

APPRAISAL ASSIGNMENT
(Summary) Report Format
Lessee: Andrew & Amy Reed
Property: 150 Bull Trout Rd
Coolin, Bonner County, Idaho, 83821

As of
February 15, 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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May 22, 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, Cottage Site Located at 150 Bull Trout Rd, Coolin, Bonner County, Idaho, 83638; Subject to Hypothetical Conditions & Extraordinary Assumptions. IDL Contract 13-110, Contract Modification No. 19; 2024 Priest Lake VAFO, Ground Lease and ULA Appraisals

Dear Mr. Hall:

This letter of transmittal recognizes Contract #13-110, Modification No. 19, 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 reference to the 2024 sales catalog, as has been done in the past. As a result, this appraisal report is submitted, in compliance with the terms of the Appraisal Instructions/Scope of Work, 2024 Priest Lake VAFO Appraisals and that this VAFO appraisal report presents a value for the cottage site as a “vacant & unimproved” and also a Fee Simple market value for the property that includes all site improvements & structural improvements identified as IDL Approved Improvements (approved Personal Property). Please be advised this report, in conjunction with the Sales Catalog previously submitted & approved, constitutes compliance with the terms of the Appraisal Instructions/Scope of Work, Priest Lake Cottage Sites, specifically with regard to Modification #19.

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.

This is a single-family residential/recreational cabin site located on a lake front lot to Priest Lake. The cottage site, as vacant & unimproved is described in the body of this report. This cottage site has a specific size, front foot of lake shore, specific 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. The site is serviced by electricity & telephone but there is no natural gas to the area and for the vacant condition of the lot, there is no sewer and/or water as part of the lot value.

*Appraisals and Consultations in Acquisitions/Dispositions, Feasibility Studies,
Partial Interests, Condemnation & Litigation, Investment Analysis.*

From review, the subject lot is not regulated by an existing zoning district. The subdivision plat filed in Bonner County contains Conditions, Covenants & Restrictions, more commonly known as CC&Rs. 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 & Rs. No more than one single-family dwelling unit and such associated accessory structures are allowed.

The Personal Property is defined as a residential/recreational single residential unit (together with any/all ancillary structures). The specific details of these improvements are found in the Summary of Salient Facts section AND the Property Description section. The latter includes the photographs I have taken of the property which clearly reflect the land's qualities as well as the described improvements (design, size, quality, age/condition, and features as well as a discussion of the layout/floor plan. The final point of discussion includes the site improvements such as decks/patios, dock area, boathouse, garages, storage buildings, guest quarters, etc.

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 AND UNIMPROVED' condition and value of the cottage site as based on that definition. The purpose of the appraisal is to provide an indication of market value for the underlying cottage site to establish a ground lease for this parcel. No personal property is being valued in this appraisal. As the personal property does exist, to value this property as 'Vacant & Unimproved' requires this hypothetical condition.

Extraordinary Assumptions pertaining to this value opinion consists of the agreement between client and appraiser that it is assumed the condition of the cottage site observed on the date of inspection is the same condition of this property as of the date of value of February 15, 2024.

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 encumbered *fee simple* market value of the subject property, reflecting the Extraordinary Assumption relative to IDL Approved Improvements & excluding any boat lifts or PWC lifts but including all identified appliances & sewer/water systems, as of February 15, 2024, is:

**One Million Five Hundred Twenty Thousand Dollars
\$1,520,000**

Further, it is my opinion the market value of the subject property defined herein as the "vacant & unimproved" cottage site (*Land Only*), reflecting the hypothetical condition of that definition of "Vacant & Unimproved" and the Extraordinary Assumption regarding date of inspection vs. the effective date of value denoted herein as February 15, 2024, is:

One Million Three Hundred Two Thousand Dollars
\$1,302,000

Finally, it is my opinion the market value of the subject property defined herein as the Leasehold Personal Property (IDL Approved Improvements Only), reflecting the hypothetical condition of the cottage site as “Vacant & Unimproved” and the Extraordinary Assumption relative to IDL Approved Improvements, excluding any boat lifts or PWC lifts but including all identified appliances & sewer/water systems, as of February 15, 2024, is:

Two Hundred Eighteen Thousand Dollars
\$218,000

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 | | 150 Bull Trout Rd | Lot 21, Block 1, State Subdivision - Hunt Creek |
|------------------------------|----|--|--|
| Size | | 103,673 | Sq. Ft. Lease No. R100014 |
| Size (Acres) | | 2.38 | Acres |
| Waterfront - Straight Across | | 127.41 | Front Ft. 127 For valuation purposes, frontage is rounded to whole #. |
| Waterfront - Plat Dimension | | 124' +/- | Front Ft. |
| Average Depth of Lot | | 475' +/- | LF |
| Road Frontage/Access | | East Shore Road is a paved, county maintained roadway that leads to Bull Trout Road that has a turn-around on Lot 17 which forms the subject northeast boundary (Lot 20 forms the N/NW boundary of the subject site. Bull Trout Road is state owned and reflects a dirt & gravel road maintained by the HOA (lessees association) that is comprised of those lots served by these roads. This lot also has direct lake frontage. | |
| Road-to-Building Site | 3 | East Shore Road to the lake shore portion of Bull Trout Road is of marginal consideration for the use & value of this lot. This area of the site is considered a buffer zone & provides very little economic benefit to the site. The primary use & value is Bull Trout Road to the building site & that is rated at 3 points which recognizes the retaining wall/parking to the north of the cabin. | |
| Shore-to-Building Site | 5 | East Shore Road to the lake shore portion of Bull Trout Road is of marginal consideration for the use & value of this lot. This area of the site is considered a buffer zone & provides very little economic benefit to the site. The primary use & value is Bull Trout Road to the building site & that is rated at 3 points which recognizes the retaining wall/parking to the north of the cabin. | |
| Shoreline | 4 | Mostly sandy/gravel beach & shoreline. The northern end and the southern end of the shoreline have a mix of brushy & rocky/brushy shoreline but the central portion of the site is predominately the value feature of this lot and that is a sandy/gravel beach/shoreline. | |
| Lake Depth | 2 | Previously this was rated as a shallow depth but my review of the lake depth is good with no specific development challenges whereby this is given the full 2 point rating. | |
| Topography-General Narrative | 14 | From East Shore Road, on the east, to the lake shoreline on the west, this is a steep sloping lot to Bull Trout Road. From the road to the shoreline, this is a mix of steeper to moderate slopes where the existing building is located & then a gentle slope to the shoreline/beach area. The 2013 appraisal had shown this lot as having a lower rating of 4 points for shore-to-building site where the 2019 appraisal reflected a rating at 4-5 points given the gentle upslope from the beach to the cabin. From the road-to-building site, this is classified as 3 points which is consistent with the re-analysis of Lots 4 & 5, South Shores Addition. The overall slope rating of this lot is 7+ points for overall slopes & usability with 6 points for shoreline/beach & lake depth. | |
| Shape | | Parcel reflects an extremely irregular shape. This is an oversized lot that has buffer area to the eastern half of the lot. Please see the plat for a better visualization of the shape. | |
| Vegetative Cover | | Tract has a moderate to dense timber (tree) and brush cover; mix of conifers and deciduous trees/bushes. | |
| Utilities | | Electrical power & phone to site boundary per SOW. Valuation of lot does not incl. well, septic system, building pad, dock, and shoreline improvement per vacant & unimproved. | |
| Street Improvements | | East Shore Road is a paved, county maintained roadway that leads to Bull Trout Road. The latter road is a dirt & gravel road maintained by the HOA (lessees association) that is comprised of those lots served by the specific road. The subject is directly accessed from Bull Trout Road that has two switchbacks and then dead-ends at Lot 22; S/SE side of subject lot. | |
| Zoning/Land Use | | According to Bonner County, the property is not zoned. The subject site is regulated by the Conditions, Covenants & Restrictions (CCRs) recorded as part of the subdivision plat. Specifically, the subject is restricted to single family residential use only. It allows for one dwelling and ancillary improvements including guest house, garage and outbuildings such as storage sheds, boathouse, outhouse, etc. | |
| Flood Hazard | | Property is a lake front tract. The shoreline area is subject to seasonal fluctuations in water depth. The building site is not in a flood hazard zone based on information available. | |
| Easements/Encroachments | | East Shore Road encumbers the eastern portion of the site. This is an existing 100' wide easement for road & utilities. The easement covers 11,846 SF along the east boundary of the site. The recorded plat does not show any other easements. The inventory map shows sewer lines that cross the lot east of Bull Trout Road after the first switchback which then extends to Lot 17, Block 1 that is the drainfield lot for Lots 8-21. There is an overhead powerline easement that runs north/south providing power to Lots 20-22. There is underground telephone in the Bull Trout Road R/W. | |

The original 2013 appraisal had rated this lot at 12 points. There were inconsistencies with regard to this rating based on the changes in the Priest Lake sales analysis and a more consistent recognition of general topographic characteristics. For the 2019 appraisal, I considered the slope from shoreline-to-building site at 4-5 points and the rating for road-to-building site at 3 points and an overall conclusion of 7+ points for slopes. The sales given specific recognition are Lots 4 & 5, South Shores Addition. The predominate feature of the shoreline/beach is very usable sandy/gravel beach & shoreline although there are some limited brushy/rocky areas to north and south ends. This is rated for the sandy beach qualities at 4 points. Lake depth is rated at 2 points as there are no dock development challenges. Overall, this lot is rated at 13-14 points. The eastern portions of the site are of little economic value to the property & the steep slopes do not affect the topography rating of this lot because those areas have little contributory value. Adjoining lots have reflected a topography rating of 13 which supports the final indication of 14 points for this lot classification when considering the sheer size of the tract & the more moderate topography at the upper elevation before the switchback.

Improvements: The Personal Property is included in this appraisal. The table below is a summary of the pertinent characteristics of the improvements (site improvements and structural improvements) that are defined herein as Personal Property, the definition of that term is identified in the sales catalog.

| General Description | | | | | | Foundation/Heating, Ventilating, A/C And Other Items | | | | | |
|--|--|---|---|----|--------------|--|--|-----------------------------|--|----|--|
| Units | One | X | Ancillary Residential Units | | | Y | Issues/Components | | Remarks | | |
| # of Stories | One story | X | 1.5 Story | X | 2 Story | Settlement | | N | | | |
| Type | Det | X | Attached | | | Sump Pump | | N | | | |
| Quality | Fair - Avg | | | | | Evidence of Infestation | | N | | | |
| Design | Bungalow | | | | | Dampness | | N | | | |
| Year Built | 1944 | | County shows this was built in 1944 and the cabin contains 896 SF which includes the wood storage closet that is actually more of an attached storage bin that was opened up to the interior bedroom & functions as a closet. I classified as storage in sketch but as OLA for valuation. | | | EBB | | N | | | |
| Condition | Average | | | | | Elec. Wall Htrs | | Y | Not portable unit in 2nd level loft | | |
| Effective Age | 30 | | | | | Forced Air Furnace | | N | | | |
| Bathrooms | 2 | | | | | Cooling System | | N | | | |
| Finished Area Above Grade | 918 | | Wall Units | | N | | | | | | |
| Basement/Lower Level | 0 | | Window Units | | N | Not included in valuation. | | | | | |
| Basement Finish | 0 | | Central | | N | | | | | | |
| Attic | 0 | | Fireplace/Wood Stove | | 0.5 | Wood stove in Living Room | | | | | |
| Utilities | Lake Wtr Extraction & Septic (shared drainfield) | | | | | Specialty Site Impvts. | | X | Firepit, paths/stairs, parking area, retain wall | | |
| | | | | | | Appliances | | X | Ref, R/O, M, W/D | | |
| Exterior Description | | | | | | Interior Description | | | | | |
| Foundation | Post and pier foundation | | | | | Floors | Laminate, carpet, ceramic tile | | | | |
| Exterior Walls | Mix of horizontal lap siding-painted. | | | | | Walls | Wood plank & wood siding. | | | | |
| Roof Surface | Metal | | | | | Trim/Finish | Rustic wood | | | | |
| Specialty Siding Elements | None | | | | | Ceiling Finish | Mix T&G wood & exposed beams/roof deck | | | | |
| Gutters & Downspouts | None | | | | | Bath Floor | Laminate in main & c. tile in master. | | | | |
| Window Type | Single pane windows with storms/screens | | | | | Bath Wainscot | Wood T&G plank siding | | | | |
| Storm sash included | Yes | | No | X | | Deck/Porch/Patio(s) | | 771 | | SF | |
| Screens | Yes | X | No | | | Garage (SF) | | 0 | | SF | |
| Amenities | Large lakeside deck to the NW side of cabin. | | | | | Other Living Area | | 178 | | SF | |
| | | | | | | Outbuildings | | 140 | | SF | |
| Fireplace/Wood Stove | Fireplace | 0 | Wd Stove | Y | FP insert | 0 | Dock (SF) | 742 | | SF | |
| Fencing | None | X | | | | Boathouse (SF) | | 0 | | SF | |
| Other Items | None | X | | X | Stairs/Paths | Seawall/Retaining Wall | | Parking area retaining wall | | LF | |
| In addition to the main cabin, there is a detached storage shed & 2nd level guest sleeping area with exterior stairs to a lakeside deck. The property includes a concrete retaining wall that provides parking along Bull Trout Rd & then stairs to the cabin. There are stairs from the cabin down to the shoreline/beach area. | | | | | | Appears to have 100 amp service. Some remodeled areas such as the two bathrooms, kitchen/dining area and laundry closet. The upstairs is older & adequate for sleeping (loft area is narrow) while bedroom area contains multiple beds but has some sloping ceiling limits. The ceiling finish to the living room is rustic with open staircase to loft & bedroom. | | | | | |
| Appliances | Ref | Y | Range/Oven | Y | DW | N | Only Bill of Sale exclusion is boat lift. Therefore, the appliances include washer/dryer as well as refrigerator, range/oven, & microwave. Main bath is off kitchen with vanity alcove & step up to the bathroom having shower & toilet. The master suite with bedroom & private bath is very functional. The attached work shop closet is not an element of the original structure but has been opened up to master bedroom so could be classified as closet space; it is of lesser value contribution so is OLA. | | | | |
| | Microwave | Y | W/D | Y | Gar. Disp. | N | | | | | |
| Room Count - Above Grade | Rooms | 5 | Bedrooms | 2+ | Bathrooms | 2.0 | | | | | |
| Lower Level - Room Count | Rooms | 0 | Bedrooms | 0 | Bathrooms | 0 | | | | | |
| Other Living Area | Guest cabin is 140 SF (bedroom but no bath). The 5' X 7.5' closet area off the master bedroom denoted OLA. | | | | | | | | | | |

VALUE INDICATIONS

Land Value: **\$1,302,000**

Cost Approach: N/A

Sales Comparison Approach **\$1,520,000**

FINAL OPINION OF VALUE – REAL PROPERTY **\$1,520,000**

FINAL OPINION OF VALUE – PERSONAL PROPERTY **\$218,000**

Effective Date February 15, 2024

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.” To establish a ground lease rate, it is necessary that the market value of the vacant cottage site be established through an appraisal. Further, the ground lease rate is set by the State of Idaho which is then applied to the market value of the lot in establishing the ground rent.
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 February 15, 2024, which is not consistent with the date of inspection. This is a current value assignment based on the extraordinary assumption as to date of inspection/observation and the effective date of value. 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.
8. **Prior Services:** I have been involved in an appraisal of the subject cottage site as of January 15, 2013, and again in 2019 as a Ground Lease appraisal.

(6. continuation) As identified in the Appraisal Instructions/Scope of Work, Priest 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 (at least, to the extent possible because of snow cover). The personal property is included in this appraisal and reflects my observations of the personal property including the measurement of the improvement(s) and an interior inspection of the property

improvement(s), if possible. The site view and site analysis reflect the State Subdivision plat as recorded in Bonner County and it incorporates the Overlay maps of the recorded State Subdivisions with the Inventory Surveys provided by JUB Engineers, Inc. The Personal Property described herein is my personal observations and the exterior measurements of these improvements. I have also viewed county records for verification. ***“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.” Again, for purposes of this appraisal, no Personal Property is being appraised.***

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. 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.

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.*

The client requested an opinion of the market value for the Cottage Site as Vacant & Unimproved for the basis in forming a ground lease amount. It is a condition of this appraisal that the underlying site represents a “VACANT AND UNIMPROVED” condition so the existing personal property is assumed to “not exist.” That is the reason for the hypothetical condition to this valuation analysis.

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 Selkirk Realtors MLS service and the Coeur d’Alene Realtors MLS service to assist in the appraisal research for Priest Lake.

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.

RECORD OWNER

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

Lessee :Andrew & Amy Reed
Lease # :Lot 21, Block 1, State Subdivision - Hunt Creek

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 Bonner County, Idaho. More specifically, the property is located in the Coolin area (east side of Priest Lake). The street address for the property is identified as 150 Bull Trout Rd, Coolin, Idaho.

LEGAL DESCRIPTION

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

Lot 21, Block 1, State Subdivision - Hunt Creek

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." The definition of market value was contained in the sales catalog.

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 as follows: For calendar year 2023, the sales of improved residential property along Priest Lake (East and West) resulted in the following for exposure time (Days on Market or DOM) as derived from the Coeur d'Alene MLS and the Selkirk MLS. The exposure times ranged from 0 DOM to 193 DOM with an average of 60 DOM and a median of 53 DOM.

For calendar year 2022, the sales of improved residential property along Priest Lake (East and West) resulted in the following for exposure time (Days on Market or DOM) as derived from

the Coeur d'Alene MLS and the Selkirk MLS. The exposure times ranged from 4 DOM to 158 DOM with an average of 65 DOM. The limited inventory and the strong demand that has been demonstrated through the pandemic of 2020-2021 clearly indicates exposure time to be reduced from more historic levels.

For the calendar year 2021, the sales of improved residential property in the Priest Lake area (East & West), resulted in the following for exposure time (Days on Market or DOM) as derived from the Coeur d'Alene MLS and the Selkirk MLS. The exposure times ranged from 4 DOM to 158 DOM with an average of 65 DOM.

For land sales, the statistics on Days-On-Market (DOM) have shown 2023 reflecting 35 DOM with 2022 showing 127 DOM and 2021 showing 166 DOM. The average or mean of these three-years was 115 DOM.

PROPERTY RIGHTS APPRAISED

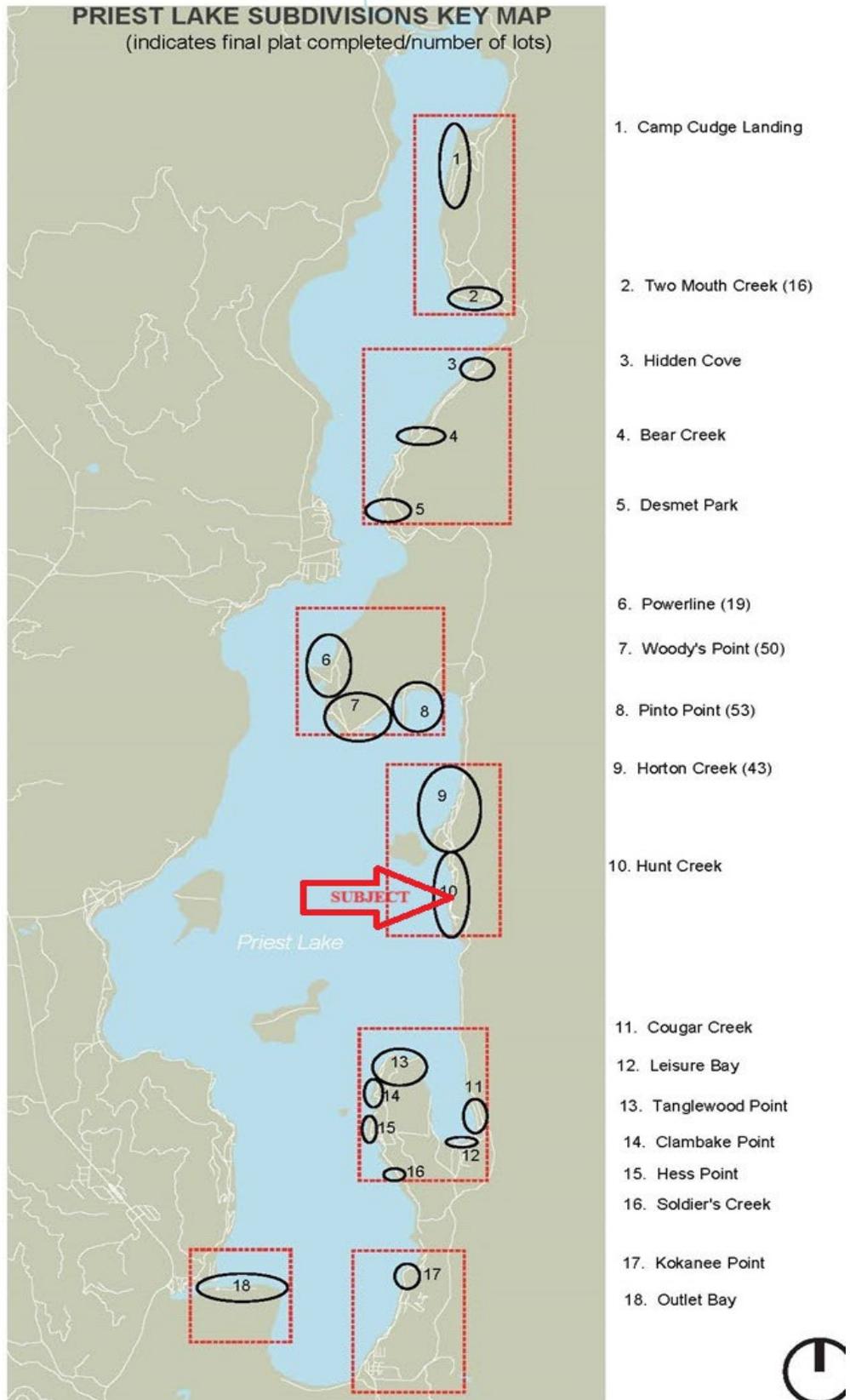
The subject property is being valued on the basis of 1.) a site condition of “vacant & unimproved” and 2.) the valuation of the encumbered fee simple estate which includes the land (as vacant & unimproved) together with all of the site & structural improvements (IDL approved improvements).

The appraisal reflects the fee simple title to the property pursuant to Scope of Work. It is necessary to understand that fee simple title can have encumbrances that affect some of those rights associated with fee simple estate. In this appraisal, there are commonly accepted easements for utility services such as electrical power, telephone and cable and, in some cases, there are easements for buried services such as community or private sewer. There are also shared driveway easements which I have not found to be economically burdensome to the underlying site value. If there is an easement(s) that impacts use & value, I will provide that discussion & analysis.

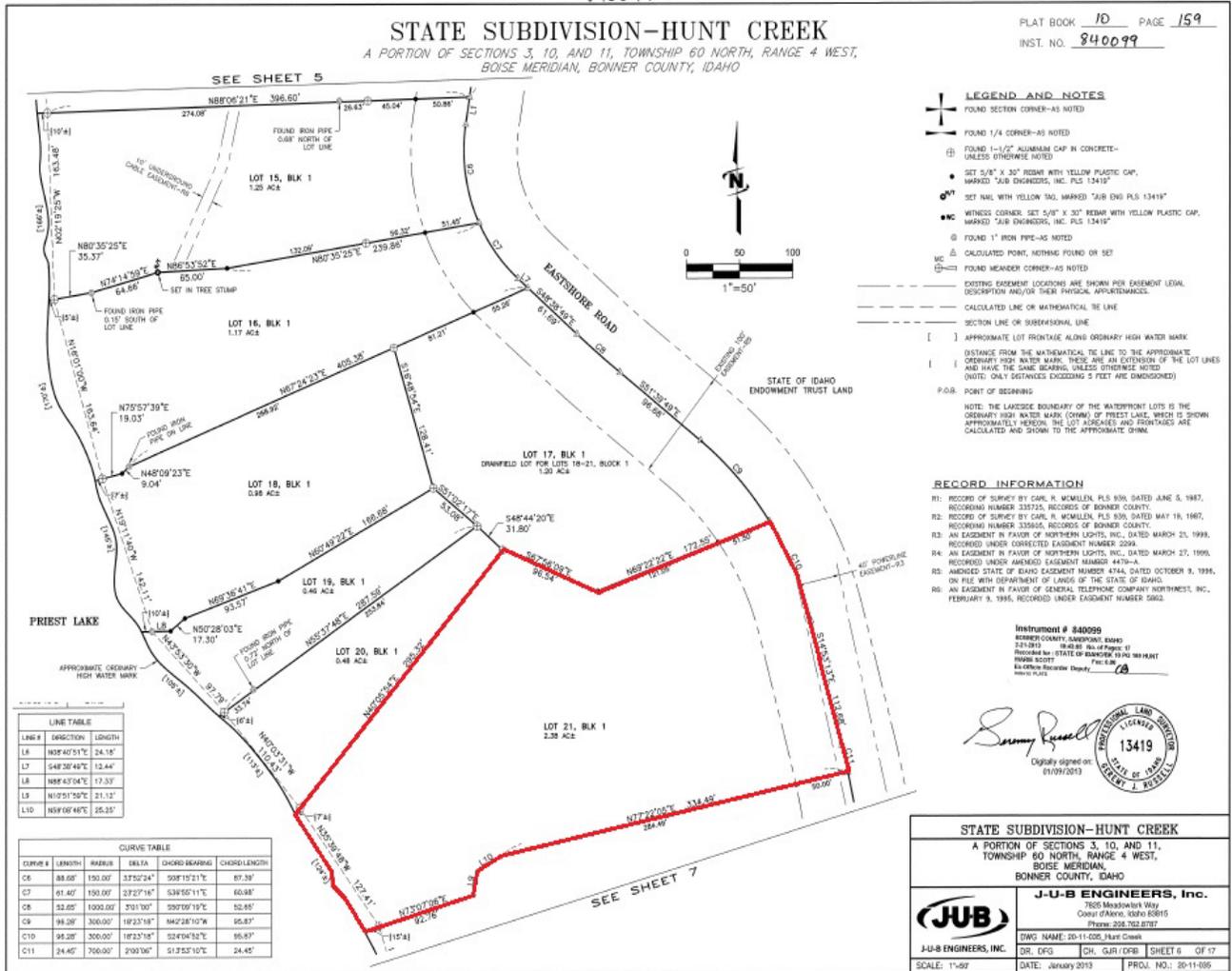
The appraiser was previously provided a map exhibit with the Notice to Proceed (originally provided in Summer of 2013) showing all approved improvements. If any existing improvements are NOT approved by the IDL and/or are not legally constructed, as required by the building authority having jurisdiction, the appraiser is to note these improvement(s) in the appraisal but is NOT to include these in the valuation of the approved improvements.

“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.”

LOCATION MAP

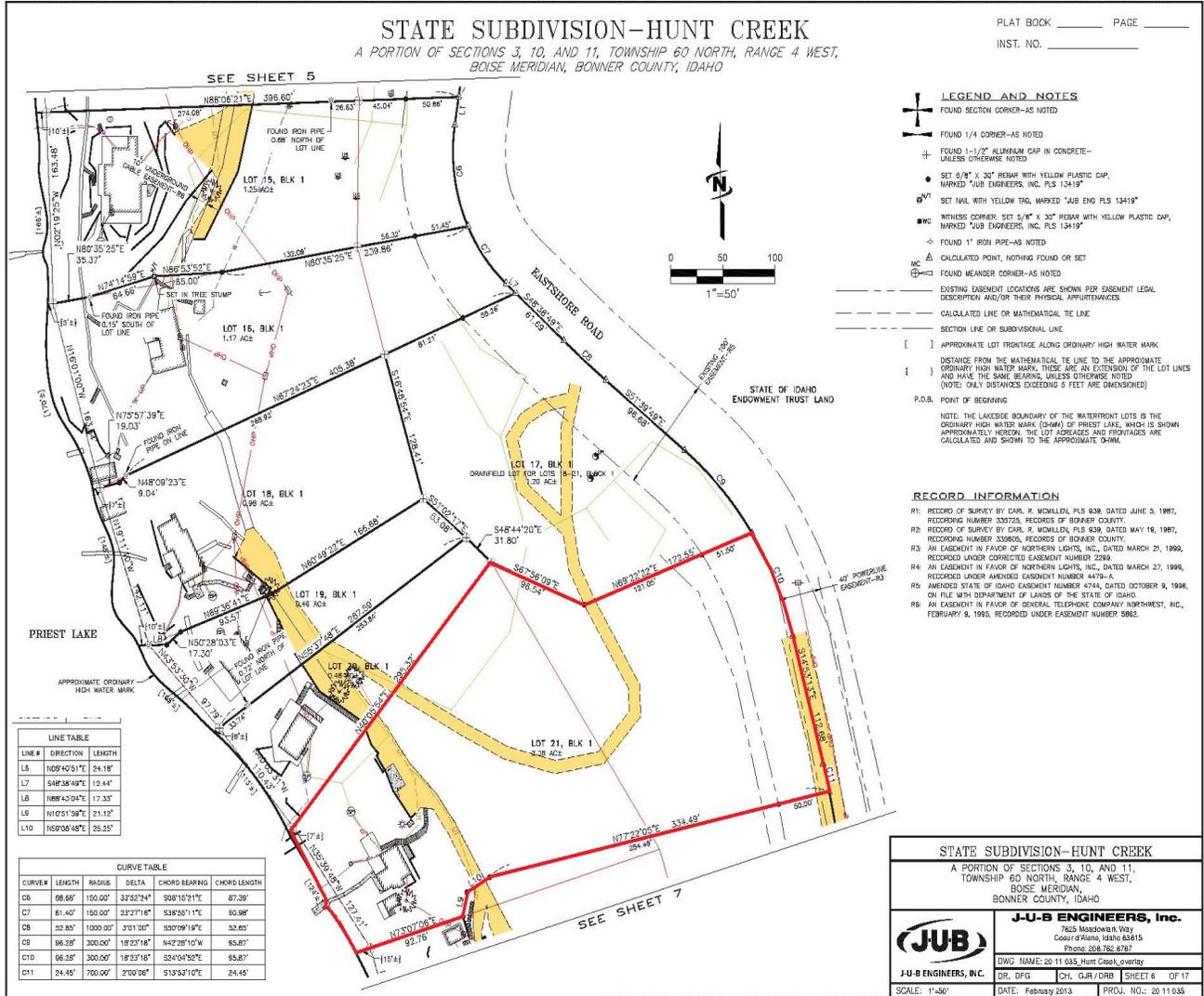


PLAT MAP



INVENTORY MAP

THIS OVERLAY DOCUMENT IS INTENDED AS A TOOL FOR USE BY IDAHO DEPARTMENT OF LANDS TO AID IN THE MANAGEMENT OF THE ENDOWMENT LAND WITHIN THIS SUBDIVISION



REFER TO RECORDED PLAT OR 2011 INVENTORY SURVEY FOR COMPLETE INFORMATION

SUBJECT PHOTOGRAPHS



ABOVE: View SE from Lot 17 looking at the eastern portion of the lot with East Shore Rd to left. (1243)



ABOVE: Same location but looking more to the south with Bull Trout Rd reflecting the switchback. (1244)



ABOVE: Same location but looking southwest with subject cabin noted in background. (1245)



ABOVE: View from Bull Trout Road looking west to the NW corner area of lot; dock is on subject. (1246)

SUBJECT PHOTOGRAPHS



ABOVE: View from the parking area along Bull Trout Road looking at the primary cabin. (1247)



ABOVE: View west along the south boundary of lot; structure on left is not on subject lot. (1248)



ABOVE: Same location but looking NW with storage/guest cabin to left & then main cabin. (1249)



ABOVE: View to the NW from the south boundary of lot which shows slopes to right & left of Bull Trout. (1250)

SUBJECT PHOTOGRAPHS



ABOVE: Close-up of the retaining wall that forms the parking area along Bull Trout Rd. (1252)



ABOVE: Stair improvements from cabin to the parking area. (1253)



ABOVE: View from the shoreline/beach area looking at the central portion of the shoreline; note concrete pier. (1256)



ABOVE: Close-up of the dock improvement & lake bottom features. (1258)

SUBJECT PHOTOGRAHS



ABOVE: View easterly from shoreline/beach looking at the main cabin on left & storage shed/guest cabin to right. (1260)



ABOVE: View NE from shore showing cabin deck & parking area along Bull Trout showing slope from shore. (1261)



ABOVE: View SE from the NW corner of lot showing shoreline/beach area from dock area. (1263)



ABOVE: View toward the primary cabin from the NW corner of lot. (1264)

SUBJECT PHOTOGRAPHS



ABOVE: Same NW corner location but looking NE along the north boundary. (1265)



ABOVE: Close-up view of the sandy beach area & gentle slope to the main cabin on left. (1266)



ABOVE: View NW from the SW corner of lot. (1267)



ABOVE: Looking E/NE from shoreline to main cabin & storage shed/guest cabin on 2nd level. (1268)

SUBJECT PHOTOGRAPHS



ABOVE: View from west side entry looking into kitchen across small dining area. (1377)



ABOVE: View of the vanity area of the bath off the kitchen. (1379)



ABOVE: Bathroom that includes shower & toilet as seen from the vanity alcove. (1380)



ABOVE: Living room from the kitchen/dining area. (1383)

SUBJECT PHOTOGRAPHS



ABOVE: View from west side of living room looking at the open staircase & loft with master suite background left. (1394)



ABOVE: View of the hallway off the living room with laundry closet. (1385)



ABOVE: View from the hallway/laundry looking into the main floor bedroom. (1386)



ABOVE: View of the main floor master bedroom. (1387)

SUBJECT PHOTOGRAPHS



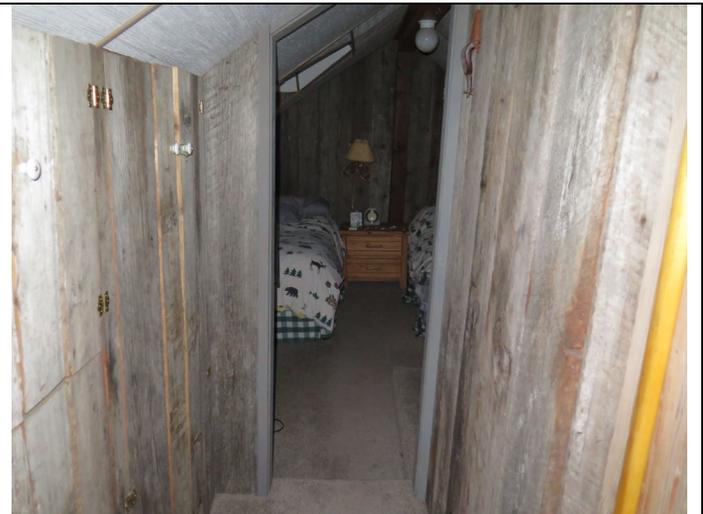
ABOVE: View of the southside enclosure that is a workshop area not included as gross living area. (1390)



ABOVE: View of the master bathroom area. (1389)



ABOVE: Loft sleeping area that overlooks living room behind the location picture was taken. (1396)



ABOVE: Hallway from loft sleeping area looking north into the bedroom area. (1398)

SUBJECT PHOTOGRAPHS



ABOVE: View of the north side bedroom area with lake dormer to the left. (1399)



ABOVE: View of the hallway looking south from the primary 2nd floor bedroom into the sleeping area. (1402)



ABOVE: 1st floor of storage shed & guest cabin. Refrigerator is excluded per the Bill of Sale comments. (1372)



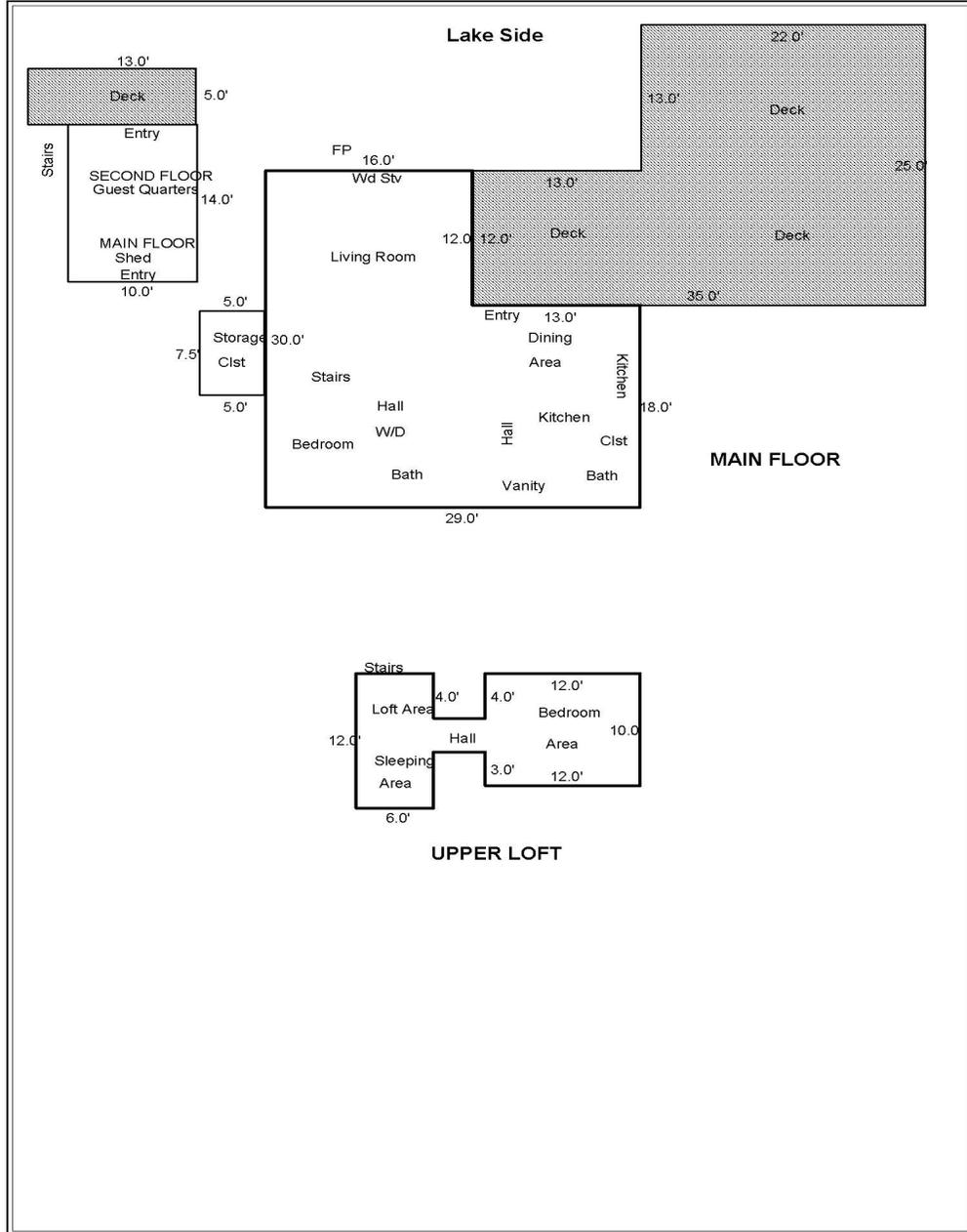
ABOVE: View of the 2nd level guest cabin bedroom. (1374)

BUILDING SKETCH

SKETCH ADDENDUM

File No. _____

| | | | | |
|------------------------|--------------|---------------|----------------|--|
| Borrower _____ | | | | |
| Property Address _____ | | | | |
| City _____ | County _____ | State _____ | Zip Code _____ | |
| Lender/Client _____ | | Address _____ | | |



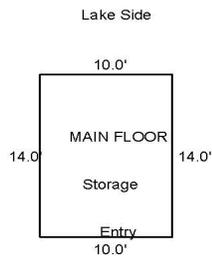
WinSketch by Jammin Software

BUILDING SKETCH (con't)

SKETCH ADDENDUM

File No. _____

| | | | | |
|------------------|---------|-------|----------|--|
| Borrower | | | | |
| Property Address | | | | |
| City | County | State | Zip Code | |
| Lender/Client | Address | | | |



| SKETCH CALCULATIONS | | Perimeter | Area |
|------------------------------|--|-----------|--------------|
| Living Area | | | |
| First Floor | | | 714.0 |
| Second Floor | | | 204.0 |
| Total Living Area | | | 918.0 |
| Patio/Deck Area | | | |
| Deck | | | 706.0 |
| Deck2 | | | 65.0 |
| Total Patio/Deck Area | | | 771.0 |
| Storage Area | | | |
| Storage Shed | | | 37.5 |
| Shed | | | 140.0 |
| Total Storage Area | | | 177.5 |
| Building Area | | | |
| Guest Quarters | | | 140.0 |
| Total Building Area | | | 140.0 |

WinSketch by Jammin Software

PROPERTY DESCRIPTION

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

| Site Description | 150 Bull Trout Rd | | Lot 21, Block 1, State Subdivision - Hunt Creek | |
|--|-------------------|--|--|--|
| Size | 103,673 | Sq. Ft. | Lease No. R100014 | |
| Size (Acres) | 2.38 | Acres | | |
| Waterfront - Straight Across | 127.41 | Front Ft. | 127 For valuation purposes, frontage is rounded to whole #. | |
| Waterfront - Plat Dimension | 124' +/- | Front Ft. | | |
| Average Depth of Lot | 475' +/- | LF | | |
| Road Frontage/Access | | East Shore Road is a paved, county maintained roadway that leads to Bull Trout Road that has a turn-around on Lot 17 which forms the subject northeast boundary (Lot 20 forms the N/NW boundary of the subject site. Bull Trout Road is state owned and reflects a dirt & gravel road maintained by the HOA (lessees association) that is comprised of those lots served by these roads. This lot also has direct lake frontage. | | |
| Road-to-Building Site | 3 | East Shore Road to the lake shore portion of Bull Trout Road is of marginal consideration for the use & value of this lot. This area of the site is considered a buffer zone & provides very little economic benefit to the site. The primary use & value is Bull Trout Road to the building site & that is rated at 3 points which recognizes the retaining wall/parking to the north of the cabin. | | |
| Shore-to-Building Site | 5 | East Shore Road to the lake shore portion of Bull Trout Road is of marginal consideration for the use & value of this lot. This area of the site is considered a buffer zone & provides very little economic benefit to the site. The primary use & value is Bull Trout Road to the building site & that is rated at 3 points which recognizes the retaining wall/parking to the north of the cabin. | | |
| Shoreline | 4 | Mostly sandy/gravel beach & shoreline. The northern end and the southern end of the shoreline have a mix of brushy & rocky/brushy shoreline but the central portion of the site is predominately the value feature of this lot and that is a sandy/gravel beach/shoreline. | | |
| Lake Depth | 2 | Previously this was rated as a shallow depth but my review of the lake depth is good with no specific development challenges whereby this is given the full 2 point rating. | | |
| Topography-General Narrative | 14 | From East Shore Road, on the east, to the lake shoreline on the west, this is a steep sloping lot to Bull Trout Road. From the road to the shoreline, this is a mix of steeper to moderate slopes where the existing building is located & then a gentle slope to the shoreline/beach area. The 2013 appraisal had shown this lot as having a lower rating of 4 points for shore-to-building site where the 2019 appraisal reflected a rating at 4-5 points given the gentle upslope from the beach to the cabin. From the road-to-building site, this is classified as 3 points which is consistent with the re-analysis of Lots 4 & 5, South Shores Addition. The overall slope rating of this lot is 7+ points for overall slopes & usability with 6 points for shoreline/beach & lake depth. | | |
| Shape | | Parcel reflects an extremely irregular shape. This is an oversized lot that has buffer area to the eastern half of the lot. Please see the plat for a better visualization of the shape. | | |
| Vegetative Cover | | Tract has a moderate to dense timber (tree) and brush cover; mix of conifers and deciduous trees/bushes. | | |
| Utilities | | Electrical power & phone to site boundary per SOW. Valuation of lot does not incl. well, septic system, building pad, dock, and shoreline improvement per vacant & unimproved. | | |
| Street Improvements | | East Shore Road is a paved, county maintained roadway that leads to Bull Trout Road. The latter road is a dirt & gravel road maintained by the HOA (lessees association) that is comprised of those lots served by the specific road. The subject is directly accessed from Bull Trout Road that has two switchbacks and then dead-ends at Lot 22; S/SE side of subject lot. | | |
| Zoning/Land Use | | According to Bonner County, the property is not zoned. The subject site is regulated by the Conditions, Covenants & Restrictions (CCRs) recorded as part of the subdivision plat. Specifically, the subject is restricted to single family residential use only. It allows for one dwelling and ancillary improvements including guest house, garage and outbuildings such as storage sheds, boathouse, outhouse, etc. | | |
| Flood Hazard | | Property is a lake front tract. The shoreline area is subject to seasonal fluctuations in water depth. The building site is not in a flood hazard zone based on information available. | | |
| Easements/Encroachments | | East Shore Road encumbers the eastern portion of the site. This is an existing 100' wide easement for road & utilities. The easement covers 11,846 SF along the east boundary of the site. The recorded plat does not show any other easements. The inventory map shows sewer lines that cross the lot east of Bull Trout Road after the first switchback which then extends to Lot 17, Block 1 that is the drainfield lot for Lots 8-21. There is an overhead powerline easement that runs north/south providing power to Lots 20-22. There is underground telephone in the Bull Trout Road R/W. | | |
| <p>The original 2013 appraisal had rated this lot at 12 points. There were inconsistencies with regard to this rating based on the changes in the Priest Lake sales analysis and a more consistent recognition of general topographic characteristics. For the 2019 appraisal, I considered the slope from shoreline-to-building site at 4-5 points and the rating for road-to-building site at 3 points and an overall conclusion of 7+ points for slopes. The sales given specific recognition are Lots 4 & 5, South Shores Addition. The predominate feature of the shoreline/beach is very usable sandy/gravel beach & shoreline although there are some limited brushy/rocky areas to north and south ends. This is rated for the sandy beach qualities at 4 points. Lake depth is rated at 2 points as there are no dock development challenges. Overall, this lot is rated at 13-14 points. The eastern portions of the site are of little economic value to the property & the steep slopes do not affect the topography rating of this lot because those areas have little contributory value. Adjoining lots have reflected a topography rating of 13 which supports the final indication of 14 points for this lot classification when considering the sheer size of the tract & the more moderate topography at the upper elevation before the switchback.</p> | | | | |

Improvements: The Personal Property is defined as a residential/recreational single residential unit (together with any/all ancillary structures). The chart below is provided as a summary of these improvements. This identifies the class or quality of construction, year built, effective age, and other elements necessary for description and comparison. Please refer to the subject photographs as additional documentation of the improvements to be valued in this appraisal.

| General Description | | | | | | Foundation/Heating, Ventilating, A/C And Other Items | | | | | | |
|--|--|---|---|----|--------------|--|--|--|--|---------|----|--|
| Units | One | X | Ancillary Residential Units | | | Y | Issues/Components | | | Remarks | | |
| # of Stories | One story | X | 1.5 Story | X | 2 Story | | Settlement | N | | | | |
| Type | Det | X | Attached | | | | Sump Pump | N | | | | |
| Quality | Fair - Avg | | | | | | Evidence of Infestation | N | | | | |
| Design | Bungalow | | | | | | Dampness | N | | | | |
| Year Built | 1944 | | County shows this was built in 1944 and the cabin contains 896 | | | | EBB | N | | | | |
| Condition | Average | | SF which includes the wood storage closet that is actually more | | | | Elec. Wall Htrs | Y | Not portable unit in 2nd level loft | | | |
| Effective Age | 30 | | of an attached storage bin that was | | | | Forced Air Furnace | N | | | | |
| Bathrooms | 2 | | opened up to the interior bedroom | | | | Cooling System | N | | | | |
| Finished Area Above Grade | 918 | | & functions as a closet. I classified | | | | Wall Units | N | | | | |
| Basement/Lower Level | 0 | | as storage in sketch but as OLA for | | | | Window Units | N | Not included in valuation. | | | |
| Basement Finish | 0 | | valuation. | | | | Central | N | | | | |
| Attic | 0 | | | | | | Fireplace/Wood Stove | 0.5 | Wood stove in Living Room | | | |
| Utilities | Lake Wtr Extraction & Septic (shared drainfield) | | | | | | Specialty Site Impvts. | X | Firepit, paths/stairs, parking area, retain wall | | | |
| | | | | | | | Appliances | X | Ref, R/O, M, W/D | | | |
| Exterior Description | | | | | | Interior Description | | | | | | |
| Foundation | Post and pier foundation | | | | | | Floors | Laminate, carpet, ceramic tile | | | | |
| Exterior Walls | Mix of horizontal lap siding-painted. | | | | | | Walls | Wood plank & wood siding. | | | | |
| Roof Surface | Metal | | | | | | Trim/Finish | Rustic wood | | | | |
| Specialty Siding Elements | None | | | | | | Ceiling Finish | Mix T&G wood & exposed beams/roof deck | | | | |
| Gutters & Downspouts | None | | | | | | Bath Floor | Laminate in main & c. tile in master. | | | | |
| Window Type | Single pane windows with storms/screens | | | | | | Bath Wainscot | Wood T&G plank siding | | | | |
| Storm sash included | Yes | | No | X | | | Deck/Porch/Patio(s) | | 771 | | SF | |
| Screens | Yes | X | No | | | | Garage (SF) | | 0 | | SF | |
| Amenities | Large lakeside deck to the NW side of cabin. | | | | | | Other Living Area | | 178 | | SF | |
| | | | | | | | Outbuildings | | 140 | | SF | |
| Fireplace/Wood Stove | Fireplace | 0 | Wd Stove | Y | FP insert | 0 | Dock (SF) | | 742 | | SF | |
| Fencing | None | X | | | | | Boathouse (SF) | | 0 | | SF | |
| Other Items | None | X | | X | Stairs/Paths | | Seawall/Retaining Wall | | Parking area retaining wall | | LF | |
| In addition to the main cabin, there is a detached storage shed & 2nd level guest sleeping area with exterior stairs to a lakeside deck. The property includes a concrete retaining wall that provides parking along Bull Trout Rd & then stairs to the cabin. There are stairs from the cabin down to the shoreline/beach area. | | | | | | Appears to have 100 amp service. Some remodeled areas such as the two bathrooms, kitchen/dining area and laundry closet. The upstairs is older & adequate for sleeping (loft area is narrow) while bedroom area contains multiple beds but has some sloping ceiling limits. The ceiling finish to the living room is rustic with open staircase to loft & bedroom. | | | | | | |
| Appliances | Ref | Y | Range/Oven | Y | DW | N | Only Bill of Sale exclusion is boat lift. Therefore, the appliances include washer/dryer as well as refrigerator, range/oven, & microwave. Main bath is off kitchen with vanity alcove & step up to the bathroom having shower & toilet. The master suite with bedroom & private bath is very functional. The attached work shop closet is not an element of the original structure but has been opened up to master bedroom so could be classified as closet space; it is of lesser value contribution so is OLA. | | | | | |
| | Microwave | Y | W/D | Y | Gar. Disp. | N | | | | | | |
| Room Count - Above Grade | Rooms | 5 | Bedrooms | 2+ | Bathrooms | 2.0 | | | | | | |
| Lower Level - Room Count | Rooms | 0 | Bedrooms | 0 | Bathrooms | 0 | | | | | | |
| Other Living Area | Guest cabin is 140 SF (bedroom but no bath). The 5' X 7.5' closet area off the master bedroom denoted OLA. | | | | | | | | | | | |

There is no garage or carport. There is a concrete retaining wall that allows parking along Bull Trout Road. There are stairs from the parking area down to the cabin. The property includes a 2-story structure that has the main floor of 10' X 14' that is unfinished storage space. The 2nd floor of this structure is the guest space that is a bedroom area with deck. Access is via open stairs from the south side of this building. There is no boathouse. The lot has a short concrete pier (6.5' X 16') and then the floating dock improvement that is located to the NW corner of the tract. There is a firepit with very usable sandy beach shoreline. There is an on-site septic system (shared drainfield) and domestic water is lake water extraction system.

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.

Legally Permissible: The subject site is not zoned but is regulated by the Conditions, Covenants Restrictions (CC&Rs) as part of the official plat. Specific to the subject site, these CCRs have identified Use Restrictions such as “No Lot shall be occupied and used except for single-family residential purposes by the Owner and its family, or by a single-family tenant, which fits within the rustic character of the Idaho Panhandle National Forests. No more than one (1) Single-Family Dwelling shall be placed on the Property.” Mobile homes are not 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 40-foot setback from the high-water mark (lake front) as well as side yard and front yard setbacks of 15 feet and 25 feet, respectively. In addition, there are some regulations pertaining to colors of roofing & siding materials, & exclusion of perimeter fencing.

The key points of the CCRs are the regulation of the cottage site to a single-family residential use. This does not specifically address seasonality issues, the primary recreational considerations of the lake front qualities, 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. Given the regulatory imposition of these CCRs 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 residential dwelling unit (with ancillary living quarters if the lot size warrants it.

Physically Possible: The cottage site under study consists of the physically described property denoted in the Property Description section. There are no known characteristics that would eliminate the legally identified use of the property. There has been a weighted scale provided to this lot which measures it for such topographic characteristics as to slope under two measures; 1.) road-to-building site and 2.) shore-to-building site. Additionally, I have considered the quality & utility of the shoreline (beach) and the lake depth. However, I continue to find inconsistencies in the market as to whether shallow lake depth truly affects the market price of these waterfront parcels. In the past, it was argued that shallow depth required a longer, more costly dock, to gain adequate lake depth for boating. This followed that some impact to market value should be noted for the higher dock cost.

At the same time, the dock value is made a part of the Personal Property, so shallow lake depth is marginalized for the appraisal of the vacant cottage site.

Financially Feasible/Maximally Productive: The subject cottage site represents a single lot without benefit of future subdivision. This is intended to be a recreational lake frontage cabin site situated on the east side of Priest Lake. Although there is a potential for year-round living, the primary impetus for sellers and buyers has been the seasonal recreational utility afforded the waterfront sites along the shore of the lake. This is both a financially feasible use of the site, as vacant & unimproved and it is the maximal productivity of the site.

Timing of the Use: The subject site is immediately available for its highest and best use pursuant to the Scope of Work and the condition as a “vacant & unimproved” cottage site as a lake frontage tract.

Most Likely Use: The most likely use has been addressed under financial feasibility and maximal productivity.

Who is the Most Likely Buyer: The most likely buyer is a recreationist who desires the recreational attributes associated with a lake front site on Priest Lake and who has the financial means to invest in such a property? The largest population center having a direct effect on the Priest Lake market is Spokane, WA. In addition, there is Coeur d’Alene, Idaho although this city is situated along the shore of Coeur d’Alene Lake.

The Priest Lake market also attracts investor/users from Seattle, WA as well as throughout the Western U.S. Primarily, the seasonal recreational qualities would tend to attract those most able to utilize the property throughout the summer season and that is the most likely buyer. This statement cannot ignore the fact there are owners on Priest Lake that include at least one resident of Florida so geographically, the buyer profile is extensive but “most likely” would more logically apply to the Spokane population and radiate from there in a travel time/distance metric.

As Improved: The property is improved with a single residential dwelling unit as the primary use of the property. Based on a review of location, the main residential structure is in compliance with the CC&R’s that require a 40-foot setback from the lake. These same regulations eliminate all other uses except for a single residential dwelling unit and the defined ancillary structures. Key to this valuation is the expectations of the market relative to improvement size, qualities & function as they pertain to the quality of the lot.

This is a good quality lot as described with cabin improvements in close proximity to the expansive sandy beach/shoreline area. The large size of the lot affords additional utility that smaller lots do not contain.

The improvements are adequately maintained but reflect an older, smaller sized rustic cabin with a detached storage shed & guest bedroom (space). These improvements provide an appealing “rustic” cabin that are adequate but considered almost too small for the quality & value of the lot. It is my opinion these improvements are reaching the end of their economic life. That is not to simply conclude they do not contribute to value & use but the balance between lot quality & improvement value is skewed.

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.

If the improvements are of relatively new construction, I will incorporate a cost approach within the appraisal. If, on the other hand, the improvements are old(er) and the market would clearly NOT rely on the cost approach, I will not present this valuation technique. County records show this dwelling was built in 1944. There has been substantial remodeling & I recognize the well-kept appearance but the actual age supports the conclusion that the cost approach is not considered a necessary valuation analysis & I have not included the cost approach for this appraisal.

This is not an income property, so the income approach is neither relevant nor applicable. Although it is recognized the cabin site & improvements could be rented out, the primary economic motivation that exists is for owner occupancy and/or use so the income approach has no direct relevance to establishing an opinion of market value.

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.

LAND VALUATION – SALES COMPARISON APPROACH

The site value was previously provided in the Fall of 2013 and in 2019 for a ground lease appraisal. This is a full appraisal (VAFO) report that includes the cottage site, as vacant, and the fee simple valuation of the property that includes all of the improvements. The subject's land value has been developed via the sales comparison approach which 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 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.*

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.

As taken from the 2024 sales catalog, I focused attention to LS-#1 which is 2106 Kalispell Bay Road. This hillside lot sold 9/16/2022 for \$1,250,000 but it included a "slip" dock which the

broker stated was a dock with boat slip. The broker did not have an allocated value for the dock or the excavation done. These 2 – 50FF lots sold for a net price (my analysis) for \$1,225,000 or \$12,250/FF. This same property sold 11/27/2017, for \$725,000 and, at that time, there were \$31,000 in improvements allocated so the net land price was \$694,000. This is an overall appreciation of 76.51%. If the overall price were noted for comparison, this is \$725,000 that has appreciated to \$1,250,000 over this 62 +/- months. That is roughly 10.6% per year, monthly compounding. For the land only indications, this is \$694,000 appreciating to \$1,225,000 and that is a monthly appreciation of 12.6% simple annual increase. This is clear and convincing evidence of market appreciation over the time frame of November 2017 through September 2022.

The next matched pair was somewhat less direct. Lot 6, Sandy Shores Lane sold 12/8/2020 for \$569,000 (less \$12,000 for dock). This was a 0.30-acre tract with 100 FF of sandy beach frontage. Topography was mostly level. The dock contribution was deducted leaving \$557,000 to the site value or a unit price of \$5,570/FF. This lot had been on the market (on & off) since 2014 with a list price of \$665,000. This sale was then compared to the current LS-#3 which is Lot 3 Hess Point. This tract contained 0.59 acres with 132 FF & similar topography & shoreline qualities. This was a ULA lot transaction in the August 2022 auction. The lot sold for \$1,560,000 which is \$11,818/FF. It is recognized that there is a difference in frontage amount and Lot 6 being part of Huckleberry Bay which has sewer & water included and there are the other amenities of the subdivision. Adjusting down for those sewer & water and for size, this sale produced a 12/2020 adjusted value of \$4,766/FF. That is directly compared to \$11,818/FF from the N. Hess Point Sale & that represents a price appreciation of 53% annual appreciation.

For purposes of analysis, adjusting sales that occurred in 2021, I had adjusted upward for time using 3% per month on a straight-line basis and this is through all of 2022 as there is no evidence to suggest land values have become static since the last auction. The issue of scarcity has offset any issue associated with rising interest rates.

I have also looked at 1 improved property that sold and resold. This property is 213 S. Granite Bay Road. This was a 1/29/2016 sale for \$640,000 and it recently resold 9/18/2023 for \$1,250,000. Based specifically to the overall sale price, this is 8.728% per year (annual growth). The improvement is not felt to increase at this same level and analysis suggests a land appreciation, over this time frame, at 10%. The market appreciation during 2016 through 2019 was much less than what has been shown since 2020 through 2023 and it is my belief this helps support a long-term appreciation from 2016 to present but also the variability expressed over time where price growth has been more pronounced over the last couple of years.

Topography & Shoreline Characteristics (Lake Depth) fully define site usability. I have retained this topography adjustment on the basis of overall consistency in rating the IDL cottage sites from 2013 through this 2023 sales catalog. Although not an “absolute” measure, there is a method of quantifying physical features of the sales in comparison to the subject lots. I believe this remains a strong method of addressing overall site topography. The rating of 5-points for road-to-building site, the 5-points for shore-to-building site, the 4-points for shoreline qualities and the lake depth of 2-points are relevant although the shoreline qualities could absorb the lake depth and simply make that a 5-point rating which would mean a premium lot would be 15 points. I have not changed the 16-point total to be fully consistent with previous appraisals.

Shoreline Characteristics (Actual shoreline qualities & Lake Depth) are an integral part of topography, and these two issues were researched to determine if the market provided any quantifiable data to separate that analysis from the general discussion of site topography.

Based on experience, there does not appear to be a recreational market in this region, at least based on my research & analysis, that allows a quantifiable separation of site slope issues from the shoreline (beach) & lake depth qualities; especially lake depth issues which seem to be a personal choice consideration more than a value attribute.

Shoreline elements are comprised of both the beach as well as lake depth. Relative to shoreline and beach, the Priest Lake sub-market demonstrates fully usable sandy beach & shoreline that is termed the premium lot characteristics. The next quality rating is a mix of sandy/gravel and rocky/brushy shoreline. It assumes there is sufficient shoreline/beach that normal lake recreation is provided. The third classification is a shoreline/beach that is predominately rocky/brushy but still allows for development of a dock improvement and which provides a beach shelf or shoreline shelf where typically lakefront recreation can occur (firepit and a gathering area). The last category reflects a steeper topography with no truly usable beach or shoreline shelf. An example would be a site where stair access to the dock improvement comprises the lakefront recreation and all other parts of the shoreline are usable primarily for view protection and buffer. Shoreline/beach is measured on the basis of 4 points but could as easily be of equal weight as the topography shore-to-building site and road-to-building site which are both 5-point scales.

I have previously discussed lake depth as having a point scale of 1 or 2 with 1 reflecting shallow depth to such an extent that reaching boat depth requires a lengthy dock (more costly dock improvement). Additionally, very shallow lake bottom incorporates bottom vegetation (reeds, seaweed, etc.).

Topography: As stated in the sales catalog, the reader needs to be cognizant of the rating system that has been and is still being used. Item #1, Topography/Slope from “road-to-building site” is rated on the basis of a 5-point scale with extremely steep being worth 2-3 points and level being worth 5 points. To clarify, level (flat) to gentle slope is rated the same. For moderate slope, I have used a rating of 4.

A similar situation was incorporated for Item #2, Topography/Slope from “shore-to-building site” with steeper slopes being worth 2-3 points and level to gentle slope rated at 5 points. The topographic consideration of an elevated building site with a moderate slope (bank area), I have used a rating of 4 although there is market information that suggests there may not be a market perception of value impact for this topography variation. I

It is my opinion the market does not react in a consistent manner when dealing with topography and shoreline qualities. Sometimes this is related to inventory (both scarcity and abundance) and sometimes these inconsistencies are related to the specific buyer(s) emotional reaction to a particular property. Common sense would dictate a level site is easier and less costly to develop when compared to a hillside lot, but the offsets are that the hillside lot provides the opportunity for a daylight lower level that is generally not available to the lot that is level and only slightly elevated above the lake. I have retained the same adjustment process for overall site topography (road-to-building, shore-to-building, shoreline/beach and lake depth) with premium lots at 15 to 16 points, Good quality lots at 13-14 points and steeper & of lesser overall quality at 12 points. The original adjustment process did not have adequate transactional data to incorporate and over

the years, the classification of topography has become more supported by data. This is both a qualitative as well as quantitative adjustment process.

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 (in this case, a higher front foot value) and conversely a larger tract should sell for a lower unit price. Discussions with several brokers who deal with Priest Lake and Lake Pend Oreille properties indicated an optimum size for a lake front parcel to be 100 feet of frontage yet there is no absolute standard for a lake front tract size.

Please refer to the sales catalog for the conclusion of a size adjustment. This is done on a very specific mathematical formula to remain consistent throughout the process but the final reconciliation has taken into account, the nuances of the size adjustment as well as the topography adjustment.

Located below is the tabulation of land sales presented in the 2024 sales catalog and this is followed by specific discussion of the previous years' VAFO results.

| Land Sale # | Address/ Legal Description | Date of Sale | Sale Price | Impvt. Value | Land Value @ Sale | Unit Price (\$ / FF) @ Sale | Mkt Cond. Adj. | Feb. 15, 2024 Valuation | FF Size | SF Size | Topo R-BS + S-BS | Shore Rating | Lake Depth | Total Topo. Rating | S/FF | DOM |
|-------------|----------------------------|--------------|-------------|--------------|-------------------|-----------------------------|----------------|-------------------------|---------|---------|------------------|--------------|------------|--------------------|----------|-----|
| 1 | 441 Pinto Point Rd | 11/7/2023 | \$845,000 | \$75,000 | \$770,000 | \$7,264 | 0 | \$770,000 | 106.00 | 13,068 | 8 | 4 | 2 | 14 | \$7,264 | 17 |
| 2 | 3 East Shore Rd | 7/3/2023 | \$360,000 | \$0 | \$360,000 | N/A | 0 | \$360,000 | None | 45,738 | N/A | N/A | N/A | N/A | N/A | 42 |
| 3 | 324 N Hess Point Rd | 8/26/2023 | \$2,450,000 | \$0 | \$2,450,000 | \$12,564 | 6.25% | \$2,603,125 | 195.00 | 27,443 | 10 | 4 | 2 | 16 | \$13,349 | 37 |
| 4 | 390 Upper Bear Creek | 8/26/2023 | \$1,220,000 | \$0 | \$1,220,000 | \$12,200 | 6.25% | \$1,296,250 | 100.00 | 20,038 | 7 | 3 | 2 | 12 | \$12,963 | 37 |
| 5 | 822 Sherwood Beach Rd | 8/26/2023 | \$733,000 | \$0 | \$733,000 | \$8,425 | 6.25% | \$778,813 | 87.00 | 12,197 | 6 | 3 | 2 | 11 | \$8,952 | 37 |
| 6 | 375 Eight Mile Rd | 8/26/2023 | \$1,603,000 | \$0 | \$1,603,000 | \$11,132 | 6.25% | \$1,703,188 | 144.00 | 47,480 | 10 | 4 | 2 | 16 | \$11,828 | 37 |
| 7 | 2106 Kalispell Bay Road | 9/16/2022 | \$1,250,000 | \$25,000 | \$1,225,000 | \$12,250 | 21.25% | \$1,485,313 | 100 | 20,473 | 8 | 4 | 2 | 14 | \$14,853 | 75 |
| 8 | 30 Bartoo Island | 7/14/2022 | \$370,000 | \$0 | \$370,000 | \$5,068 | 23.75% | \$457,875 | 73 | 94,090 | 8 | 4 | 2 | 14 | \$6,272 | 40 |
| 9 | NNA Upper Bear Creek Rd | 8/13/2022 | \$673,000 | \$0 | \$673,000 | \$5,802 | 23.75% | \$832,838 | 116 | 28,750 | 7 | 3 | 2 | 12 | \$7,180 | 67 |
| 10 | NNA N. Hess Point Rd | 8/13/2022 | \$1,560,000 | \$0 | \$1,560,000 | \$11,818 | 23.75% | \$1,930,500 | 132 | 25,700 | 10 | 4 | 1 | 15 | \$14,625 | 46 |
| 11 | NNA State Cabin Rd | 8/13/2022 | \$1,850,000 | \$0 | \$1,850,000 | \$10,165 | 23.75% | \$2,289,375 | 182.0 | 46,609 | 10 | 4 | 1 | 15 | \$12,579 | 54 |
| 13 | NNA Beaver Creek Camp | 3/1/2022 | \$440,000 | \$0 | \$440,000 | \$5,946 | 30.00% | \$572,000 | 74.00 | 15,377 | 9 | 4 | 1 | 14 | \$7,730 | 564 |
| 14 | 47 Pinto Point Rd | 8/21/2021 | \$1,525,000 | \$0 | \$1,525,000 | \$11,296 | 55.00% | \$2,363,750 | 135.00 | 43,124 | 10 | 4 | 1 | 15 | \$17,509 | 39 |
| 15 | 6604 Eastshore Road | 8/22/2021 | \$810,000 | \$0 | \$810,000 | \$5,294 | 55.00% | \$1,255,500 | 153.00 | 34,848 | 6 | 3 | 2 | 11 | \$8,206 | 68 |
| 16 | 310 Powerline Road | 8/23/2021 | \$1,000,000 | \$0 | \$1,000,000 | \$5,556 | 55.00% | \$1,550,000 | 180.00 | 56,628 | 6 | 3 | 2 | 11 | \$8,611 | 83 |
| 17 | 48 E. Char Lane | 8/24/2021 | \$715,000 | \$0 | \$715,000 | \$4,767 | 55.00% | \$1,108,250 | 150.00 | 39,640 | 8 | 3 | 2 | 13 | \$7,388 | 72 |
| 18 | 503 Pinto Point Road | 8/25/2021 | \$750,000 | \$0 | \$750,000 | \$7,075 | 55.00% | \$1,162,500 | 106.00 | 13,068 | 8 | 3 | 2 | 13 | \$10,967 | 31 |
| 19 | 441 Pinto Point Road | 8/26/2021 | \$500,000 | \$0 | \$500,000 | \$4,717 | 55.00% | \$775,000 | 106.00 | 13,068 | 8 | 3 | 2 | 13 | \$7,311 | 39 |
| 20 | 1062 N. Steamboat Bay Rd | 8/2/2021 | \$4,000,000 | \$35,000 | \$3,965,000 | \$11,138 | 55.00% | \$6,145,750 | 356.0 | 203,861 | 10 | 4 | 2 | 16 | \$17,263 | 668 |
| 21 | Lot 4 South Shores | 1/5/2021 | \$465,000 | \$0 | \$465,000 | \$3,207 | 78.00% | \$827,700 | 145.0 | 25,700 | 6 | 3 | 2 | 11 | \$5,708 | 328 |
| 24 | Lot 6 Sandy Shores Ln. | 12/8/2020 | \$569,000 | \$12,000 | \$557,000 | \$5,570 | 80.00% | \$1,002,600 | 100.0 | 13,024 | 10 | 4 | 1 | 15 | \$10,026 | 309 |
| 25 | 78 Janet Lane | 11/19/2020 | \$1,200,000 | \$0 | \$1,200,000 | \$6,936 | 83.00% | \$2,196,000 | 173.0 | 35,284 | 9 | 4 | 2 | 14 | \$12,694 | 282 |
| 26 | 374 Upper Bear Creek | 10/19/2020 | \$625,000 | \$0 | \$625,000 | \$4,921 | 85.00% | \$1,156,250 | 127.0 | 28,750 | 7 | 3 | 2 | 12 | \$9,104 | N/A |

The summary of the 2023 VAFO/ULA Auction in August of 2023 is shown in the table below. There was only one sale that was to a non-lessee so there is added emphasis to that transaction. However, it is my opinion these other 3 sales bear some weight in the final analysis because there was competitive bidding and there was strength to the buyer motivations.

| August 26, 2023 VAFO/ULA Auction | | | | | | | | | | | |
|----------------------------------|-------------------------|-----|-------|---------------|--------|-----------------|-------------|-------------|-------------|----------------|------------------|
| Sale # | Address | Lot | Block | Subdivision | FF | Appraised Value | Value \$/FF | Winning Bid | Price \$/FF | Winning Bidder | Appraisal Rating |
| VAFO Results: | | | | | | | | | | | |
| VAFO 1 | 324 N. Hess Point Rd | 2 | 1 | Hess Point | 195.00 | \$1,814,000 | \$9,303 | \$2,450,000 | \$12,564 | Non-Lessee | 15 |
| VAFO 2 | 390 Upper Bear Creek Rd | 9 | 1 | Bear Creek | 100.00 | \$844,000 | \$8,440 | \$1,220,000 | \$12,200 | Lessee | 12 |
| VAFO 3 | 822 Sherwood Beach Rd | 10 | 1 | Kokanee Point | 87.00 | \$733,000 | \$8,425 | \$733,000 | \$8,425 | Lessee | 11 |
| VAFO 4 | 375 Eight Mile Road | 38 | 1 | Horton Creek | 144.00 | \$1,603,000 | \$11,132 | \$1,603,000 | \$11,132 | Lessee | 16 |

The summary of the 2022 VAFO/ULA Auction in August of 2022 is shown in the table below. The two shaded rows are sales that do not truly represent market value behaviors. This is particularly true of VAFO 6 where the bidders were reported to have motivational influences atypical to common market forces. As will be noted, the 3 ULA auction sales were already incorporated into the land sales tabulation that will be emphasized for the vacant cottage site analysis to be part of this 2024 VAFO valuations.

| August 2022 VAFO/ULA Auction | | | | | | | | | | | |
|---|----------------------------|-----------|----------|---------------------|---------------|--------------------|----------------|--------------------|-----------------|----------------|------------------|
| Sale # | Address | Lot | Block | Subdivision | FF | Appraised Value | Value \$/FF | Winning Bid | Price \$/FF | Winning Bidder | Appraisal Rating |
| VAFO Results: | | | | | | | | | | | |
| VAFO 1 | 362 N. Cape Horn Road | 2 | 1 | Powerline | 133.00 | \$665,000 | \$5,000 | \$665,000 | \$5,000 | Lessee | 12 |
| VAFO 2 | 1174 Cape Horn Road | 49 | 1 | Woody's Point | 146.00 | \$794,000 | \$5,438 | \$794,000 | \$5,438 | Lessee | 13-14 |
| VAFO 3 | 410 N. Steamboat Bay Road | 11 | 1 | Soldier Creek | 151.00 | \$985,000 | \$6,523 | \$2,300,000 | \$15,232 | Lessee | 15 |
| VAFO 4 | 592 N. Steamboat Bay Road | 3 | 1 | Soldier Creek | 158.00 | \$1,031,000 | \$6,525 | \$1,600,000 | \$10,127 | Lessee | 15 |
| VAFO 5 | 64 Janet Lane | 8 | 3 | Powerline | 154.00 | \$1,013,000 | \$6,578 | \$2,400,000 | \$15,584 | Lessee | 14 |
| VAFO 6 | 179 Eight Mile Road | 31 | 1 | Horton Creek | 172.00 | \$1,115,000 | \$6,483 | \$9,800,000 | \$56,977 | Lessee | 15 |
| VAFO 7 | 122 Hess Point Road | 13 | 1 | Hess Point | 300.00 | \$2,160,000 | \$7,200 | \$2,900,000 | \$9,667 | Lessee | 16 |
| ULA (Unleased Land Auction) Results: | | | | | | | | | | | |
| ULA #1 | NNA Upper Bear Creek Rd | 12 | 1 | Bear Creek | 116.00 | \$673,000 | \$5,802 | \$673,000 | \$5,802 | Non-Lessee | 12 |
| ULA #2 | NNA Hess Point Road | 3 | 1 | Hess Point | 132.00 | \$901,000 | \$6,826 | \$1,560,000 | \$11,818 | Non-Lessee | 15 |
| ULA #3 | NNA State Cabin Road | 3 | 1 | Two Mouth Creek | 182.00 | \$1,155,000 | \$6,346 | \$1,850,000 | \$10,165 | Non-Lessee | 15 |

The summary of the 2021 auction data helps provide the basic evidence of leased sites being acquired by the existing lessee and the ULA or unleased site sales, which I believe should be emphasized; particularly when no improvements existed, or those improvements were of marginal consideration.

| August 2021 VAFO/ULA Auction | | | | | | | | | | |
|---|-----|-------|-----------------|--------|-----------------|-------------|-------------|-------------|----------------|------------------|
| Address | Lot | Block | Subdivision | FF | Appraised Value | Value \$/FF | Winning Bid | Price \$/FF | Winning Bidder | Appraisal Rating |
| VAFO Results: | | | | | | | | | | |
| 354 N Cape Horn Rd | 1 | 1 | Powerline | 136.00 | \$420,000 | \$3,088 | \$575,000 | \$4,228 | Non-Lessee | 11 |
| 1458 Cape Horn Rd | 38 | 1 | Woody's Point | 150.00 | \$645,000 | \$4,300 | \$645,000 | \$4,300 | Lessee | 13+ |
| 76 W Horton Creek Rd | 23 | 1 | Horton Creek | 150.40 | \$499,000 | \$3,318 | \$855,000 | \$5,685 | Non-Lessee | 11 |
| 38 S Horton Creek Rd | 17 | 1 | Horton Creek | 161.00 | \$523,000 | \$3,248 | \$610,000 | \$3,789 | Lessee | 11-12 |
| 218 State Cabin Rd | 11 | 1 | Two Mouth Creek | 142.00 | \$753,000 | \$5,303 | \$753,000 | \$5,303 | Lessee | 15 |
| 564 State Cabin Rd | 2 | 1 | Two Mouth Creek | 173.00 | \$783,000 | \$4,526 | \$1,570,000 | \$9,075 | Lessee | 15 |
| 61 Pinto Point Rd | 39 | 1 | Pinto Point | 146.00 | \$690,720 | \$4,731 | \$690,720 | \$4,731 | Lessee | 14+ |
| 572 Pinto Point Rd | 18 | 1 | Pinto Point | 258.00 | \$922,720 | \$3,576 | \$922,720 | \$3,576 | Lessee | 14 |
| 42 N Eight Mile Rd | 27 | 1 | Horton Creek | 156.10 | \$765,000 | \$4,901 | \$765,000 | \$4,901 | Lessee | 15 |
| 1563 W Pearl Shore | 5 | 1 | Outlet Bay | 180.00 | \$405,000 | \$2,250 | \$475,000 | \$2,639 | Lessee | 13-14 |
| ULA (Unleased Land Auction) Results: | | | | | | | | | | |
| 47 Pinto Point Rd | 40 | 1 | Pinto Point | 135.00 | \$649,720 | \$4,813 | \$1,525,000 | \$11,296 | ULA | 14-15 |
| 6604 Eastshore Rd | 1 | 1 | Horton Creek | 153.00 | \$490,000 | \$3,203 | \$810,000 | \$5,294 | ULA | 11 |
| 310 Powerline Rd | 5 | 1 | Woody's Point | 180.00 | \$536,000 | \$2,978 | \$1,000,000 | \$5,556 | ULA | 11 |
| 48 E Char Ln | 27 | 1 | Woody's Point | 150.00 | \$519,000 | \$3,460 | \$715,000 | \$4,767 | ULA | 12 |
| 503 Pinto Point Rd | 21 | 1 | Pinto Point | 106.00 | \$499,920 | \$4,716 | \$750,000 | \$7,075 | ULA | 13 |
| 441 Pinto Point Rd | 24 | 1 | Pinto Point | 106.00 | \$499,920 | \$4,716 | \$500,000 | \$4,717 | ULA | 13 |

An issue that has been resolved for purposes of presenting an opinion of market value is the extraordinary assumption that each lot will have adequate lot area to install an on-site system or have additional lands available for a community drainfield system (could be as small as a single home site drainfield off-site to as many as necessary to accomplish the “developability” of these cottage sites for private sewer service. The value of the off-site drainfield land is inherent in the lake (frontage) lot. There is no proportionate value to that off-site drainfield land. It is simply an absolute requirement that the individual cottage sites have either adequate on-site capacity for private sewer or they have an off-site location available for compliance with Panhandle Health District 1 regulations.

Located on the following pages are the grid analyses that pertains to the direct comparison of the land sales and how these sales reflect an indication of value for the subject site, after adjustments for waterfront size, topography and other physical dissimilarities. The Priest Lake market continues to evolve into what is perceived to be certain topographical characteristics where this lot has had previous appraisals at an overall rating of 13-14-points but looking at the slightly sloping terrain from the shoreline/beach area to the gentle slopes around the primary building area, the property can be argued strongly that this has 9-points although the key to the classification is the much larger lot size (2.38 acres) where the upper elevation between East Shore Road & the switchback has some usable terrain and the gentle slopes from shoreline/beach to the existing cabin. The shoreline/beach has predominately usable sandy beach with a clear indication of a 4-point rating. Overall, this lot has a 14-point rating & that has incorporated lot size into the adjustment amount for topography.

| Categories | Subject Property | Land Sale #1 | Adjustments | Land Sale #3 | Adjustments | Land Sale #4 | Adjustments | Land Sale #5 | Adjustments | Land Sale #6 | Adjustments |
|-------------------------------------|-------------------------------|---|-------------|--|----------------|---|----------------|--|----------------|--|----------------|
| Address/Sale Price | 150 Bull Trout Rd | 441 Pinto Point Rd | \$770,000 | 324 N. Hess Point Rd | \$2,450,000 | 390 Upper Bear Creek | \$1,220,000 | 822 Sherwood Beach Rd | \$733,000 | 375 Eight Mile Rd | \$1,603,000 |
| Property Rights Conveyed | Fee Simple | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 |
| Financing Terms | Cash Equivalent | Conventional | \$0 | Cash | \$0 | Cash | \$0 | Cash | \$0 | Cash | \$0 |
| Conditions of Sale | Market | Market | \$0 | VAFO | \$0 | VAFO/ULA | \$0 | VAFO/ULA | \$0 | VAFO/ULA | \$0 |
| Expenditures Made Immediate to Sale | None | None | \$0 | None | \$0 | None | \$0 | None | \$0 | None | \$0 |
| Sale Date/Market Conditions | 2/15/2024 | 11/7/2023 | \$0 | 8/26/2023 | \$153,125 | 8/26/2023 | \$76,250 | 8/26/2023 | \$45,813 | 8/26/2023 | \$100,188 |
| Adjusted Sale Price | N/A | No Adjustments | \$770,000 | | \$2,603,125 | | \$1,296,250 | | \$778,813 | | \$1,703,188 |
| Adjusted Price (\$/FF) | N/A | No Adjustments | \$7,264 | | \$13,349 | | \$12,963 | | \$8,952 | | \$11,828 |
| | | | | | | | | | | | |
| Adjustments: | | | | | | | | | | | |
| Location | Priest Lake | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 |
| Size (SF) | 103,673 | 13,068 | In FF Size | 27,443 | In FF Size | 20,038 | In FF Size | 12,197 | In FF Size | 47,480 | In FF Size |
| Size (FF) | 127.00 | 106.00 | -\$466 | 195.00 | \$2,592 | 100.00 | -\$1,068 | 87.00 | -\$1,092 | 144.00 | \$885 |
| Topography Classification (Slope) | Gentle-Steep | Tiered with usable shoreline/beach | See Overall | Level to slight slope-sandy beach | See Overall | Varied Slopes/R-B Shore | See Overall | Varied slopes/gentle beach | See Overall | Level-Gentle & Sandy Beach | See Overall |
| Topography Rating | 14 | 13-14 | See Overall | 16 | See Overall | 12 | See Overall | 11 | See Overall | 16 | See Overall |
| Rating as % of Total - Comparison | 0.8750 | .8125-.875 | See Below | 1.0000 | See Below | 0.7500 | See Below | 0.6875 | See Below | 1.0000 | See Below |
| Overall Topography Adjustment | Good Quality Lot; sandy beach | 5.00% | \$363 | -20.00% | -\$2,670 | 20.00% | \$2,593 | 30.00% | \$2,686 | -20.00% | -\$2,366 |
| Road Frontage | Bull Trout Rd | Pinto Point Rd | \$0 | N. Hess Point Rd | \$0 | Upper Bear Creek | \$0 | Sherwood Beach Rd | \$0 | Eight Mile Rd | \$0 |
| Utilities (sewer & water systems) | Elec. & Phone | Elec. & Phone & Com. Drain. | In Adj. SP | Elec. & Phone | Land Sale Only | Elec. & Phone | \$0 | Elec. & Phone | \$0 | Elec. & Phone | \$0 |
| Improvements and/or Common Areas | None | PP Com. Service Lot | In Adj. SP | N/A | \$0 | Improvements | Land Sale Only | Improvements | Land Sale Only | Improvements | Land Sale Only |
| Zoning/Land Use Reg's | CC&Rs | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 |
| Net Adjustments | | | -\$102 | | -\$77 | | \$1,524 | | \$1,593 | | -\$1,481 |
| Indicated Value FF | | | \$7,162 | | \$13,272 | | \$14,487 | | \$10,545 | | \$10,347 |
| Implied Subject Value | | | \$909,539 | | \$1,685,535 | | \$1,839,835 | | \$1,339,253 | | \$1,314,052 |
| Low | \$909,539 | This is a Pinto Point lot that includes access to the community drainfield & pro-rata share of community service lot. Topography of the site is consistent with sales to the north & south of this lot where the upper elevation is at-grade with road then gentle slope to bench, moderate slope to shoreline/beach area. All site improvements, including dock, have been deducted from sale price so what is shown is Land Only. | | End of road location with level topography from road-to-building site & slight slope to shoreline/beach. Total rating of 16-points demonstrates premium lot quality. This was August VAFO having competitive bidding & non-lessee was successful bidder. Land was appraised at \$1,814,000 and upbid to \$2,450,000. Market price shown here was adjusted for market conditions. | | Topography of this lot was rated at 12-points but the price paid is considered to be at a higher rating. This moderate to steeper bench area creates some different focuses on slope from road-to-shore. The lot was appraised for \$843,000 but sold under a competitive bid process at \$1,220,000 with lessee the successful bidder. The overall topography rating was 12-points but could be argued as high as 13-points due to site development. | | Sale was rated at 11-points due to steeper slope from elevated building site to shoreline. There was a concrete retaining wall that had some structural issues; lessee said could be cured without major investment. This was appraised at \$733,000 & sold to lessee at that price (no competitive bidding). The small size, the shared driveway access & parking, the retaining wall issues & steeper slope to shoreline/beach were all factored into the price. | | Lot is located near end of Eight Mile Road with level topography, adequate size for on-site parking and slightly elevated building site sloping gently to sandy/gravel shoreline. This is premium rated lot that was sold at appraised value to existing lessee; no competitive bidding. This is felt to be a strong indication of current market value for premium lot. | |
| High | \$1,839,835 | | | | | | | | | | |
| Average | \$1,417,643 | | | | | | | | | | |

| Categories | Subject Property | Land Sale #7 | Adjustments | Land Sale #9 | Adjustments | Land Sale #10 | Adjustments | Land Sale #11 | Adjustments | Land Sale #13 | Adjustments |
|-------------------------------------|-------------------------------|---|-------------|-------------------------|-------------|----------------------------------|-------------|---------------------------------|-------------|---------------------------|-------------|
| Address/Sale Price | 150 Bull Trout Rd | 2106 Kalispell Bay Rd | \$1,225,000 | NNA Upper Bear Creek Rd | \$673,000 | NNA Hess Point Rd | \$1,560,000 | NNA State Cabin Rd | \$1,850,000 | NNA Beaver Creek Camp | \$440,000 |
| Property Rights Conveyed | Fee Simple | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 |
| Financing Terms | Cash Equivalent | Cash | \$0 | Conventional | \$0 | Cash | \$0 | Cash | \$0 | Conventional | \$0 |
| Conditions of Sale | Market | Market | \$0 | VAFO/ULA | \$0 | VAFO/ULA | \$0 | VAFO/ULA | \$0 | Market | \$0 |
| Expenditures Made Immediate to Sale | None | None | \$0 | None | \$0 | None | \$0 | None | \$0 | None | \$0 |
| Sale Date/Market Conditions | 2/15/2024 | 9/16/2022 | \$260,313 | 10/13/2022 | \$159,838 | 9/22/2022 | \$370,500 | 9/30/2022 | \$439,375 | 3/1/2022 | \$132,000 |
| Adjusted Sale Price | N/A | | \$1,485,313 | | \$832,838 | | \$1,930,500 | | \$2,289,375 | | \$572,000 |
| Adjusted Price (\$/FF) | N/A | | \$14,853 | | \$7,180 | | \$14,625 | | \$12,579 | | \$7,730 |
| | | | | | | | | | | | |
| Adjustments: | | | | | | | | | | | |
| Location | Priest Lake | West Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | NW Side of Priest Lake | \$0 |
| Size (SF) | 103,673 | 20,473 | In FF Size | 28,750 | In FF Size | 25,700 | In FF Size | 46,609 | In FF Size | 15,377 | In FF Size |
| Size (FF) | 127.00 | 100.00 | -\$1,224 | 116.00 | -\$241 | 132.00 | \$322 | 182.00 | \$2,104 | 74.00 | Offsets |
| Topography Classification (Slope) | Gentle-Steep | Mod.-Gentle w/good beach | See Overall | Mod. Slope/R&B Shore | See Overall | Slight slopes-sandy/brushy shore | See Overall | Slight slope/sandy&gravel shore | See Overall | Ltd Bldg Site/Sandy Beach | See Overall |
| Topography Rating | 14 | 14 | See Overall | 12 | See Overall | 15 | See Overall | 15 | See Overall | 13 | See Overall |
| Rating as % of Total - Comparison | 0.8750 | 0.8750 | See Below | 0.7500 | See Below | 0.9375 | See Below | 0.9375 | See Below | 0.8125 | See Below |
| Overall Topography Adjustment | Good Quality Lot; sandy beach | 0.00% | \$0 | 20.00% | \$1,436 | -10.00% | -\$1,463 | -10.00% | -\$1,258 | 10.00% | \$773 |
| Road Frontage | Bull Trout Rd | Kalispell Bay Rd | \$0 | Upper Bear Creek Rd | \$0 | Hess Point Rd | \$0 | State Cabin Rd | \$0 | Beaver Creek Camp | \$0 |
| Utilities (sewer & water systems) | Elec. & Phone | Elec. & Phone | \$0 | Elec. & Phone | \$0 | Elec. & Phone | \$0 | Elec. & Phone | \$0 | On-site Septic/Com. Wtr | -\$351 |
| Improvements and/or Common Areas | None | Dock & Site Impvts Excl. | Adjust SP | Cabin not included | \$0 | None | \$0 | Cabin not included | \$0 | None | \$0 |
| Zoning/Land Use Reg's | CC&Rs | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 | REC | \$0 |
| Net Adjustments | | | -\$1,224 | | \$1,195 | | -\$1,141 | | \$847 | | \$422 |
| Indicated Value FF | | | \$13,629 | | \$8,374 | | \$13,484 | | \$13,426 | | \$8,152 |
| Implied Subject Value | | | \$1,730,912 | | \$1,063,539 | | \$1,712,500 | | \$1,705,045 | | \$1,035,266 |
| Low | \$1,035,266 | <p>Lot is actually 2 - 50 FF lots comprising the 100 FF noted. This was previously improved with rustic cabin & newer dock. At time of sale, there was driveway down to cabin location near beach. This lot has a sandy beach & usable lake depth with rating of 14-points due to steeper driveway.</p> <p>Aug. 2022 VAFO Auction (ULA Parcel). The appraisal had shown this to be a 12-point rating although this could be slightly higher based on the shore-to-building site topography. This was under contract on Aug. 15, 2022 so the market condition adjustment is from that date of October 1, 2022 per discussion.</p> <p>Aug. 2022 VAFO Auction (ULA Parcel) & no current lessee. This was rated at 15-points due to the shallow lake depth so this could be viewed as conservative. The tract was appraised for \$901,000 and sold with significant upbidding. This is a premium lot for Priest Lake. The brush along the shore could be trimmed/removed to improve overall usability.</p> <p>Aug. 2022 VAFO Auction (ULA Parcel) & no current lessee. This was rated at 15-points due to the Two Mouth Creek influence (shallow lake depth). Rating could be viewed as conservative. The tract was appraised for \$1,155,000 but sold with significant upbidding. This is a premium lot for Priest Lake. Tract went under contract 8/15/22 so mkt condition adjustment from that date.</p> <p>Building envelope is 20' X 30' due to seasonal creeks & high groundwater. This is timbered parcel with sandy beach/shoreline. The location is not year-round as road is not plowed. The small building site is key to this unit price being low.</p> | | | | | | | | | |
| High | \$1,730,912 | | | | | | | | | | |
| Average | \$1,449,452 | | | | | | | | | | |

| Categories | Subject Property | Land Sale #14 | Adjustments | Land Sale #15 | Adjustments | Land Sale #16 | Adjustments | Land Sale #17 | Adjustments | Land Sale #19 | Adjustments | | |
|-------------------------------------|-------------------------------|---|-------------|------------------------------|---|---------------------------|-------------|---|-------------|----------------------------|--|--|--|
| Address/Sale Price | 150 Bull Trout Rd | 47 Pinto Point Rd | \$1,525,000 | 6604 East Shore Road | \$810,000 | 310 Powerline Road | \$1,000,000 | 48 E. Char Lane | \$715,000 | 441 Pinto Point Rd | \$500,000 | | |
| Property Rights Conveyed | Fee Simple | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 | Fee Simple | \$0 | | |
| Financing Terms | Cash Equivalent | Cash | \$0 | Cash | \$0 | Conventional | \$0 | Cash | \$0 | Cash | \$0 | | |
| Conditions of Sale | Market | VAFO/ULA | \$0 | VAFO/ULA | \$0 | VAFO/ULA | \$0 | VAFO/ULA | \$0 | VFO/ULA | \$0 | | |
| Expenditures Made Immediate to Sale | None | None | \$0 | None | \$0 | None | \$0 | None | \$0 | None | \$0 | | |
| Sale Date/Market Conditions | 2/15/2024 | 10/23/2021 | \$838,750 | 9/22/2021 | \$445,500 | 10/7/2021 | \$550,000 | 9/26/2021 | \$393,250 | 10/23/2021 | \$275,000 | | |
| Adjusted Sale Price | N/A | | \$2,363,750 | | \$1,255,500 | | \$1,550,000 | | \$1,108,250 | | \$775,000 | | |
| Adjusted Price (\$/FF) | N/A | | \$17,509 | | \$8,206 | | \$8,611 | | \$7,383 | | \$7,311 | | |
| | | | | | | | | | | | | | |
| Adjustments: | | | | | | | | | | | | | |
| Location | Priest Lake | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | East Side Priest Lake | \$0 | | |
| Size (SF) | 103,673 | 43,124 | In FF Size | 34,848 | In FF Size | 56,628 | In FF Size | 39,640 | In FF Size | 13,068 | In FF Size | | |
| Size (FF) | 127.00 | 135.00 | \$616 | 153.00 | \$881 | 180.00 | \$1,405 | 150.11 | \$749 | 106.00 | -\$469 | | |
| Topography Classification (Slope) | Gentle-Steep | Slight slope/sandy-brushy shore | See Overall | Mod-Steep Slope/Rocky Brushy | See Overall | Mod-Steep/R&B Shore | See Overall | Mod. Slopes/Timbered | See Overall | Level-Mod./Sand-grvl beach | See Overall | | |
| Topography Rating | 14 | 15 | See Overall | 12 | See Overall | 12 | See Overall | 13+ | See Overall | 13-14 | See Overall | | |
| Rating as % of Total - Comparison | 0.8750 | 0.9375 | See Below | 0.7500 | See Below | 0.7500 | See Below | 0.8125 | See Below | .8125-.875 | See Below | | |
| Overall Topography Adjustment | Good Quality Lot; sandy beach | -10.00% | -\$1,751 | 20.00% | \$1,641 | 20.00% | \$1,722 | 5.00% | \$369 | 5.00% | \$366 | | |
| Road Frontage | Bull Trout Rd | Pinto Point Road | \$0 | N. Horton Creek Rd | \$0 | Cape Horn to Powerline Rd | \$0 | Cape Horn to Char Ln | \$0 | Pinto Pt. Road | \$0 | | |
| Utilities (sewer & water systems) | Elec. & Phone | Com. Drainfield | \$0 | Well or Lk & Septic Rq'd | 0 | Elec. & Phone in Price | \$0 | On-site septic/well req'd | \$0 | Lk Wtr/Com. Drainfield | \$0 | | |
| Improvements and/or Common Areas | None | PP Com. Service Lot | -\$13 | None | 0 | No Impvts | \$0 | None | Adjust. SP | PP Com Service Lot | -\$16 | | |
| Zoning/Land Use Reg's | CC&Rs | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 | CC&Rs | \$0 | | |
| Net Adjustments | | | -\$1,148 | | \$2,522 | | \$3,128 | | \$1,118 | | -\$119 | | |
| Indicated Value FF | | | \$16,362 | | \$10,728 | | \$11,739 | | \$8,501 | | \$7,192 | | |
| Implied Subject Value | | | \$2,077,931 | | \$1,362,503 | | \$1,490,811 | | \$1,079,588 | | \$913,413 | | |
| Low | \$913,413 | Aug. 2021 VAFO Auction with lot under contract 8/24/21 & mkt cond. Adjustment from this date. The lot is mostly level, some tree & brush cover & very usable sandy beach/shoreline. This lot was appraised for \$649,720 (\$1,760 for PP Com. Service Lot) with strong upbidding occurring. The adjacent property was sold to existing lessee for appraised value so bracket between this sale & that VAFO sale was emphasized, | | | Aug. 2021 VAFO Auction. This lot did not have an existing lessee. Topography was mod-steeper slopes from East Shore Road to building site area. Access to the lot is from the north. This does not have a parking area shown as prior lessee had a walk in access to the cabin. There is an elevated building site with a rocky/brushy shoreline & small sandy beach at dock. No specific value given the dock which might impact price slightly. | | | Aug. 2021 VAFO Auction. This lot did not have an existing lessee. Topography was mod-steeper slopes from Powerline Rd to building site area. The lot has rock outcroppings and overall topo rating was 11-12 points. Shoreline is mostly rocky & brushy. Under contract 8/24/21 which is date used to adjust. mkt conditions. There was rock pier at shoreline. | | | Aug. 2021 VAFO Auction. Gentle to Moderate slopes (some steeper). Timbered tract with road/driveway access to lake (historic ramp). Cobble & rocky shoreline & small sandy beach area. Slopes will allow a daylight basement reasonably close to shoreline. The appraisal for the auction was \$519,000 so significant upbid occurred. | | |
| High | \$2,077,931 | | | | | | | | | | | | |
| Average | \$1,384,849 | | | | | | | | | | | | |

Reconciliation of Land Valuation:

The 15 sales that have been used include 2023 sales, 2022 sales and some from the 2021 ULA sales. My analysis of the market & my final opinion have also incorporated the improved sales presented in the 2024 Sales Catalog. I have no market evidence that directly supports a price trend extending through the late Fall of 2023 to the date of value of February 15, 2024. I do believe there is some probability that market prices will continue but that is more conjecture and not truly fact-based analysis. Even with the volume of improved property sales and broker comments about continued strong demand, there is the risk that continued appreciation may not continue through this new year.

The table below is a reflection of the 15 sales incorporated into this analysis. There are some sales that I feel may not be true indicators of “typical” market given underlying considerations (e.g., neighbors who bid to remove a lessee, wanted to assemble, etc.).

| All 15 Indications | Dollar Per FF | Value Indication |
|---------------------------|----------------------|-------------------------|
| Mean (Average) | \$11,160 | \$1,417,315 |
| Median | \$10,728 | \$1,362,503 |
| Minimum | \$7,162 | \$909,539 |
| Maximum | \$16,362 | \$2,077,931 |

The emphasis in this appraisal has factored the overall topography elements including, but not limited to, what is perceived to be the primary valuation; shoreline qualities & the use/location of the building site as proximate to the shoreline (slope issues). For this appraisal, I relied on market extraction for overall slope & shoreline qualities as discussed in the sales catalog. As I stated previously, the rating of 14+ points for this lot is argued as entirely reasonable given the gentle slope from the sandy shoreline/beach area & the size of the parcel at 2.38 acres. The mean indication helps set the final conclusion.

I also reviewed the sales without including Sales #4, #7, & #14 based on either the inconsistencies noted in how these directly compare to the subject and/or based on transactional data at the time of sale for these lots that has questions their reliability as market value indicators.

| Eliminated Sales #4, #7,& #14 | Dollar Per FF | Value Indication |
|--|----------------------|-------------------------|
| Mean | \$10,243 | \$1,300,920 |
| Median | \$10,446 | \$1,326,652 |

Giving weight to the mean of all 15 sales but also recognizing the impacts to this unit value when eliminating 3 of the sales felt to be somewhat of outliers, resulted in a unit value of \$10,250/FF.

I feel it necessary to emphasize the 2023 VAFO sale of Lot 38 which sold to the lessee for appraised value. That is reflective of August 2023 but the date of value was January 2023 so some market condition adjustment is felt warranted. That property sold for \$1,603,000 and updated for time of sale, the current indication is \$1,703,188 or \$11,828/FF.

I would also like to acknowledge Land Sale #3 at 324 N. Hess Point Road (also known as 310 N. Hess Point). This was appraised at \$1,814,000 or \$9,303/FF but sold under strong competitive bidding, to a non-lessee for \$2,450,000 or \$12,564/FF for this 195 FF tract. I adjusted this sale upward for market conditions reflecting a current pricing of \$13,349/FF (for 195 front feet).

My conclusion is a site value based on the unit price of \$10,250/FF given the key features of the site being the shore-to-building site, the expansive sandy beach shoreline (overall utility) and the total size of this cottage site that contains 2.38 acres. This unit value is applied to the subject frontage as indicated herein and that results in a value for the vacant & unimproved cottage site as shown below:

One Million Three Hundred Two Thousand Dollars

\$1,302,000

SALES COMPARISON APPROACH-FEE SIMPLE VALUATION

A definition of this approach was presented in the sales catalog/project report. It will not be presented here again. I direct the reader to a review of that document for the definition & discussion of this approach both in terms of general concepts and specific valuation issues pertinent to this appraisal.

The table below is a summary of all of the lake front sales found on Priest Lake during the calendar year 2020 and which I feel best provides for an overview of the market. Only those sales directly relevant to the subject property will be presented for an indication of market value. The shaded rows are leasehold sales that have relevance in certain situations.

| February 15, 2024 | | | | | | | | | | | | | | | | |
|-------------------|-------------------------|------------|-------------|----------------|-------------|-------------|-------|---------|------------------|--------------|------------|--------------------|----------|---------------------------|-------------|-----|
| Sale # | Location | Date | Price | Overall \$/GLA | Impvt Value | Land Value | FF | SF Size | Topo R-BS + S-BS | Shore Rating | Lake Depth | Total Topo. Rating | \$/FF | Impvt Size (SF)- Finished | Impvt \$/SF | DOM |
| List A | 716 South Shores Rd | List 12/23 | \$1,900,000 | \$508.84 | \$975,000 | \$925,000 | 145 | 41,818 | 7 | 4 | 2 | 13 | \$6,379 | 3,734 | \$261.11 | 73 |
| List B | 126 Cutthroat Rd | List 2/24 | \$399,000 | \$519.53 | \$399,000 | Lease | 150 | 52,272 | 7 | 4 | 2 | 13 | N/A | 768 | \$519.53 | 11 |
| 3 | 56 Lake Trout Ln | 2/16/2024 | \$1,200,000 | \$891.53 | \$325,000 | \$875,000 | 95 | 28,314 | 8 | 4 | 2 | 14 | \$9,211 | 1,346 | \$241.46 | 193 |
| 4 | 156 N. Sandy Shores Ln | 11/22/2023 | \$4,995,000 | \$1,177.51 | \$3,420,000 | \$1,575,000 | 210 | 46,609 | 9 | 4 | 2 | 15 | \$7,500 | 4,242 | \$806.22 | 90 |
| 5 | 1102 Sherwood Beach Rd | 11/6/2023 | \$1,515,000 | \$846.37 | \$430,000 | \$1,085,000 | 80 | 7,405 | 7 | 3 | 2 | 12 | \$13,563 | 1,790 | \$240.22 | 42 |
| 6 | 375 Pinto Point Rd | 10/26/2023 | \$1,650,000 | \$1,354.68 | \$650,000 | \$1,000,000 | 98 | 19,602 | 8 | 4 | 2 | 14 | \$10,204 | 1,218 | \$533.66 | 31 |
| 7 | 63 Sutton Lane | 10/5/2023 | \$1,364,000 | \$988.41 | \$389,000 | \$975,000 | 63 | 6,055 | 10 | 4 | 2 | 16 | \$15,476 | 1,380 | \$281.88 | 56 |
| 8 | 43 Diamond Point Rd | 10/4/2023 | \$2,357,822 | \$844.19 | \$1,082,822 | \$1,275,000 | 157.8 | 9,365 | 9 | 4 | 2 | 15 | \$8,080 | 2,793 | \$387.69 | 63 |
| 9 | 213 S. Granite Bay Rd | 9/18/2023 | \$1,250,000 | \$751.20 | \$315,000 | \$935,000 | 75 | 11,500 | 10 | 4 | 2 | 16 | \$12,467 | 1,664 | \$189.30 | 49 |
| 10 | 411 Pinto Point Rd | 8/18/2023 | \$350,000 | \$301.20 | \$350,000 | Lease | 104 | 18,731 | 8 | 3 | 2 | 13 | N/A | 1,162 | \$301.20 | 91 |
| 11 | 250 Sherwood Beach Rd | 8/15/2023 | \$900,000 | \$399.29 | \$0 | \$900,000 | 60 | 6,316 | 9 | 4 | 2 | 15 | \$15,000 | 2,254 | \$0.00 | 70 |
| 12 | 178 Paul Jones Beach Rd | 8/10/2023 | \$1,225,000 | \$1,540.88 | \$175,000 | \$1,050,000 | 70 | 6,752 | 9 | 4 | 2 | 15 | \$15,000 | 795 | \$220.13 | 65 |
| 13 | 36 Mission Court | 8/2/2023 | \$771,000 | \$316.50 | \$771,000 | Lease | 146 | 48,787 | 8 | 4 | 2 | 14 | N/A | 2,436 | \$316.50 | 47 |
| 14 | 907 Sandpiper Shores Rd | 6/26/2023 | \$1,695,000 | \$665.23 | \$545,000 | \$1,150,000 | 100 | 10,062 | 10 | 4 | 1 | 15 | \$11,500 | 2,548 | \$213.89 | 27 |
| 15 | 1157 Camp Cudge Rd | 6/13/2023 | \$50,000 | \$84.46 | \$50,000 | Lease | 122 | 36,590 | 8 | 4 | 2 | 14 | N/A | 592 | \$84.46 | 0 |
| 16 | 14112 Eastshore Road | 1/11/2023 | \$2,400,000 | \$566.44 | \$1,575,000 | \$825,000 | 147.5 | 37,462 | 8 | 2 | 2 | 12 | \$5,593 | 4,237 | \$371.73 | 14 |
| 17 | 112 S. Diamond Park Rd | 10/6/2022 | \$1,190,000 | \$478.68 | \$340,000 | \$850,000 | 100 | 16,117 | 8 | 3 | 2 | 13 | \$8,500 | 2,486 | \$136.77 | 127 |
| 18 | 380 S. Diamond Park Rd | 10/1/2022 | \$934,000 | \$674.86 | \$184,000 | \$750,000 | 100 | 22,216 | 7 | 3 | 2 | 12 | \$7,500 | 1,384 | \$132.95 | 142 |
| 19 | 45 S. Horton Creek Rd | 9/15/2022 | \$1,400,000 | \$701.05 | \$575,000 | \$825,000 | 150 | 74,923 | 7 | 3 | 2 | 12 | \$5,500 | 1,997 | \$287.93 | 90 |
| 20 | 280 Sherwood Beach Rd | 8/31/2022 | \$1,500,000 | \$495.54 | \$500,000 | \$1,000,000 | 90 | 16,553 | 9 | 4 | 2 | 15 | \$11,111 | 3,027 | \$165.18 | 98 |
| 21 | 37 Vacation Court | 7/22/2022 | \$1,200,000 | \$620.48 | \$550,000 | \$650,000 | Cmnts | 3,920 | 10 | 4 | 2 | 16 | Cmnts | 1,934 | \$284.38 | 52 |
| 22 | 132 Bull Trout Rd | 6/24/2022 | \$2,400,000 | \$1,103.45 | \$1,465,000 | \$935,000 | 110 | 20,909 | 7 | 4 | 2 | 13 | \$8,500 | 2,175 | \$673.56 | 48 |
| 23 | 1596 Cape Horn Rd | 6/17/2022 | \$1,695,000 | \$1,332.55 | \$570,000 | \$1,125,000 | 150 | 27,443 | 8 | 3 | 2 | 13 | \$7,500 | 1,272 | \$448.11 | 17 |
| 24 | 141 Copper Bay Court | 4/8/2022 | \$2,575,000 | \$701.63 | \$1,350,000 | \$1,225,000 | 100 | 78,713 | 8 | 4 | 2 | 14 | \$12,250 | 3,670 | \$367.85 | 176 |
| 25 | 572 Pinto Point Rd | 3/2/2022 | \$2,399,000 | \$765.72 | \$1,144,000 | \$1,255,000 | 607.0 | 47,045 | 9 | 3 | 2 | 14 | \$2,068 | 3,133 | \$471.20 | 20 |

Adjustment Discussion and Analysis: The adjustment process is an extractive technique that measures (or attempts to measure) value differences for the various elements or components of construction. The actual age of an improvement is often less important than the condition of those same improvements. The analysis has relied more on an effective age comparison with a value loss associated more with a cost to renovate to the subject (or conversely, the cost associated with gaining similar effective age).

For quality of construction, the sales used will be closely aligned with the quality of the subject construction. The analysis will not attempt to compare a fair-to-average quality cabin to a Good, Very Good or Excellent residence. There will be some variability in quality that is handled on a case-by-case basis. In this case, there are some sales that have superior quality above grade area and superior quality lower level so the adjustment for lower-level finish is consistent with the overall building quality.

Size comparison is handled on a market extracted adjustment considering the same classification of improvement (adjustment for excellent quality homes is greater than the unit price adjustment for very good quality homes which is greater than good quality dwellings). In each situation, the unit size adjustment is applied to the difference in building size above grade. The same is done for daylight basement levels although the adjustment process has shown a lower-level shell size and a lower-level finished area size using varied dollar per sq.ft. unit measures.

I adjusted the covered porches at a higher cost than deck & patio costs. Enclosed porches, such as screened-in porches are higher yet. So, size is only one factor incorporated in the deck/patio adjustment.

Other Living Areas of the sales which are fully enclosed space will be adjusted at a lower unit price than above grade main cabin/home unit prices as the market tends to consider the Other Living Area as having less overall contribution.

Specialty site improvements and such things as hot tubs and saunas will be considered as a separate line item. Garage improvements mirror the same issues of quality, so an average quality garage is different than a very-good quality garage. The unit price adjustment is a hybrid between replacement cost new and depreciated value inclusive of physical and external obsolescence. Where a garage has living quarter above, that is typically handled as Other Living Area.

Finally, it needs to be understood that site improvements, such as driveway, walks, paths, site lighting, retaining walls, hardscape (stone or rock work, retaining walls, etc.) and other site development tend to represent a lump sum contribution to the total sales price. I have been unable to extract specific adjustment for these types of site improvements. What this type of improvement often represents is an inherent value within the price paid for the structural improvements. When there are cases of substantial site development improvements such as extreme landscaping, fencing, outdoor barbeque improvements, etc., an adjustment will be called forth. Driveway construction and other rudimentary type site development costs are inherently contained within the overall price paid.

As will be shown, the lake front sub-market for Priest Lake (East side is Coolin and West side is Priest Lake & Nordman) have demonstrated a wide diversity in prices but questioning brokers, I found a lack of consistency in whether buyers believe there is a value difference between the east side vs. west side location.

Some brokers stated buyers perceived there is a shorter drive time to west side property while others stated the east side has longer daylight hours & sunsets. This comparison of east side vs. west side has not been considered in previous years as the topic was seldom talked about. As such, I am not convinced the location is the issue or the entirety of the issue or whether there is a general Priest Lake sub-market appreciation.

For those sales on the west side that, after the adjustment process is completed & there is a resulting narrowing of the indicated value indications (bracketing), continue to demonstrate atypical value indications, I will refer to that or those sales as outlier(s) and provide much less emphasis (weight) to that sale indication.

Located below and on the following pages are the adjustment grids making direct comparison between the subject property and those improved sales most similar to the subject. What is shown in this analysis is a total valuation of the subject as though representative of the real property (Land & Improvements). From that amount, the subject land valuation is deducted to present market evidence of the value of the leasehold improvements, defined by contract & noted within this appraisal, as Personal Property.

| Sale # | Subject | Improved Sale #3 | | Improved Sale #9 | |
|--|--|-------------------------------------|--------------------|---|--------------------|
| Address/Location | 150 Bull Trout Rd | 56 Lake Trout Ln | Adjustment | 213 S. Granite Bay Rd | Adjustment |
| Sale/List Price | N/A | \$1,200,000 | \$0 | \$1,250,000 | \$0 |
| Overall \$/SF | N/A | \$891.53 | \$0 | \$751.20 | \$0 |
| Impvt Only \$/SF | N/A | \$241.46 | \$0 | \$189.30 | \$0 |
| Original List Price | N/A | \$1,550,000 | \$0 | \$1,380,000 | \$0 |
| DOM | N/A | 193 | \$0 | 49 | \$0 |
| Date of Sale | 2/15/2024 | 2/16/2024 | \$0 | 9/18/2023 | \$0 |
| Concessions | N/A | None | \$0 | None | \$0 |
| Site (FF) | 127 | 95.00 | In Site Value | 75.00 | In Site Value |
| Site Value | \$1,302,000 | \$875,000 | \$427,000 | \$935,000 | \$367,000 |
| Quality | Rustic-Fair to Avg | Avg-Good | -\$33,650 | Avg-Good | -\$41,600 |
| Design | 1.5-Story Rustic Cottage | 1 Story Ranch | See Above | 2 Story Cabin | See Above |
| Year Built | 1944 | 1958 (Remod. 2016) | See Eff. Age | 1960 | See Eff. Age |
| Effective Age | 30 | 15 | -\$37,500 | 30 | Offsets |
| Bathrooms | 2.0 | 2.0 | \$0 | 2.0 | \$0 |
| Above Grade SF | 918 | 1,346 | -\$36,380 | 1,664 | -\$63,410 |
| Below Grade SF | 0 | 0 | \$0 | 0 | \$0 |
| Below Grade Finish | 0 | 0 | \$0 | 0 | \$0 |
| Fireplaces | 0.5 | 1.0 | -\$5,000 | 1.0 | -\$5,000 |
| Deck/Porch/Patio(s) | 771 | 568 | \$6,090 | 382 | \$11,670 |
| Garage (SF) | 0 | 576 | -\$34,560 | 0 | \$0 |
| Other Living Area | 178 | 0 | \$10,680 | 0 | \$10,680 |
| Outbuildings | 140 | 186 | -\$690 | 181 | -\$615 |
| Dock (SF) | 742 | 590 | \$11,400 | 554 | \$14,100 |
| Boathouse (SF) | 0 | 0 | \$0 | 320 | -\$24,000 |
| Site Utilities | Lk Wtr/Septic System | Well & Septic | -\$2,500 | Well & Com. Sewer | LID Assumed |
| Specialty Site Impvts | Firepit, paths/stairs, parking area, retain wall | Firepit, paths, driveway | \$5,000 | Seawall & Ret. Wall, fence, lawn RV Pad | -\$10,000 |
| Appliances | Ref, R/O, M, W/D | Ref, R/O, DW, M, Frzr, Dryer, F,F&E | -\$7,250 | Ref, R/O, M, Frzr, W/D | -\$1,000 |
| | \$2,750 | \$10,000 | | \$3,750 | |
| Total Adjustments | | | \$302,640 | | \$257,825 |
| Adjusted Indication-Overall | | | \$1,502,640 | | \$1,507,825 |
| Adjusted Indication-Improvements Only | | | \$200,640 | | \$205,825 |

Improved Sale #9 was confirmed as being in average-good condition but when I observed the property for this VAFO cycle, this cabin was undergoing a major renovation so the quality/condition comparison could be argued as conservative.

| Sale # | Subject | Improved Sale #10 | | Improved Sale #12 | |
|---------------------------------------|--|--|--------------|-------------------------------|---------------|
| Address/Location | 150 Bull Trout Rd | 411 Pinto Point Rd | Adjustment | 178 Paul Jones Beach Rd | Adjustment |
| Sale/List Price | N/A | \$350,000 | \$0 | \$1,225,000 | \$0 |
| Overall \$/SF | N/A | \$301.20 | \$0 | \$1,540.88 | \$0 |
| Impvt Only \$/SF | N/A | \$301.12 | \$0 | \$220.13 | \$0 |
| Original List Price | N/A | \$389,000 | \$0 | \$1,100,000 | \$0 |
| DOM | N/A | 91 | \$0 | 65 | \$0 |
| Date of Sale | 2/15/2024 | 8/18/2023 | \$0 | 8/10/2023 | \$0 |
| Concessions | N/A | None | \$0 | None | \$0 |
| Site (FF) | 127 | 104.0 | Leased | 70.0 | In Site Value |
| Site Value | \$1,302,000 | \$0 | \$1,302,000 | \$1,050,000 | \$252,000 |
| Quality | Rustic-Fair to Avg | Avg-Good | -\$29,050 | Fair-Avg | Offsets |
| Design | 1.5-Story Rustic Cottage | 1 Story Ranch | \$0 | 1 Story Bungalow | \$0 |
| Year Built | 1944 | 1962 (Remodel 1985) | See Eff. Age | 100 | See Eff. Age |
| Effective Age | 30 | 25 | -\$12,500 | 35 | \$12,500 |
| Bathrooms | 2.00 | 2.0 | \$0 | 1.0 | \$5,000 |
| Above Grade SF | 918 | 1,162 | -\$20,740 | 795 | \$10,455 |
| Below Grade SF | 0 | 0 | \$0 | 0 | \$0 |
| Below Grade Finish | 0 | 0 | \$0 | 0 | \$0 |
| Fireplaces | 0.5 | 0.5 | \$0 | 1.0 | -\$5,000 |
| Deck/Porch/Patio(s) | 771 | 636 | \$4,050 | 352 | \$12,570 |
| Garage (SF) | 0 | 600 | -\$36,000 | 0 | \$0 |
| Other Living Area | 178 | 176 | \$120 | 48 | \$7,800 |
| Outbuildings | 140 | 0 | \$2,100 | 0 | \$2,100 |
| Dock (SF) | 742 | 568 | \$13,050 | 510 | \$17,400 |
| Boathouse (SF) | 0 | 0 | \$0 | 392 | -\$29,400 |
| Site Utilities | Lk Wtr/Septic System | Lk Water & Septic System | \$0 | Shared Well & Com. Sewer | -\$5,000 |
| Specialty Site Impvts | Firepit, paths/stairs, parking area, retain wall | Grvl Drive, Paths, Stairs, Firepit | \$5,000 | Retain Wall, Lawn, Grvl Drive | Offsets |
| Appliances | Ref, R/O, M, W/D | Ref, R/O, DW, M, GD, W/D, Dbl Boat Lifts, FF&E | -\$12,250 | Ref, R/O, DW, M, W/D | -\$500 |
| | \$2,750 | \$15,000 | | \$3,250 | |
| Total Adjustments | | | \$1,215,780 | | \$279,925 |
| Adjusted Indication-Overall | | | \$1,565,780 | | \$1,504,925 |
| Adjusted Indication-Improvements Only | | | \$263,780 | | \$202,925 |

Improved Sale #10 is a leasehold sale so it is felt to include the potential for a higher price because it allows the buyer to participate in the VAFO auction cycle or continue leasing the cottage site.

Improved Sale #12 is a reasonably similar sized cabin although this is one level and the subject is 1.5 stories but that includes a narrow loft area used for sleeping and a bedroom with clogging ceilings. This property was available for sale at the same time as the adjoining property. They were sold to separate buyers but both were in older condition & the adjustment could be considered conservative. As a result, I gave less emphasis to this sale. It is located close to Coolin.

Sales Reconciliation: In review of the sales presented & adjusted for the similarities and dissimilarities, the following table is a summary of that analysis.

| Sale No. | Adjusted Indication - Overall | Adjusted Indication - Improvements Only | \$ Per SF |
|-----------------------|-------------------------------|---|-----------------|
| Improved Sale #3 | \$1,502,640 | \$200,640 | \$218.56 |
| Improved Sale #9 | \$1,507,825 | \$205,825 | \$224.21 |
| Improved Sale #10 | \$1,565,780 | \$263,780 | \$287.34 |
| Improved Sale #12 | \$1,504,925 | \$202,925 | \$221.05 |
| Mean - 4 Sales | \$1,520,293 | \$218,293 | \$237.79 |

I have reviewed these sales and feel the best evidence of value for the subject would be at least \$1,503,000 but not exceeding \$1,566,000. The mean of these adjusted sales was \$1,520,293 or a rounded indication of \$1,520,000. In review of these sales, I have considered Sales #10 (leasehold) to have some unknown elements for direct comparison yet there are issues with fully accounting for the subject effective age (based on some renovations noted). In the final analysis, I used the mean of the 4 sales and that resulted in my opinion of value of \$1,520,000.

Based on the discussion and analysis contained herein, it is my opinion the sales comparison approach has produced a reasonably well supported indication of market value for the subject property as defined as the Fee Simple Estate, excluding any boat lifts or PWC lifts but including all identified appliances & sewer/water systems, as of February 15, 2024, as shown below:

One Million Five Hundred Twenty Thousand Dollars

\$1,520,000

FINAL RECONCILIATION

In this appraisal, I have not incorporated the cost approach based on the 1944 construction and the overall layout of this rustic cabin. The cost approach is simply not relevant.

As discussed, lake front property on Priest Lake is in reasonably strong demand. There are sales of steeper sloping lots with older cabins where those improvements continue to add or contribute to overall value. There are premium lots where older cabins have been purchased and then demolished. It is imperative to understand the Priest Lake market has some inconsistencies in how improvement contribution is viewed. As with many recreational waterfront markets, the cost approach is difficult to gather sufficient local contractor cost data of any specificity which is why the national cost indices are sourced.

The sales comparison approach has strength on the basis of the concept of substitution (acquiring a like-kind property having similar size, age/condition, qualities, site development, etc.) In this situation, the sales comparison approach has adequate market evidence to provide a supported conclusion of value. There are other sales considered but they either represent much larger cabin improvements, were of a much better quality, etc. There were 13 Improved Waterfront Sales on Priest Lake in 2023 (and into 2024) so activity was strong and these sales used help establish a reasonable value indication.

| | |
|-----------------------------------|-------------|
| Cost Approach: | N/A |
| Sales Comparison Approach: | \$1,520,000 |

As the sales comparison approach is the only valuation approach utilized, there is no need for reconciliation. The indication presented within that approach is the final valuation. This opinion reflects my opinion of the market value of the subject property under a fee simple valuation. Further, there is the value opinion for the cottage site as though a vacant & unimproved site and, finally, there is the implied leasehold improvements value (personal property value), as shown below.

| | |
|---------------------------------|---------------------------|
| Reconciled Overall Value | \$1,520,000 |
| <u>Less Site Value</u> | <u>\$1,302,000</u> |
| Personal Property Value | \$218,000 |

Reconciliation: Based upon my investigations, studies and analyses, it is my opinion the encumbered *fee simple* market value of the subject property, reflecting the Extraordinary Assumption relative to IDL Approved Improvements & excluding any boat lifts or PWC lifts but including all identified appliances & sewer/water systems, as of February 15, 2024, is:

One Million Five Hundred Twenty Thousand Dollars

\$1,520,000

Further, it is my opinion the market value of the subject property defined herein as the “vacant & unimproved” cottage site (*Land Only*), reflecting the hypothetical condition of that definition of “Vacant & Unimproved” and the Extraordinary Assumption regarding date of inspection vs. the effective date of value denoted herein as February 15, 2024, is:

One Million Three Hundred Two Thousand Dollars

\$1,302,000

Finally, it is my opinion the market value of the subject property defined herein as the Leasehold Personal Property (IDL Approved Improvements Only), reflecting the hypothetical condition of the cottage site as “Vacant & Unimproved” and the Extraordinary Assumption relative to IDL Approved Improvements, excluding any boat lifts or PWC lifts but including all identified appliances & sewer/water systems, as of February 15, 2024, is:

Two Hundred Eighteen Thousand Dollars

\$218,000

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 for the 2013 original contract and then again in 2019 as a Ground Lease appraisal. 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 encumbered *fee simple* market value of the subject property, reflecting the Extraordinary Assumption relative to IDL Approved Improvements & excluding any boat lifts or PWC lifts but including all identified appliances & sewer/water systems, as of February 15, 2024, is:

One Million Five Hundred Twenty Thousand Dollars

\$1,520,000

Further, it is my opinion the market value of the subject property defined herein as the “vacant & unimproved” cottage site (*Land Only*), reflecting the hypothetical condition of that definition of “Vacant & Unimproved” and the Extraordinary Assumption regarding date of inspection vs. the effective date of value denoted herein as February 15, 2024, is:

One Million Three Hundred Two Thousand Dollars

\$1,302,000

Finally, it is my opinion the market value of the subject property defined herein as the Leasehold Personal Property (IDL Approved Improvements Only), reflecting the hypothetical condition of the cottage site as “Vacant & Unimproved” and the Extraordinary Assumption relative to IDL Approved Improvements, excluding any boat lifts or PWC lifts but including all identified appliances & sewer/water systems, as of February 15, 2024, is:

Two Hundred Eighteen Thousand Dollars

\$218,000



Steven A. Hall, MAI, CCIM

Idaho CGA-257

Expires 8/11/2024