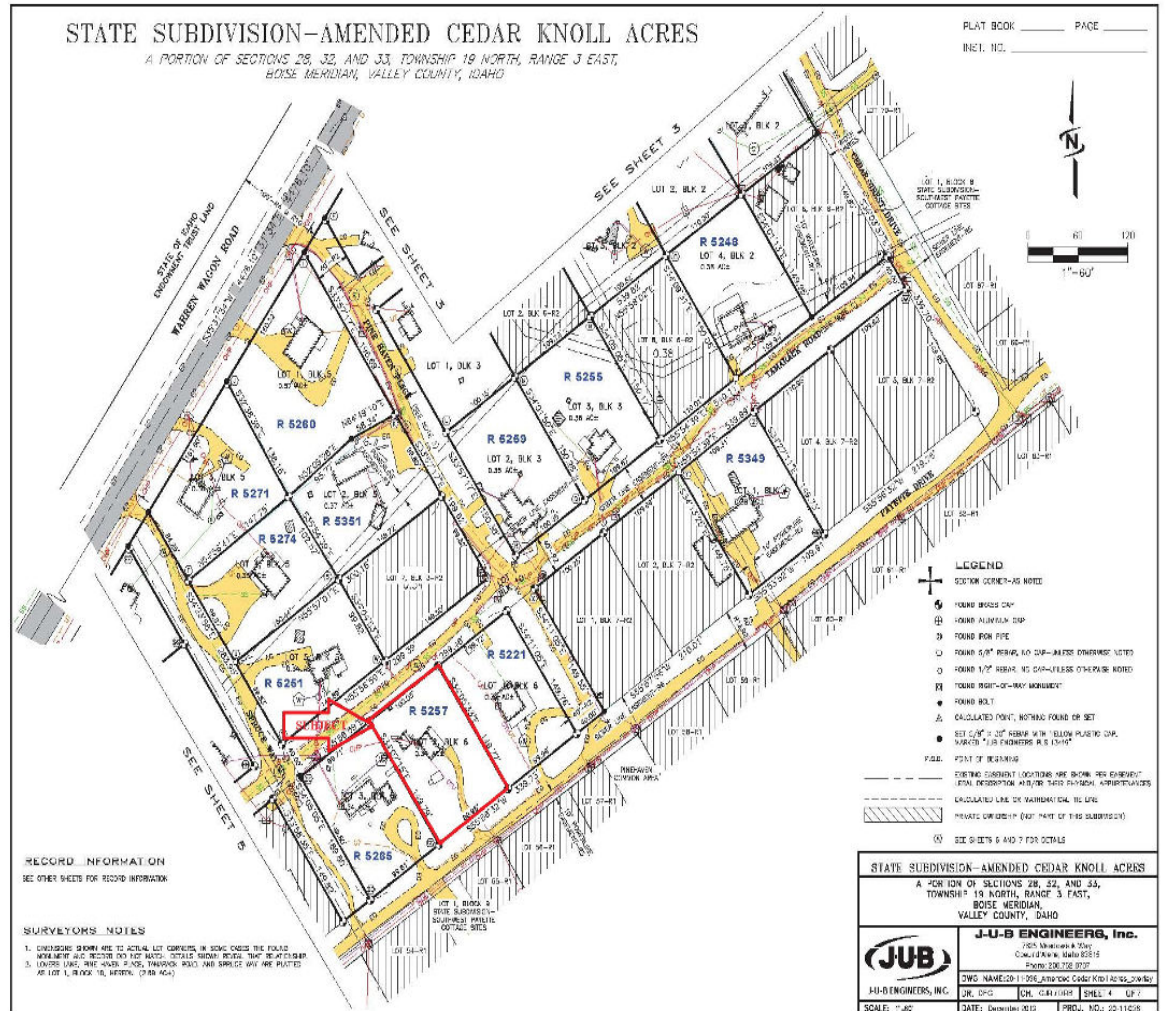
AERIAL PHOTOGRAPH



PLAT MAP



INVENTORY MAP



SUBJECT PHOTOGRAPHS



ABOVE: View easterly along the south boundary of the site taken from the SW corner on Tamarack Road. (9521)



ABOVE: Same location at SW corner but looking NE along Tamarack Road; subject on right. (9522)



ABOVE: Close-up of the west and south (right) elevations of the existing cabin. (9523)



ABOVE: View SW along Tamarack Road from the NW corner of parcel. (9526)

SUBJECT PHOTOGRAPHS



ABOVE: View looking SE into the cottage site from the NW corner of lot on Tamarack Road. (9525)



ABOVE: View looking NW from the NE corner of lot on Payette Drive. (9528)



ABOVE: View SW from the NE corner looking along Payette Drive & subject off to the right. (9529)



ABOVE: View from Payette Drive looking W/NW from the SE corner of lot; cabin on left is not subject. (9530)

SUBJECT PHOTOGRAPHS



ABOVE: View from Payette Drive looking along the existing driveway to the cabin. (9532)



ABOVE: Close-up of the existing cabin showing the north (right) and east elevations. (9534)



ABOVE: View of the interior of the cabin looking from deck through a window. (9536)



ABOVE: Another view of the interior. (9537)

PROPERTY DESCRIPTION

Land: The chart below reflects the site characteristics as the vacant & unimproved cottage site.

Site Description	Location		Legal Description	
Address/Legal Description	2251 Payette Drive		Lot 2, Block 6, State Subdivision - Amended Cedar Knoll Acres	
Site Size (SF)	14,978	Square Feet	Lease No.	
Site Size (Ac.)	0.34385	Acre	R500377	Size based on site dimensions.
Road Frontage/Access	Warren Wagon Road is a paved public roadway that serves the west side of Payette Lake. This property is accessed from that paved road to Pine Haven Place to Payette Drive. The subject has road frontage & road access from Payette Drive but also from Tamarack Road.			
Topography - Brief Description	Mostly level & at-grade			
Topography Narrative	The parcel is mostly level and at-grade with both Payette Drive and Tamarack Road. There is some slight slope/undulations but easily classified as a level track (for purposes of building). The site is situated one lot off the lake so there is both a proximity to Chipmunk Common Area and slight view qualities to the lake.			
Shape/Configuration-Brief	Rectangular			
Shape/Configuration-Narrative	Parcel is almost perfect rectangle with an approximate average of 100' X 149.78' (estimated site size per county & inventory map is 0.34 acres but dimensions clearly indicate 14,978 SF and that is 0.34385-acres). See the plat map for better visualization of the parcel.			
Vegetative Cover	Parcel has moderate tree cover with deciduous understory.			
Utilities	The site is serviced by electricity, telephone, and public (community) sewer. It is assumed an on-site water well would be required for potable water, Neither sewer or water are considered part of the vacant & unimproved description of the cottage site. Availability of sewer is recognized but not the connection fee being paid.			
Street Improvements	Warren Wagon Road is a paved public roadway that serves the west side of Payette Lake. This road has wide shoulders with a barrow pit along the road. The site is accessed using Pine Haven Place off Warren Wagon & then to Payette Drive & the subject property. Utilities are generally found within the R/W of Payette Drive and/or Tamarack Road.			
Zoning/Land Use	From review, it would appear that all leased lots defined by this contract are regulated by an R-4 zoning district. The subdivision plat filed in Valley County contains Conditions, Covenants & Restrictions, as more commonly known as CC&R's. This regulates the individual cottage site for a single-family residential use, no further subdivision of the lot, as set forth in that plat CC & R's. No more than one single-family dwelling unit and such associated accessory structures are allowed.			
Flood Hazard (Map Panel/Flood Risk)	1602200175A		Dated: 9/5/1990. Rating is Low Flood Risk	
Easements/Encroachments	The official plat does not show any easements. The site gains access to sewer in the R/W of Tamarack Road. Overhead power is found in this same R/W but it crosses Lot 3 to the south so I am assuming there is an easement across that lot for the benefit of the subject lot. The inventory map does not show sewer or water on the site. As those utilities are not part of the "Vacant & Unimproved" condition, that is not an issue for this appraisal. The lot is accessed directly from Payette Drive.			
Site is rectangular in shape. This is a mostly level and at-grade treed parcel with the access & road frontage to the east side of the tract on Payette Drive but there is also the R/W of Tamarack Road to the west boundary of the site (road exists at this location). The parcel is located within a short distance of the Chipmunk Common Area and there is a partial view toward the lake.				

Improvements: The property is improved with an old single-story cabin that measures 16' X 24.5' together with a 7.3' wide wood deck. I was unable to access the interior of the cabin but was able to visually observe the interior condition through the windows. This cabin improvement has deteriorated to such a degree that it no longer represents a contributory value to the cottage site. This should be demolished and the property be re-developed with a new single-family residential dwelling unit.

HIGHEST AND BEST USE

The definition of Highest and Best Use was presented in the sales catalog. Please refer to that for the specific definition of this term.

The land value is based on a premise of the Highest and Best Use of the property as though vacant. There are four tests which are considered in developing an opinion as to the Highest and Best Use of the property. These four tests include an examination of uses that are **physically possible, legally permissible, financially feasible and maximally productive.**

Within context of highest & best use, there are five general categories of use which are considered. These include residential, commercial, industrial, agricultural and recreation. Within the Idaho & Montana markets I have found it more prudent to begin the analysis with legally possible since this helps refine the analysis quickly and to the point.

Based on the latest USPAP seminar, the highest and best use of the real estate needs to address 4 questions; these are 1.) Physical Use; 2.) Timing of Use; 3.) What is Most Likely Use; and 4.) Who is Most Likely Buyer? For purposes of this appraisal, I believe Physical Use must include both legally permissible and physically possible.

Legally Permissible: The subject site is zoned as R4 which is Residential, Four Dwelling Units Per Acre. This regulation states: “The R4 land use designation permits the development of low-density single-family residential neighborhoods. These neighborhoods would consist of larger home sites. The zone allows a maximum density of four (4) dwelling units per acre.” That is taken from Chapter 3 of the McCall area comprehensive plan, which details the goals, objectives, actions and policies for the city’s residential areas.

All of the recorded IDL subdivision plats include Conditions, Covenants & Restrictions as part of the official plat. Specific to the subject site, these CCR’s have identified Use Restrictions as Single-Family Residential Use with the following as specific language as “No Lot shall be occupied or used except for single-family residential purposes by the Owner, its family, and invitees, or by a single-family tenant. No more than one (1) Single-Family Dwelling and such accessory structures as are allowed by the County Code or City Code. Whichever may be applicable to the Lot, shall be allowed on any Lot. All decks placed on or appurtenant to a Lot shall be in accordance with applicable laws. An Owner may not assign or convey a right of use of a dock to anyone other than the docks permitted owners of record.”

Further, no mobile homes are allowed but manufactured or modular homes on permanent foundation are allowed as long as there is compliance with minimum roof pitch and the improvement meets applicable building codes. There is a front yard and 5’ side yard setbacks. In addition, there are some regulations pertaining to colors of roofing & siding materials, & exclusion of perimeter fencing.

The key points of the CC & Rs are the regulation of the cottage site to a single-family residential use. This does not specifically address seasonality issues but does address the primary recreational considerations of the lake front qualities and/or community lake access points, availability of services including but not limited to schools, medical & hospital services, daily needs shopping, churches & other social services, etc. It simply states the cottage site will be used for single-family residential use and only one single family dwelling with accessory

buildings (garages and storage sheds). Given the regulatory imposition of these CC & R's as fundamental to the allowable land uses (per the recording of the subject subdivision), it is my opinion the only applicable use for this cottage site is a single-family residential utility.

Physically Possible: The cottage site under study consists of the physically described property denoted in the Property Description. There are no known characteristics that would eliminate the legally identified use of the property. There has been a classification of the site qualities which includes size, access to a community waterfront parcel, if any, topography, ground cover, access, soils (as pertinent primarily where the site might have development challenges due to rock outcroppings).

Financially Feasible and Maximally Productive: The zoning and the CC&R's clearly limit use to Single-Residential Unit together with any ancillary improvements such as garage, storage buildings, guest cabin, boathouse, etc. The site is physically capable of providing for that utility, so the conclusion is simple. The highest and best use of the "vacant & unimproved cottage site is for a Single-Residential Unit & any ancillary structures consistent within that definition.

Timing of Use: The subject site is immediately available for its highest & best use pursuant to the Scope of Work and the condition as a "vacant & unimproved" cottage site. This recognizes the physical characteristics & qualities of the subject lot as described herein.

Most Likely Use: The most likely use has been addressed under financial feasibility and maximal productivity. The subject site has a highest & best use for a single residential unit together with typically expected ancillary improvements such as garage, guest quarters (cabin), storage sheds, dock improvements (if appropriate) & site improvements such as decks, patios, stairs/paths, etc.

Who is the Most Likely Buyer: The most likely buyer is a recreationist who desires the recreational attributes associated with Payette Lake, the McCall area and the other recreational qualities of this market. The Payette Lake market has a cross-over between year-round home ownership & the seasonal recreational user. Both compete for property on and around Payette Lake depending on their financial capabilities & their motivations. There is no "speculative" buyer that fits within the profile of "most likely buyer", at least where I can find some measure. The most likely buyer is an owner/user; be it a year-round residential use or a seasonal recreational user. It is also recognized the market trends that have emerged from the pandemic. More remote working and the reasonable access to broadband services allows more people to live & work in an area like McCall. It is my belief this will continue to drive population growth for permanent residents without taking from the recreational demand segment. That suggests a higher level of demand for all types of residential property in the McCall area.

As Improved: The property is improved with an old single-story cabin that measures 16' X 24.5' together with a 7.3' wide wood deck. I was unable to access the interior of the cabin but was able to visually observe the interior condition through the windows. This cabin improvement has deteriorated to such a degree that it no longer represents a contributory value to the cottage site. This should be demolished and the property be re-developed with a new single-family residential dwelling unit.

THE APPRAISAL PROCESS

The appraisal process is an orderly procedure wherein the problem is defined, the work necessary to solve the problem is planned, and the data involved is acquired, classified, analyzed and interpreted into an estimate of value requested. There are three traditional approaches utilized by the appraisal professional which render a preliminary indication of value. They are generally referred to as the Cost Approach, the Income Approach and the Sales Comparison Approach. The discussion was contained in the sales catalog.

In this case, I am not using the cost analysis based on the conclusion the existing cabin should be demolished & the site cleared of debris. I have assumed the lessee is responsible for removal of the cabin so this is truly a land valuation only. Based on that statement, only the sales comparison approach is being utilized for the land valuation.

Consistent with market behavior, the sales comparison approach is given primary emphasis. This recognizes the adage that a property is worth only what someone is willing to pay for it. The fundamental basis of that statement is clearly aligned with the foundation of the sales comparison approach. These are willing sellers and willing buyers, so the price recognizes the interaction of the parties that results in an indication of market price. When these sales (transactional data) are analyzed & compared to the subject, the adjusted indications form the basis for an opinion of value consistent with the weight given by market participants. When there is adequate market information available; both current and specific to the property being appraised, the credibility is proven.

SALES COMPARISON APPROACH – LAND VALUATION

A definition of this approach taken from "The Dictionary of Real Estate Appraisal; Seventh Edition" published by The Appraisal Institute has shown the following:

Sales Comparison Approach.

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

The sales catalog has presented further discussion & explanation of this approach. I direct the reader to consult that report for the additional background associated with this approach. The sales comparison approach is reflective of the basic principles of Anticipation, Balance, Change, Competition, Contribution, Externalities, Opportunity Costs, Substitution, and Supply/Demand. The essence of comparison is direct similarity and that focuses on similarity of highest and best use and then physical characteristics.

- *The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.*
- *The most pertinent data is further analyzed, and the quality of the transaction is determined.*
- *The most meaningful unit of value for the subject property is determined to be a price per square foot and a price per lot. The recreational issues involved are clearly supportive of the \$/SF as the primary unit of measure.*
- *Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property. It is my opinion there is no exclusivity in use, meaning the property can relate to both a recreational use as well as a residential use.*
- *The value indication of each comparable sale is analyzed, and the data reconciled for a final indication of value via a sales comparison technique.*

The subject's land value has been developed via the sales comparison approach. The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed, and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined for a secondary residential tract, value is based on square foot prices (\$/SF).
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed, and the data reconciled for a final indication of value via a sales comparison technique.

I have researched and used the following sales & listings as indications of value for the subject cottage site, as though vacant & unimproved. These sales are analyzed using the following adjustment grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction. They are individually presented in the sales catalog.

The first tabulation is the newest data considered for this appraisal (all sales closed in 2023 & the first 10 days of 2024). It is reflective of the property location, the date of sale, the list & sale price, the lot size and the unit value, on a per sq.ft. measure. This table also includes Days on Market (DOM) for exposure considerations. This is not a total reflection of land sales in the McCall area (no sales south of town). It is also not inclusive of sales to the SW area of town, none in Whitetail PUD and none south of Deinhard Lane (also not including the subdivision just north of Deinhard, north of the school). Primarily what has been incorporated includes the Spring Mountain Ranch and Lick Creek Meadows, toward the east and NE parts of McCall as well as sales along Warren Wagon Road & the west side of the lake.

Lot Sale	MLS #	Date of Sale	Location	List Price	Sale Price	Lot Size (Acres)	Lot Size (SF)	\$ / SF	DOM
24-1	540375	2/2/2024	213 Meadow Lake Court	\$195,000	\$185,000	0.1854	8,076	\$22.91	122
24-2	539342	1/26/2024	TBD Kaitlyn Loop	\$174,000	\$165,000	0.1753	7,636	\$21.61	126
24-3	540432	1/9/2024	1035 Potts Drive	\$174,000	\$160,000	0.2806	12,222	\$13.09	80
24-4	536216	1/2/2024	1012 Violet Way	\$375,000	\$315,000	0.3234	14,087	\$22.36	323
23-1	538260	12/15/2023	1415 Roosevelt Ave.	\$350,000	\$350,000	0.168	7,318	\$47.83	104
23-2	540427	11/3/2023	Lot 89 Majestic View Drive	\$215,000	\$215,000	0.4562	19,872	\$10.82	15
23-3	537104	11/22/2023	Lot 58 Majestic View Drive	\$275,000	\$250,000	0.6753	29,416	\$8.50	114
23-4	539359	11/14/2023	1010 Violet Way	\$329,900	\$315,000	0.2961	12,898	\$24.42	49
23-5	537163	10/30/2023	TBD Majestic View Drive	\$249,900	\$230,000	0.9259	40,332	\$5.70	78
23-6	539309	10/16/2023	1645 Ginney Way	\$189,000	\$180,000	0.2992	13,033	\$13.81	32
23-7	536449	10/6/2023	1108 Mo's Way	\$174,900	\$165,000	0.223	9,713	\$16.99	162
23-8	538184	9/26/2023	1080 Mo's Way	\$197,000	\$170,000	0.2396	10,436	\$16.29	40
23-9	538227	9/14/2023	1033 Kaitlyn Loop	\$195,000	\$195,000	0.25	10,890	\$17.91	19
23-10	537037	8/23/2023	1435 Majestic View Drive	\$248,000	\$230,000	0.6599	28,745	\$8.00	38
23-11	536992	8/21/2023	1520 Majestic View Drive	\$249,000	\$240,000	0.9224	40,179	\$5.97	43
23-12	538200	8/17/2023	1110 Graham Avenue	\$169,500	\$169,500	0.1977	8,611	\$19.68	53
23-13	535728	8/16/2023	TBD Warren Wagon Road	\$99,000	\$81,000	0.103	4,486	\$18.06	365
23-14	537085	8/10/2023	1023 Potts Drive	\$162,900	\$160,000	0.23	10,019	\$15.97	14
23-15	536841	8/9/2023	Lot 105 Swanie Way	\$174,900	\$170,000	0.2786	12,135	\$14.01	50
23-16	536895	7/27/2023	507 Hill Lane	\$229,000	\$229,000	0.209	9,104	\$25.15	32
23-17	535747	7/26/2023	1035 Kaitlyn Loop	\$175,000	\$165,000	0.242	10,542	\$15.65	344
23-18	536673	7/24/2023	1018 North View Drive	\$174,900	\$170,000	0.296	12,893	\$13.19	60
23-19	535926	7/10/2023	1765 Whitebark Road	\$350,000	\$325,000	0.806	35,109	\$9.26	282
23-20	536746	6/23/2023	1456 W. Lake Street	\$320,000	\$320,000	2.3108	100,658	\$3.18	19
23-21	536357	6/22/2023	1076 Mo's Way	\$155,000	\$148,000	0.1765	7,688	\$19.25	80
23-22	536380	6/16/2023	1643 Ginney Way	\$163,400	\$157,500	0.2134	9,295	\$16.94	66
23-23	536232	6/2/2023	TBD Aspen Ridge Lane	\$239,000	\$210,000	0.4867	21,200	\$9.91	103
23-24	535843	5/17/2023	1280 Bitterroot Drive	\$239,000	\$215,000	0.525	22,869	\$9.40	251
23-25	533972	5/11/2023	Lot 34 Majestic View Circle	\$249,900	\$225,000	0.8646	37,661	\$5.97	370
23-26	536103	3/28/2023	Lot 2, Clements Street	\$279,900	\$255,000	0.256	11,151	\$22.87	100
23-27	536069	3/17/2023	Lot 25 Mountain Meadow I	\$259,900	\$235,000	0.4929	21,470	\$10.95	118
23-28	535922	3/1/2023	Lot 123 Mo's Way	\$174,900	\$160,000	0.2022	8,807	\$18.17	154
23-29	535936	2/10/2023	1035 Potts Drive	\$159,900	\$150,000	0.2806	12,222	\$12.27	129
23-30	536100	1/26/2023	1456 W. Lake Street	\$320,000	\$315,000	2.31	100,624	\$3.13	45
23-31	535820	1/5/2023	Lot 106 Graham Drive	\$189,000	\$170,000	0.262	11,413	\$14.90	127

The results of the selected sales for 2023 & early 2024 resulted in the following indications showing minimum, maximum, mean and median lot prices, sizes, etc.

front owners for both buffer & for detached garage/guest cabin locations. For 2022, the mean lot value was just under \$196,000.

For 2021, there were 45 lots sales tabulated and which had shown a mean and median Days on Market of 100 DOM and 40 DOM, respectively. In 2021, the mean lot size was 14,479 SF with a mean lot price of \$179,500 +/- . This is summarized in the table below:

Minimum	\$62,500	\$65,000	0.128	5,576	\$3.54	1
Maximum	\$315,000	\$286,150	1.000	43,560	\$29.76	810
Mean	\$182,888	\$179,406	0.332	14,479	\$14.31	100
Median	\$179,000	\$178,000	0.275	11,979	\$14.23	40

Analysis Grid

The more pertinent sale properties have been analyzed and compared with the subject property. For all of these sales, I have considered adjustments with respect to:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Conditions
- Location
- Physical Characteristics

Property Rights Sold: The sales represent a fee simple conveyance where the transactions do not reflect unusual limitations to the private property rights associated with real estate ownership. The sales typically include utility easements where the easement is along a boundary line. There are no sales where an adjustment for property rights conveyed is necessary.

Financing Terms: The definition of market value requires the conclusion to represent a cash sale price or its' equivalent. There are many interpretations of what constitutes a cash sale, but emphasis should be on cash equivalency. In simple terms, where financing conditions may have affected the price paid, the sale is either excluded or an adjustment is made. This is not an issue for this appraisal as all sales reflect cash or equivalent financing terms.

Conditions of Sale: This relates to the motivational influences of each sale. Specific to discussion are sales that had been influenced by an atypical condition represented by the seller or the buyer such as a distressed sale where the seller was required to sell or the buyer was required to buy, and price was influenced outside of the definitional character of market. Such has been the case in bank sales disposing of property acquired through foreclosure, pending bankruptcy sales, buyers requiring a 1031 exchange where time required concessions, etc. The sales used are uninfluenced transactions relative to conditions of sale; seller and buyer not being under any undue influences to sell or purchase.

Market Conditions (Time of Sale): This measurement reflects the change in price levels over time. Key here is that *older sales are less reliable* as indicators of current market trends, for the very reason the market has not been consistent in how price levels have changed over time.

From the 2023 appraisals, market conditions were discussed showing price levels have increased over time (3-4 years) at a compound rate of change from a low of 4.43% and to a high of 57.37%. For the previous appraisals done in April of 2021, there was reference to a sale/resale of 917 Conifer Lane showing 31.71% appreciation. There are newer sales in this same subdivision that support the newest sale of 917 Conifer Lane so the only question in this

sale/resale is whether the original sale was at market or below market. After review, it was concluded the market condition exhibited here was a realistic view of the McCall market.

For the Lick Creek Meadows Subdivision, the sales catalog had analyzed sales from 2021 to 2023. Looking at the average lot size for the 2023 sales, this was 10,291 SF and the 2021 sales had shown an average lot size of 10,914 SF so there is strong comparison between those averages. The average unit price for the 2023 sales was \$16.56/SF while the older sales were \$12.92/SF. There are roughly 24 months noted here so the change in price levels was indicated to be 28.18%. The ***annual appreciation*** over these two years reflects 13.21%.

The conclusion shown for the 2023 valuations reflected a market condition adjustment for sales that occurred from 2020 but acknowledged this rate of change was not sustainable beyond short intervals. In other words, comparing older sales, say 2020-2021, an adjustment for market conditions cannot be 30% to 40% per year.

Of particular importance for this appraisal, recognizing the property has common lake access that equates to the Spring Mountain Ranch where the golf frontage lots were considered reasonably similar for site values (no adjustment needed for the subject common lake access feature). Therefore, the use of market condition changes for golf frontage lots is regarded as key to the current valuation. The sale/resale of 1012 Violet Way had shown an annual increase of 17.62% per year and that was over a 34-month time frame of 2/23/2021 to 1/02/2024. Overall, the increase was 58.3%. Another sale on Violet Way (1010 Violet Way) had shown much less appreciation where this lot sold for \$286,150 and then resold for \$315,000 which is only a 10% increase in price over this 11/29/2021 to 11/14/2023 time frame.

It appears from review that late 2020 and early 2021 sales were at significantly lower price points so comparison of those sales to new price points will result in much greater appreciation. Whereas sales in late 2021 through 2022 have shown a much slower appreciation. A rate much closer to what is shown by the 2021 to 2023 sales in Lick Creek Meadows. For the sales selected for analysis, the rate of change, based on annual appreciation (not monthly compounded) is 15%.

Physical Characteristics:

Topography Characteristics fully define site usability. That term involves much more than the lot being suitable for a single dwelling unit given cost of developing a site for driveway, excavation of the foundation, bedrock issues, heavy tree cover, etc. That is all part of the discussion of topography. A buildable site can have difficult access from existing road to the building site, but the actual building site can be level to gently sloping with filtered views of the lake. Conversely, a site can have reasonably level driveway access off primary access road to the building site but no view or steeper access from the secondary lot location to the access for common area lake access site.

Frontage/Access For this analysis, all of the sales have legal & physical access and frontage to a road is typical/common. The subject has direct road access & frontage. The sales have these same considerations.

Size Adjustment: The next issue of significance relates to a size adjustment. Theory holds that a smaller parcel should sell for a higher unit price and conversely a larger tract should sell for a lower unit price.

For this appraisal, I will make an adjustment for size reflecting the sales catalog where 7,000 SF to 15,000 SF is +\$10,000 and where 20,000 SF to 15,000 SF will be adjusted at -\$5,000. When considering the more typical secondary (now-waterfront) lots that are 10,000 SF to 20,000 SF, the greatest variance is location, topography and other features while size is fairly marginal. There is a difference in site value when considering the added size issues but it is not as substantial as other features.

Utilities: The utilities adjustment is based on the cost to obtain the service. I have researched the cost of sewer connection, water connection or well drilling & completion costs as the primary value impacts. The adjustment for sewer is based on the current information showing a connection fee of \$7,000. Water is based on a well cost assuming a lump sum addition of \$5,000, regardless of cost (as stated in previous sales catalog, buyers do not check well depth and associate cost with depth as I have discussed). Where the utilities are simply available and the sewer fee has not been paid or the water development (connection fee) has not been paid, there is no adjustment which reflects the subject lot “vacant & unimproved.” The adjustment for the sewer connection (paid) is \$12,000 where the subject cottage site is assumed to NOT have that utility service paid (connection fee). Just having PLRSWD in the street does not warrant an adjustment; only if those connection fees have been paid. Water is based on the existence of a well vs. municipal water service vs. the subject cottage site not having water service as part of the “Vacant & Unimproved” condition. Typically the adjustment is \$5,000 for a domestic well.

Common Lake Access: The subject lot has common lake access. This lake access varies for size & features/amenities. The largest common lake access for the subject is the Chipmunk Trail Common Access. Wagon Wheel Point and Pine Haven Point are also lake access areas to consider. Key in this valuation is the recognition that this lake access carries a substantial value enhancement. It is much like a golf frontage lot in Spring Mountain Ranch vs. a lot without the golf frontage. Both include use of the community pool, tennis courts and access to golf but a golf frontage lot carries a premium of upwards of \$100,000 (1280 Bitterroot Drive at \$215,000 and 1010 and 1012 Violet Way at \$315,000, each). Depending on where a property is located in relation to a community beach area for that subdivision, there can be higher value enhancement that is not adequately covered by this comparison.

Additional Land Sales Analysis: There are four (4) December 2021 VAFO/ULA sales but no 2020 VAFO sales to discuss. These 4 ULA land sales occurred in the December 2, 2021, ULA Payette Lake Auction. The following is a tabulation of these four (4) sales that are located in the Cove Replat Subdivision. These are all undeveloped lots with no paid connections to PLRWSD. They have road access but are, otherwise, unimproved. There was no existing lessee, so the prospective bidders were not concerned with previous or existing lessees. According to the auction company, there were 34 registered bidders for a total of 6 properties (2 waterfront tracts and these 4 non-waterfront tracts). These 4 non-waterfront tracts were offered in the sequence shown. This is important given the dramatic rise in prices.

						Appraised	SOLD
ULA	Location	Date	Price	Lot (Ac.)	Lot (SF)	\$ / SF	\$ / SF
A	2089 John Alden Rd	12/2/2021	\$330,000	0.36	15,682	\$11.67	\$21.04
B	TBD John Alden Rd	12/2/2021	\$400,000	0.46	20,038	\$9.73	\$19.96
C *	2061 John Alden Rd	12/2/2021	\$800,000	0.31	13,504	\$13.48	\$59.24
D *	2085 John Alden Rd	12/2/2021	\$1,000,000	0.23	10,019	\$17.47	\$99.81
* Considered atypical & unsupportable price levels							

The appraisals done on these tracts had strong market support based on prior auctions and the extent of sales found for improved properties that had the same/similar common area lake access. ***In late 2021, as evidenced by these sales, the market changed to such a degree that I cannot accept Sales C & D as true market indicators for non-waterfront lots. Sale D was acquired by the adjoining lakefront owner so there is an assemblage situation involved. Confirmation of these sales indicated bidder frustration that resulted from unsuccessful bids on the first two lots which then resulted in some unrealistic price levels being shown for these two latter sales.***

Improved Sale @ 1083 Mayflower Lane: In comparison to Sales A & B, I analyzed an improved property that sold within this same market period. This is a property, located in the same Cove Replat subdivision, is 1803 Mayflower Lane. This lot is located farther from the lake when compared to the lot sales on John Alden but relatively similar in terms of proximity to the common lake access. This improved property contained 0.2314 acres (10,080 SF) together with a 1.5 story fair quality frame rustic cabin of 880 SF per the listing (869 SF by previous appraisal). The property was listed for \$499,000 and it sold for \$620,000. There were 3 active bidders with 1 bidding just under \$600,000 and 2 bidders both at \$620,000. The successful bidder waived the inspection requirement on the cabin which is why that offer was accepted. There is very clear evidence this was a credible indication of value for this property given those 3 bidders, per the selling broker. I had previously appraised this property in 2014. I observed this sale property in December of 2021 & can verify it was the same property that I previously appraised.

In analyzing the sale, the site improvements & structural improvements would be given a value no more than \$115,000, leaving \$505,000 to the underlying site. This sale did include a dedicated dock slip in the community beach area. The broker provided some discussion about a boat slip having a market price of \$50,000, based on discussions with other McCall area brokers/agents. Assuming that price is correct, the underlying site value suggested here is \$455,000, which supports the first two ULA sales noted (A & B with emphasis to B).

As a final comment, the confirming broker stated local brokers are in agreement that common lake access is now being recognized as providing a significant upward price adjustment. They had discussed a price improvement of \$150,000 for lots having common lake access but there is more current information suggesting Payette Club membership at \$100,000 (it can be sold independent of the lot). There are no available memberships although some discussion of one recently selling (or in process of selling) was the support for their thoughts. Now comparing lot sales with golf course frontage and/or Spring Mountain Ranch amenities, the suggestion here is that the common lake access now adds upward of \$100,000 to \$150,000 to account for the almost total lack of inventory of waterfront lots for sale and/or waterfront improved properties for sale. This is anecdotal information but these 2 ULA auction sales and this improved sale at 1083 Mayflower would seem to support that agreement.

The table below represents the 2 ULA sales on December 2, 2021, and the 1083 Mayflower Lane improved sale. For simplicity of this presentation, I am not adjusting any of these sales for market conditions as I want the reader to see what these auction sales & this one improved sale indicate for values for a non-waterfront lot that has the same Cove Replat Common Area as a primary feature. These sales have reasonably similar proximity to the common area but the two auction sales have limited views of the lake while the improved property has no view of the lake. I did not adjust either of the ULA sales for the shared driveway & utility easement impacting each lot as ULA Sale C has the same easement that has not shown any impact on price paid.

Categories	Subject Property	ULA Sale A	Adjustments	ULA Sale B	Adjustments	NWF21-10	Adjustments
Address/Sale Price	2251 Payette Drive	TBD John Alden Road	\$330,000	TBD John Alden Road	\$400,000	1083 Mayflower Ln	\$455,000
Property Rights Conveyed	Fee Simple	Encumbered Fee	\$0	Encumbered Fee	\$0	Fee Simple	\$0
Financing Terms	Cash	Cash/Auction	\$0	Cash/Auction	\$0	Cash	\$0
Conditions of Sale	Market/Auction	Auction	\$0	Auction	\$0	MLS Sale	\$0
Expenditures Made Immediate to Sale	N/A	None	\$0	None	\$0	None	\$0
Sale Date/Market Conditions	1/10/2024	12/2/2021	\$0	12/2/2021	\$0	9/1/2021	\$0
Adjusted Sale Price	TBD		\$330,000		\$400,000		\$455,000
Adjusted Price \$ / FF	TBD		\$21.04		\$19.96		\$45.14
Adjustments:							
Location	West Side Payette Lake	SE Side Payette Lake	\$0	SE Side Payette Lake	\$0	SE Side Payette Lake	\$0
Size (SF)	14,978	15,682	\$0	20,038	-\$5,000	10,080	\$10,000
Topography	Gentle-Moderate	Level to Sloping	\$0	Level to Sloping	\$0	Level to Sloping	\$0
Shape/Configuration	Rectangular	Irregular	\$0	Irregular	\$0	Rectangular	\$0
Utilities	Elec./Phone	Wtr/Swr Avail.	\$0	Wtr/Swr Avail.	\$0	Elec./Phone	\$0
Zoning or Land Use Regulations	R-4	R-4	\$0	R-4	\$0	R-4	\$0
Common Area Improvements	Common Lake Access	Common Lake Access	\$0	Common Lake Access	\$0	Common Lake Access	\$0
						Excludes Improvements	Sale Price Adj.
						Excludes Boatslip	Sale Price Adj.
Net Adjustments			\$0		-\$5,000		\$10,000
Implied Subject Value			\$330,000		\$395,000		\$465,000
Indicated Value (\$ / SF)			\$22.03		\$26.37		\$31.05

The next page has the adjusted sales that include the substantial adjustment for common lake access, based on the local broker comments and my previous & current opinion that golf frontage is a reasonable offset to the common lake access of the subject.. I matched sales with golf course frontage to non-golf frontage lots and derived an adjustment of \$100,000 for the golf frontage feature. I adjusted for common lake access on the basis of \$150,000 for those sales with no golf frontage and without Spring Ranch amenities of clubhouse, pool and tennis, etc. For the lot sales in Spring Mountain Ranch that have the amenities but not the golf, I previously adjusted at \$75,000 but the market has shown golf frontage to have a premium of \$100,000, rather than the \$75,000 noted previously. In the current market, it appears there is greater support for the adjustment of \$50,000 where there is golf course frontage but no Spring Mountain Ranch amenities.

Finally, there was the 2022 VAFO auction that included one improved property at 997 Squirrel Lane that was purchased by a non-lessee. The corner lot contained 17,296 SF and this was appraised for \$400,000 and sold for \$450,000 or \$26.02/SF. Recognizing some market condition adjustment (16%) implies a current value as high as \$35.35/SF. Compare that price to 1083 Mayflower that is \$31.49/SF without a market condition adjustment or \$42.28/SF with a market condition adjustment of 35%.

Categories	Subject Property	NWL 24 - 1	Adjustments	NWL 24 - 2	Adjustments	NWL 24 - 4	Adjustments	NWL 23 - 4	Adjustments	NWL 23 - 16	Adjustments
Address/Sale Price	2251 Payette Drive	213 Meadow Lake Ct	\$185,000	TBD Kaitlyn Loop	\$165,000	1012 Violet Way	\$315,000	1010 Violet Way	\$315,000	507 Hill Street	\$229,000
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash	Cash	\$0	Cash	\$0	Owner Carry	\$0	Conventional	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0	Market	\$0	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	N/A	None	\$0	None	\$0	None	\$0	None	\$0	None	\$0
Sale Date/Market Conditions	1/10/2024	2/2/2024	\$0	1/26/2024	\$0	1/2/2024	\$0	11/14/2023	\$0	7/27/2023	\$14,313
Adjusted Sale Price	TBD	None	\$185,000		\$165,000	None	\$315,000	None	\$315,000		\$243,313
Adjusted Price \$ / SF	TBD		\$22.96		\$21.61		\$22.36		\$24.42		\$26.73
Days-On-Market (DOM)			122		126	Orig. List \$389,000	323		49		32
Adjustments:											
Location	West side Payette Lake	SE Side Payette Lake		SE Side Payette Lake	\$0	SE Side Payette Lake	\$0	SE Side Payette Lake		So. Side Payette Lake	\$0
Size (SF)	14,978	8,059	\$10,000	7,636	\$10,000	14,087	\$0	12,898	\$5,000	9,104	\$10,000
Topography	Mostly level & at-grade	Level	\$0	Level	\$0	Gentle Slope up to GC	\$0	Gentle-Mod Slope	\$0	Gentle Slope	\$0
Shape/Configuration	Rectangular	Rectangular +/-	\$0	Irregular	\$0	Somewhat Trapezoidal	\$0	Somewhat Trapezoidal	\$0	Irregular	\$0
Utilities	Elec./Phone	City Wtr/Swr Avail.	\$0	City Wtr/Swr Avail.	\$0	City Wtr/Swr Avail.	\$0	City Wtr/Swr Avail.	\$0	City Wtr/Swr Avail.	\$0
Zoning or Land Use Regulations	R-4	R-4	\$0	R-4	\$0	R-4	\$0	R-4	\$0	R-4	\$0
Common Area Improvements	Common Lake Access	Golf Course/No Lake Acc.	\$50,000	None	\$150,000	Golf Course/No Lake Acc.	\$50,000	Golf Course/No Lake Acc.	\$50,000	No Lake Acc/Slight View	\$150,000
Net Adjustments			\$60,000		\$160,000		\$50,000		\$55,000		\$160,000
Implied Subject Value			\$245,000		\$325,000		\$325,000		\$370,000		\$403,313
Indicated Value/SF (\$/SF)			\$16.36		\$21.70		\$24.37		\$24.70		\$26.93
Categories	Subject Property	NWF 23 - 18	Adjustments	NWL 23 - 24	Adjustments	NWL 23 - 26	Adjustments	NWL 23 - 27	Adjustments	NWL 22 - 3	Adjustments
Address/Sale Price	2251 Payette Drive	1018 North View Dr.	\$170,000	1280 Bitterroot Drive	\$215,000	Lot 2 Clements Street	\$255,000	Lot 25 Mountain Meadow	\$235,000	TBD Boydston Lane	\$235,000
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash	Cash	\$0	Cash	\$0	Cash	0	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0	Market	0	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	N/A	None	\$0	None	\$0	None	\$0	None	\$0	None	\$0
Sale Date/Market Conditions	1/10/2024	7/24/2023	\$10,625	5/17/2023	\$21,500	3/28/2023	See Cmmts	3/17/2023	\$29,375	10/19/2022	\$44,063
Adjusted Sale Price	TBD		\$180,625		\$236,500		\$255,000		\$264,375		\$279,063
Adjusted Price \$ / SF	TBD		\$14.01	TBD	\$10.34		\$22.87		\$12.31		\$23.81
			60	Orig. List \$259,000	251		100		118		23
Adjustments:											
Location	West side Payette Lake	W. Side Payette Lake		SE Side Payette Lake	\$0	SE Side Payette Lake	\$0	SE Side Payette Lake	\$0	SW Side Payette Lake	\$0
Size (SF)	14,978	12,893	\$5,000	22,869	-\$10,000	11,151	\$5,000	21,470	-\$5,000	11,718	\$5,000
Topography	Mostly level & at-grade	Timbered Hillside	\$0	Level to slight slope	\$0	Gentle Slope	\$0	Mostly Lvl/Wetland	\$0	Mostly Level	\$0
Shape/Configuration	Rectangular	Irregular	\$0	Mostly rectangular	\$0	Rectangular	\$0	Irregular	\$0	Parallelogram	\$0
Utilities	Elec./Phone	Swr Avail/Req. Well	\$0	City Wtr/Swr Avail.	\$0	City Wtr/Swr Avail.	\$0	City Wtr/Swr Avail.	\$0	City Wtr/Swr Avail.	\$0
Zoning or Land Use Regulations	R-4	R-4	\$0	R-4	\$0	R-4	\$0	R-4	\$0	R-4	\$0
Common Area Improvements	Common Lake Access	None	\$150,000	Spring Mtn. Ranch/No Golf	\$150,000	None/Near Golf	\$150,000	Golf & Spring Mtn	\$50,000	Boydston Beach Club Incl.	\$0
Net Adjustments			\$155,000		\$140,000		\$155,000		\$45,000		\$5,000
Implied Subject Value			\$335,625		\$376,500		\$410,000		\$309,375		\$284,063
Indicated Value/SF (\$/SF)			\$22.41		\$25.14		\$27.37		\$20.66		\$18.97

These sales have shown substantial change from previous years when there were only a few atypical indicators such as land sales on Penstemon Place of Spring Mountain Ranch vs. the other golf course lot sales in this subdivision which were all much higher than lots on the same street, in the same subdivision but were not golf frontage lots. In this, I refer to Violet Way where the even side of the street backs to the golf course and those lots are a minimum \$162,500 to \$199,000 and are now showing \$315,000 to a maximum of \$395,000.

Now compare those non-golf course land sales in Lick Creek Meadows, such as Mo's Way, Kaitlyn Loop, Ginney Loop, Graham Avenue and Swanie where these lots have increased in value from \$37,000 to \$39,000 4 years ago and now show sale prices of \$160,000 to \$195,000. These lots are inferior to the subject as they have no Spring Mountain Ranch amenities, nor do they have common area lake access. There are sales in Spring Mountain Ranch and Spring Mountain Meadows that support these price increases so it is not individual to this Lick Creek Meadows Subdivision.

The table below is the comparison of the auction sale at 997 Squirrel Lane and the current listing of Lot 1, Block 4 of Cove Replat. This allows the reader additional insight into how these properties indicate value for the subject.

Categories	Subject Property	2022 VAFO Sale	Adjustments	Listing #1	Adjustments
Address/Sale Price	2251 Payette Drive	997 Squirrel Lane	\$450,000	TBD John Alden Road	\$950,000
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	
Financing Terms	Cash	Cash/Auction	\$0	Cash/Conv.	
Conditions of Sale	Market/Auction	Auction	\$0	MLS Listing	
Expenditures Made Immediate to Sale	N/A	None	\$0	None	
Sale Date/Market Conditions	1/10/2024	12/1/2022	\$72,000	2/4/2022	List Date
Adjusted Sale Price	TBD		\$522,000		\$950,000
Adjusted Price \$ / FF	TBD		\$30.18		\$60
Adjustments:					
Location	West Side Payette Lake	W. Side Payette Lake	\$0	SE Side Payette Lake	\$0
Size (SF)	14,978	17,296	\$0	15,746	\$0
Topography	Gentle-Moderate	Mostly Level/Slight Slope	\$0	Level-Sloping	\$0
Shape/Configuration	Rectangular	Rectangular	\$0	Somewhat Rectangular	\$0
Utilities	Elec./Phone	Elec./Phone	\$0	Elec./Phone	\$0
Zoning or Land Use Regulations	R-4	R-4	\$0	R-4	\$0
Common Area Improvements	Common Lake Access	Common Lake Access	\$0	Common Lake Access	\$0
Net Adjustments			\$0		\$0
Implied Subject Value			\$522,000		\$950,000
Indicated Value (\$ / SF)			\$34.85		\$63.43

The final table below summarizes the adjusted value indications for the subject. The first two are the smallest lots with 24-1 having a pond & the golf course on the opposite side of the pond. The other small sale is in Lick Creek Meadows with no features; simply a small building site.

Sale #	Square Foot Size	Adjusted \$ / SF	Adjusted Lot Value
NWL 24 - 1	8,059	\$16.36	\$245,000
NWL 24 - 2	7,636	\$21.70	\$325,000
NWL 24 - 4	14,087	\$24.37	\$365,000
NWL 23 - 4	12,898	\$24.70	\$370,000
NWL 23 - 16	9,104	\$26.93	\$403,313
NWF 23 - 18	12,893	\$22.41	\$335,625
NWL 23 - 24	22,869	\$25.14	\$376,500
NWL 23 - 26	11,151	\$27.37	\$410,000
NWL 23 - 27	21,470	\$20.66	\$309,375
NWL 22 - 3	11,718	\$18.97	\$284,063
ULA Sale A	15,682	\$28.86	\$432,300
ULA Sale B	20,038	\$34.65	\$519,000
21-10	10,080	\$41.68	\$624,250
997 Squirrel Ln	17,296	\$34.85	\$522,000
MEAN OF 14 SALES	13,927	\$26.33	\$394,388
Metric - 14 Sales	SF Size	\$ / SF	Lot Value
Min	7,636	\$16.36	\$245,000
Max	22,869	\$41.68	\$624,250
Mean	13,927	\$26.33	\$394,388
Median	12,896	\$24.92	\$373,250
No Mkt Cond 4 Sales			
ULA SALE A	15,682	\$22.03	\$330,000
ULA SALE B	20,038	\$26.37	\$395,000
21-10	10,080	\$31.05	\$465,000
997 Squirrel	17,296	\$34.85	\$522,000
Blend 4 ULA		\$31.79	\$476,194
Mean Other 10		\$22.86	\$342,388

The reader's attention is directed to the "Mean of 14 Sales" which incorporated a market condition adjustment based on 15% per year increase, for these four sales. I then presented the indications of these 4 sales without the market condition adjustment. The Blend of 4 ULA sales is actually a misnomer since it reflects 2 ULA sales, the improved sale of 1083 Mayflower and then the auction sale of 997 Squirrel Lane at a later date (price of \$450,000).

Now, looking at the 2 ULA sales, the improved sale on Mayflower Lane plus the auction sale of 997 Squirrel Lane, these have indicated \$330,000 to \$465,000 with an average price of \$410,000, *without a market condition adjustment*. With a 15% per year market condition adjustment, these same sales have produced indications from \$432,300 to \$624,250 with an average of \$524,388.

Finally, there is a current listing shown as TBD John Alden Road (LV533543). This lot is ULA Sale A and it reflects a current asking price of \$950,000. It sold for \$330,000 in December of 2021 and was listed for sale 2/4/22 for \$1,200,000 based on the auction sale of Lot 3, Block 4 Cove Replat; that cottage site sold for \$1,000,000 (written in the listing included in the sales catalog). Subsequently, this list price was reduced from \$1,200,000 to the current pricing of \$950,000.

The reason Lot 3, Block 4 sold at auction for \$1,000,000 was the lake front owner of the adjoining lot bid the price to assemble with that lot, providing a location for a detached garage/guest house. The motivations of that sale do not represent a typical market condition. I previously discussed this situation and eliminated that sale from further consideration.

For this analysis, the availability & price being asked for this listed property cannot be totally ignored. It does not have specific and/or direct relevance other than it is a current listing establishing an absolute maximum dollar amount for a vacant, second tier property with common lake access.

In the final analysis, the value opinion expressed herein has weighted the 2 ULA Sales, the Mayflower sale and the auction sale of 997 Squirrel Lane sale, ***with and without the market condition adjustment***, at 75%. That weight is regarded as appropriate given these 4 sales have an equivalent common lake access right. The mean of the other 10 land sales were weighted at 25% since these were adjusted for common lake access and Spring Mountain Ranch amenities reflecting market extracted adjustment; an adjustment vs. sales with equivalent common lake access. This has been interpreted to reflect more variability in pricing when compared to the auction sales. This weighting fully recognizes the market trends for other lots in Cove Replat as well as the most recent auction of 997 Squirrel Lane. The weighted indication is a unit price of \$29.56/SF and that, applied to the subject site size, results in a value indication of \$442,742; rounded to \$443,000.

Based on my investigations, studies & analysis, it is my opinion the ***market value of the subject property defined herein as the “Vacant & Unimproved” cottage site***, reflecting the hypothetical condition as “Vacant & Unimproved”, and the extraordinary assumption regarding the inspection date vs. the effective date of value of January 10, 2024, is:

**Four Hundred Forty Three Thousand Dollars and Zero Cents
\$443,000**

The existing cabin measures 16’ X 24.5’ which is 392 SF. There is a deck to the north side of the cabin that is 7.3’ X 24’ or 175 SF. The cabin is a post and pier foundation with the overall condition of the cabin totally deteriorated. This represents a hazard and, in fact, the note on the cabin (from the lessee) stated “I have no keys. Too dangerous to go inside, anyway. Please appraise as is”.

There is no contributory value to the structure nor to the deck. The Cottage Site Utility Questionnaire states the Lot currently has no water. Also, the Lot currently has no sewer. The driveway from Payette Drive to the cabin is rough and of no measurable value. Although there was power extended into the cabin, that service capacity is unknown and the location would presume a potential buyer would want it exactly at this spot. I do not believe there is any contributory value from site improvements noted, observed or described. Therefore, the market value of this property is the vacant & unimproved lot.

FINAL RECONCILIATION

In this appraisal, I have NOT incorporated either the cost approach or the sales comparison approach (fee simple) because the existing improvements have no contributory value. It could be argued they represent a detriment and should reduce the land value. That is contrary to the procedure of establishing a market value for the land, as vacant & unimproved AND then a value for the property as it is improved. In this case, the improvements represent no market value. At the same time, I believe a potential buyer would simply regard as a cost to develop the property. How this is accomplished cannot be stated with any certainty but the cost to demolish is assumed to be minimal and certainly outside the scope of this appraisal.

The valuation reflects the opinion of the vacant & unimproved site and recognizes there is no contributory value from the leasehold improvements (personal property).

Conclusion: Based upon my investigations, studies and analyses, it is my opinion the *market value of the subject property defined herein as the Fee Simple Estate*, subject only to the extraordinary assumption reflected, as of January 10, 2024, is:

**Four Hundred Forty-Three Thousand Dollars and Zero Cents
\$443,000**

Further, it is my opinion the *market value of the subject property defined herein as the "Vacant & Unimproved" cottage site*, reflecting the hypothetical condition as "Vacant & Unimproved", as of January 10, 2024, is:

**Four Hundred Forty-Three Thousand Dollars and Zero Cents
\$443,000**

Finally, it is my opinion *the market value of the subject property defined herein as the Leasehold Personal Property (IDL Approved Improvements Only)*, reflecting that same extraordinary assumption included herein, as of January 10, 2024, is:

**Zero Dollars and Zero Cents
\$ 0.00**

VALUE ESTIMATE AND 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 (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- I have performed an appraisal of this property (vacant & unimproved) for the 2022 Ground Lease appraisal. It is recognized that this firm and the individual appraiser identified (Steven A. Hall, MAI, CCIM) have been engaged to provide appraisals on Payette Lake for previous VAFO cycles. For the individual appraisals to be conducted for this latest cycle, I will cite specific acknowledgement whether that property has been appraised in the last three years.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal, detailed inspection of the sales & listings consulted for this sales catalog.
- No one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)
- The report contains necessary discussion concerning a reasonable exposure period for the subject property within the estimated value shown.
- This report is in compliance with applicable regulations governing appraisal services and appraisal reporting requirements for the State of Idaho.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- As of the date of this report, I, Steven A. Hall, MAI, CCIM, have completed the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Based upon my investigations, studies and analyses, it is my opinion the *market value of the subject property defined herein as the Fee Simple Estate*, subject only to the extraordinary assumption reflected, as of January 10, 2024, is:

Four Hundred Forty-Three Thousand Dollars and Zero Cents
\$443,000

Further, it is my opinion the *market value of the subject property defined herein as the "Vacant & Unimproved" cottage site*, reflecting the hypothetical condition as "Vacant & Unimproved", as of January 10, 2024, is:

Four Hundred Forty-Three Thousand Dollars and Zero Cents
\$443,000

Finally, it is my opinion *the market value of the subject property defined herein as the Leasehold Personal Property (IDL Approved Improvements Only)*, reflecting that same extraordinary assumption included herein, as of January 10, 2024, is:

Zero Dollars and Zero Cents
\$ 0.00



Steven A. Hall, MAI, CCIM
Idaho CGA-257
Expires 8/11/2024