

REAL ESTATE APPRAISAL REPORT
LOTS 5 & 6 BEAVER LAKE CABIN SITES
WEST OF
WHITEFISH, MONTANA

PREPARED FOR
THE STATE OF MONTANA
THE MONTANA BOARD OF LAND COMMISSIONERS
THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
TRUST LAND MANAGEMENT DIVISION
PO BOX 201601
Helena, MT 59620-1601

INTENDED USER
THE STATE OF MONTANA
THE MONTANA BOARD OF LAND COMMISSIONERS
THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
TRUST LAND MANAGEMENT DIVISION
BRIAN AND TRACY STOUTJESDYK

PREPARED BY
GAROLD D. JETTE
MONTANA GENERAL CERTIFICATION # 22
410 1ST St E.
Suite 13
POLSON, MONTANA
406 212 2565

EFFECTIVE DATE OF THE APPRAISAL
MAY 9, 2015

REPORT DATE
MAY 22, 2015

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May 22, 2015

Emily Cooper, Lands Section Supervisor
Department of Natural Resources and Conservation
PO Box 201601
Helena, MT 59620-1601

RE: Appraisal of Lots 5 & 6, Beaver Lake
West of Whitefish, Montana

Dear Mrs. Cooper:

According to our written contract, I have inspected the above-mentioned property, and have prepared the following, appraisal report.

The purpose of this appraisal is to estimate Current Fair Market value, in fee simple for the subject properties. It is my understanding that the report will be used for potential sales. Estimated market value includes the buildings, site improvements, and land for each lot. It does not include furniture, fixtures, and equipment, nor does it include business enterprise value commonly known as "blue sky or going concern value".

This report is made with the assumptions and limiting conditions which are included in the following report. A hypothetical condition is made that the lots are not being leased, and that both can be sold on the open market for current fair market value. No extraordinary assumptions are made. The only intended users in this report are the State of Montana, the Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and Brian and Tracy Stoutjesdyk.

The date of writing and effective date are 13 day apart which is not significant. A reasonable marketing time for the subject is estimated to be one year. Market analysis indicates that exposure time would also be one year.

Based upon the investigation and analysis which has been done, I have formed the opinion that, as of May 9, 2015, estimated current fair market value for the subject property is:

Lot 5 Land – \$180,000.
Lot 5 Improvements – \$5,000.
Lot 5 Land and Improvements - \$185,000.

Lot 6 Land - \$176,000.
Lot 6 Improvements - \$39,000
Lot 6 Land and Improvements - \$215,000.

Prior to accepting this appraisal, it was established that the signatory of this report has had substantial experience in the appraisal of properties like the subject. The knowledge and experience of the appraiser in the valuation of recreational lakefront properties is well established. It is confirmed through the successful completion of numerous appraisals and educational courses offered by the Appraisal Institute, and the signatory appraiser is General Certified by the State of Montana.

It is the opinion of the signatory of this appraisal that all necessary and appropriate steps were taken to insure that a properly developed appraisal has been made according to the Uniform Standards of Professional Appraisal Practice – 2014-2015 Edition that was effective January 1, 2014.

Thank you for asking me to provide this service. Should there be any questions concerning this report, please write or call me.

Respectfully submitted



Garold D. Jette
Montana General Certification # 22

INTRODUCTION

APPRAISER'S CERTIFICATION

I hereby certify to the best of my knowledge and belief:

That the statements of fact contained in the report are true and correct.

That the reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and they are my personal, unbiased professional analysis, opinions, and conclusions.

That I have no present or prospective interest in the property appraised and I have no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

That 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.

That my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP'S Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.

That I have personally inspected the property that is the subject of this report.

That no one provided significant professional assistance to the person(s) signing this certification.

That the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and standards of Professional Appraisal Practice of the Appraisal Institute.

That the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

That as of the date of this report, I have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

That I have not revealed, nor will I reveal, the findings and results of such appraisal to anyone other than the intended user(s) of this report, and I will not do so until authorized by the intended user(s) or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.



Garold D. Jette
Montana General Certification #22

May 22, 2015
Date

SUMMARY OF SALIENT AND IMPORTANT FACTS AND CONCLUSIONS

Owner Lot 5 Land and Improvements: Montana DNRC (Sale 764)

Owner Lot 6 Land: Montana DNRC (Sale 763)

Owner Lot 6 Improvements: Brian and Tracy Stoutjesdyk

Potential Purchaser(s): *Highest Bidder*

CLIENTS: State of Montana, Montana Board of Land Commissioners, and Department of Natural Resources, and Conservation (DNRC), Montana DNRC

INTENDED USER(S): State of Montana, Montana Board of Land Commissioners, Department of Natural Resources and Conservation (DNRC), and Brian and Tracy Stoutjesdyk

Type of Property: Lot 5 – Recreational Lakefront
Lot 6 – Recreational Lakefront Cabin

Location: Beaver Lake
West of Whitefish, Montana

Property Rights Appraised: Fee Simple

Brief Legal Description: Lots 5 & 6, COS 18353 in Sec. 20, T31N, R22W, Flathead Co., MT

Zoning: Unzoned

Brief Physical Description- Land:

Lot 5 – 2.238 acres with 128.5 lineal feet of lakefront

Access is off paved Highway 93, then by a two-lane, gravel county road for about 1.25 miles, then by a rough, private, non-county maintained road for about 2.6 miles.

Level to gently undulating with bank down to the lakefront

Wooded and aesthetic

No electrical power, telephone, mail, or school bus services available. These services appear to be about 2.6 to 3.0 miles away.

No water well or septic system onsite.

Lot 6 - 1.914 acres with 125.72 lineal feet of lakefront

Access is off paved Highway 93, then by a two-lane, gravel county road for about 1.25 miles, then by a rough, private, non-county maintained road for about 2.6 miles.

Level to gently undulating with bank down to the lakefront

Wooded and aesthetic

No electrical power, telephone, mail, or school bus services available. These services appear to be about 2.6 to 3.0 miles away.

No water well or septic system onsite.

Brief Physical Description - Improvements:

Lot 5 – No building improvements other than the storage shed.

Small Floating dock, 314 sf. redwood deck, 96 sf. metal shed, 36 sf. outdoor privy, wood shed with no value, picnic table with no value, old stove with no value, concrete pad with questionable value

There may be a drywell for grey water, but since it's not known if it exists, or if it does, its condition isn't known, it's given no value.

Lot 6 – 456 sf. frame cabin with a 240 sf. sleeping loft

Post and Pier foundation

Assume not insulated

Wood siding

Metal roofing

Room count consists of a small kitchen with minimal cabinets, dining area, combination living room bedroom and a ¾ bath.

Interior décor consists of vinyl and carpet flooring and knotty pine walls and ceilings.

Metal clad double pane slider windows

Propane space heater and wood stove

Propane RV water heater

48 sf. metal shed, 80 sf. metal shed, 8' x 24' floating dock, 36 sf. outdoor privy,

Highest and Best Use as Vacant Land: Owner Occupied Recreational Lakefront – Both Lots

Highest and Best Use as Improved: Lot 5 – Owner Occupied Recreational Lakefront Lot

Lot 6 – Owner Occupied Recreational Lakefront Cabin

Indicated Value – Cost Approach: Lot 5 - \$185,000.

Lot 6 - \$220,000.

Sales Comparison Approach – Lot 5 - \$185,000.

Lot 6 - \$215,000.

Indicated Value – Income Approach: NOT USED

Estimated Current Fair Market Value: Lot 5 Land - \$180,000.

Lot 5 Improvements - \$5,000.

Lot 5 Improved - \$185,000.

Lot 6 Land - \$176,000.

Lot 6 Improvements - \$39,000.

Lot 6 Improved - \$215,000.

Date of the Appraisal: May 9, 2015

Est. Reasonable Market Time: One Year



LOT 5 BEAVER LAKE
BEACH LOOKING SOUTHERLY



LOT 5 BEAVER LAKE
LOOKING EASTERLY FROM THE DOCK

TAKEN BY GAROLD JETTE 05/09/2015



LOT 5 BEAVER LAKE
LOOKING EASTERLY AT THE ACCESS ROAD



LOT 5 BEAVER LAKE
LAKE VIEW LOOKING WESTERLY

TAKEN BY GAROLD JETTE 05/09/2015

MORE PHOTOS IN THE ADDENDUM



LOT 6 BEAVER LAKE
LOOKING EASTERLY AT THE LAKE FRONT



LOT 6 BEAVER LAKE
LAKE VIEW LOOKING SOUTHERLY

TAKEN BY GAROLD JETTE 05/09/2015



LOT 6 BEAVER LAKE
FRONT OF THE CABIN LOOKING FROM NEAR THE BEACH



LOT 6 BEAVER LAKE
SOUTH SIDE OF THE CABIN

TAKEN BY GAROLD JETTE 05/09/2015



LOT 6 BEAVER LAKE
NORTH SIDE OF THE CABIN



LOT 6 BEAVER LAKE
VIEW FROM THE DECK

TAKEN BY GAROLD JETTE 05/09/2015

MORE PHOTOS IN THE ADDENDUM

APPRAISER'S CERTIFICATION

I hereby certify to the best of my knowledge and belief:

That the statements of fact contained in the report are true and correct.

That the reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and they are my personal, unbiased professional analysis, opinions, and conclusions.

That I have no present or prospective interest in the property appraised and I have no personal interest or bias with respect to the parties involved.

That I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

That 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.

That my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP'S Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.

That I have personally inspected the property that is the subject of this report.

That no one provided significant professional assistance to the person(s) signing this certification.

That the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and standards of Professional Appraisal Practice of the Appraisal Institute.

That the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

That as of the date of this report, I have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

That I have not revealed, nor will I reveal, the findings and results of such appraisal to anyone other than the intended user(s) of this report, and I will not do so until authorized by the intended user(s) or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.



Garold D. Jette
Montana General Certification #22

May 27, 2015
Date

ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, however, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is state, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of land and improvements is within the boundaries or property lines of property described and that there is no encroachment or trespass unless noted in the report.
11. Liability of Garold D. Jette is limited to the client. There is no accountability, obligations, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.
12. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, economically, or legally.
13. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
14. Possession of this report, or a copy thereof, does not carry with it the right of publication.
15. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless arrangements have been previously made.
16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

17. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative affect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, he/she did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

18. The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value

20. The appraiser, in some instances, has relied on MLS data and the Montana Cadastral website for physical descriptions and photographs, and assumes all information obtained from these two sources to be correct and reliable.

21. A hypothetical condition is made that neither lot 5 nor lot 6 is leased and that they could be sold on the open market in fee simple.

SCOPE OF THE APPRAISAL

As part of this appraisal, the appraiser made a number of independent investigations of the market. Listed below are the investigations undertaken and the major sources of data.

On May 9, 2015, the appraiser traveled to the subject properties. Both were inspected and photographs were taken. The interior of the cabin on Lot 6 was also inspected and photographs taken. The post and pier foundation was inspected from walking around the cabin. The appraiser did not crawl under the cabin for a further inspection, since the exterior inspection indicated that the posts and piers were structurally sound. The walls and roof were not inspected for insulation, and it is assumed that, since the cabin is seasonal, the walls and roof are not insulated.

The appraiser researched the Montana Cadastral internet site for physical data and the local Multiple List Service in a search for comparable sales. The appraiser has relied on MLS data and the Montana Cadastral website for physical descriptions and photographs, and assumes all information obtained from these two sources to be correct and reliable. Not all the sales used in this report were physically inspected by the appraiser due to the abundant available data and the travel distances required. Such data even included photographs of both the exterior and interior of the cabins.

At that time, a total of over 8 land and 7 improved sales were considered for comparables. Each was researched and investigated. Of those that were considered, only a few sales were similar enough to the subject parcels to be used as comparables in this report. Again, not all were physically inspected, since MLS data and confirmations were adequate to analyze the properties. If the appraiser had questions concerning physical aspects of the sale, it was inspected. All sales were confirmed by either the buyer, seller, or salesperson involved.

The appropriate city, county, state, tribal and the Chamber of Commerce offices were contacted to obtain demographic data, land use policies, regulations, and trends, growth forecasts, and employment data for the subject's area.

All available data was then thoroughly investigated and compared to the subject in an effort to derive indicators of value for the land. After gathering all sale information, the appropriate scope of work was done prior to the report being written. All three traditional approaches to value -the cost, sales comparison, and income are considered, but only the cost approach is considered to be reliable due to the unusual and unfinished nature of the improvements.

SOURCES OF DATA

Northwest Montana Association of Realtors, Kalispell, MT
Confirmations with involved Realtors, Sellers, and/or Buyers
Montana Cadastral
Montana Webtax
Flathead County courthouse
Lake County Courthouse
Conversations with owners of owner-occupied cabin properties
Appraisal Institute Dictionary of Real Estate Appraisal – 4th Edition
Marshall Swift Valuation Service

PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of this appraisal is to estimate current fair market value for Lots 5 and 6, Beaver Lake Cabin Sites. Both parcels have frontage on Beaver Lake. Lot 5 has minimal improvements, but Lot 6 has a cabin, dock, and several small outbuildings. The estimate of current fair market value assumes a fee simple estate, subject to the assumptions and limiting conditions contained in this report. The definition for fee simple is taken from "The Dictionary of Real Estate Appraisal", published by The American Institute of Real Estate Appraisers.

It is understood that the function of this report is to provide information for a potential sale by DNRC.

The effective date of the appraisal is May 9, 2015.

The definition for Fee Simple Estate is "Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, & taxation."

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. Continual refinement is essential to the growth of the appraisal profession.

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

SUMMARY OF APPRAISAL PROBLEMS

The subject properties are typical for the immediate area, but not for Northwest Montana. Beaver Lake is a relatively small lake in a relatively remote area, with access to the cabin sites being only fair. None of the vacant lakefront or lakefront cabin sales found on other NW Montana lakes were highly similar to the subject due to the subject's lack of good access, utilities, and services such as electrical power, telephone, mail delivery, and school bus service. All of the sales had better access and all had electrical power adjacent or nearby. Many had the other services mentioned above. The lack of highly comparable sale information resulted in a relatively large amount of time spent on research and difficult analysis with less than typically reliable results.

RESTRICTION OF DISCLOSURE AND USE

The General Certified signatory of this appraisal report is affiliated with the Appraisal Institute as an Affiliate. The Bylaws and Regulations of the Institute require each Member and Affiliate to control the use and distribution of each appraisal report signed by such Member or Affiliate. Therefore, except as hereinafter provided, the party for whom this report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatory of this appraisal report. Further, neither all, nor any part, of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communications without the prior written consent of the signatory of this appraisal report.

FACTUAL DESCRIPTIONS

AREA, COMMUNITY, AND NEIGHBORHOOD DESCRIPTION

The subject property in this report is located about nine road miles NW of Whitefish, Montana in a rural, wooded area. Whitefish is located in the northwestern part of Montana, about 40 miles due south of the Canadian Border.

Kalispell, about 14 miles south of Whitefish, is the county seat of Flathead County, the largest community in the area and the commercial center. Whitefish has complete daily services, such as retail stores, professional and banking services, medical and dental facilities, etc., but Kalispell to the south has expanded services.

Whitefish and Kalispell are both located on U.S. Highway 93, which runs North and South connecting Canada and Mexico.

Population

Flathead County had an estimated 1995 population of about 69,512 people which was a 95% increase since 1960. It is the seventh fastest growing county in the state with a growth rate from 1990 through 1998 of 21.3%. If this 2.13%/year growth rate is applied to the above 1995 population estimate, estimated current population is about 76,915 people. The primary population centers in Flathead County form a triangle including Kalispell on the south, Whitefish on the northwest, and Columbia Falls on the northeast. Kalispell is the largest community in this population center.

Due to the area's wooded, aesthetic nature, it has become a very desirable place for people to relocate and/or retire. It is anticipated that, in future years the area's recreational opportunities, including Big Mountain Ski Area in Whitefish to the north, Glacier Park to the northeast, mountain ranges and rivers on all sides, the population will continue to grow rapidly.

Economic Base-

The "triangle" area has a diversified economy with wood products being the largest contributor. The three other individual contributors are metal refining in Columbia Falls, Federal and local government, and non-resident travel. With such a diversified economy, the area doesn't incur the economic fluctuations that some other Montana communities suffer.

The woods products industry has traditionally been one of the major sources of employment, but this sector of the economy is becoming increasingly less important to the general economics and the lack of timber supply for the mills.

The Kalispell Regional Medical Center and the North Valley Hospital in Whitefish have contributed tremendously to employment levels in the past 10 to 15 years. Due to the influx of residents, the construction and retail trades, including new shopping centers and large stores such as Cosco, Walmart, Home Depot, Lowes, etc. have also flourished and provided jobs.

Tourism supplies a major part of the area's revenue, and it is expected to contribute increasingly in future years as the area becomes better known in other, more populated areas. The State of Montana has recognized the importance of tourist activity in Montana's economy and has embarked on a marketing program all over the Country and abroad.

This effort has been relatively successful and has a direct affect on area's economy. The area around Whitefish, Whitefish Lake, and the Big Mountain ski area has seen the most dramatic increases in growth and property values, but the current recession has nearly stopped growth and depreciated real estate values. Computer related and high tech businesses are also becoming an increasingly important part of the economic sector. Residential housing starts have been brisk over the past 15 years, but it did slow down from about 2008 to 2010.

Climate-

The climate of Whitefish is slightly more extreme during winter months than that found elsewhere in the Flathead Valley. Summer months are similar to other parts of the valley. Temperatures range from a low average of 11 to 27 degrees in January to a high average of 48 to 82 degrees in July. Whitefish tends to receive earlier, and more snow than even Kalispell to the south. The growing season is about 120 days. Although the weather is inclement in winter months, and winters are slightly longer than other areas in the valley, recreational opportunities make the Whitefish Area a desirable place to live.

Municipal Services-

Fire protection is provided by a full-time department in Whitefish with a full-time chief. Fire protection in outlying areas is provided by all-volunteer departments. All of these fire departments are active, and have good reputations for being well-equipped, and trained. Casualty insurance rates are reasonable due to such good coverage.

There is a local police department, as well as, a county sheriff's department, and the Montana Highway Patrol. All departments cooperate with one another to provide good protection.

Education-

The Whitefish school system consists of a high, middle, and elementary schools. The system is well-funded and fortunate to have a long list of teacher applicants for every opening. This system helps to attract good, well-educated employees from other, more populated areas.

Whitefish is located within three hours from the University of Montana in Missoula and Flathead Community College is located in Kalispell. The Confederated Salish and Kootenai College is located about six miles south of Polson.

Medical Facilities-

The North Valley Hospital provides excellent services, and expanded services are available at the Kalispell Regional Center to the south. Both have been very progressive in the past few years in an attempt to provide and expand good quality, state of the art services. Several specialized medical and dental clinics have also been built around the hospital in Kalispell. Most highly specialized types of maladies and injuries are taken care of in Kalispell with smaller area communities sending such cases to Kalispell.

Many medical and dental professionals have moved to the area from more populated areas in order to attain a slower lifestyle. This has resulted in medical services which are better than average for a communities the size of Kalispell and Whitefish. Medical and dental services provided comprehensive care in nearly all areas.

Communications-

Daily newspaper

AM & FM radio stations

2 TV stations available plus cable and satellite dishes

These communication vehicles provide adequate news coverage and advertising services.

Transportation-

One international airport with a paved and lighted runway, which is adequate for all size jets, is located a few miles north of Kalispell. Four airlines fly into the Glacier Park International Airport. North and South bus service is available on a daily basis. Motor freight includes BN Transport, Garrett Freight, Salt Creek Freight, Moreway Freight, and United Parcel Services. Amtrack runs through Whitefish on a regular schedule between Chicago and Seattle. A relatively new, modern post office, which provides overnight delivery is also located in Whitefish. These facilities provide adequate service.

Financial Institutions-

There are two full-service banks, as well as community credit union services in Whitefish, and several more in Kalispell. In addition, there are several mortgage companies providing real estate loan services and finance companies offering personal loans.

Utilities-

Pacific Power and Light supplies electrical power for the area.

PTI and several other carriers provide adequate telephone service to the area.

The City of Whitefish provides municipal water and sewer. Wells and septic systems are privately provided in the outlying areas. Heating oil and propane are delivered, and natural gas is available throughout the valley.

Miscellaneous Services-

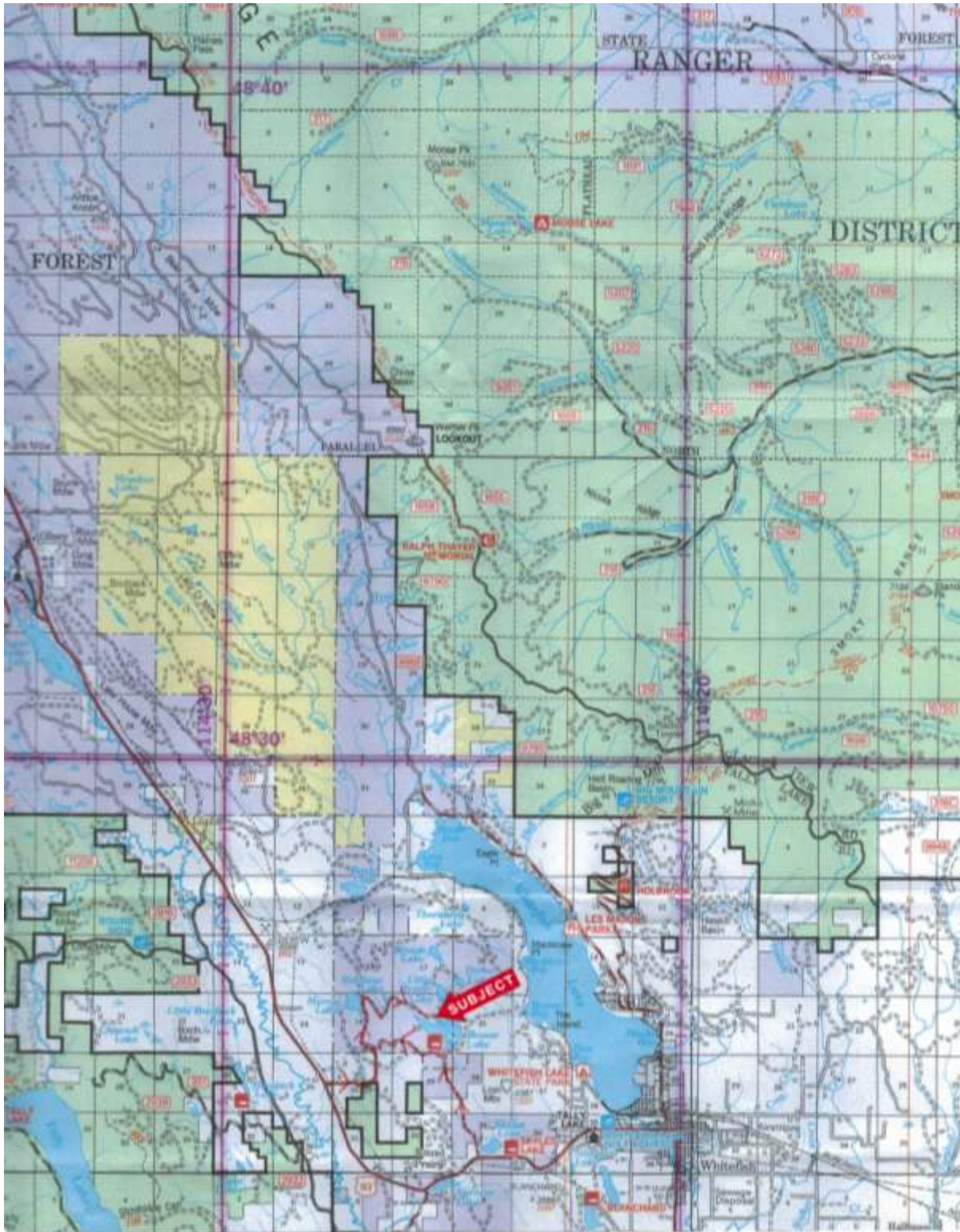
Such services include several civic clubs, Chamber of Commerce, library, churches, restaurants and cafes, motels, convention centers, several public 18-hole golf courses, bowling alleys, public parks, tennis courts, movie theaters and shopping malls.

Recreational opportunities abound with Whitefish being located near Flathead Lake and River, Glacier Park, Big Mountain Ski area, and mountain ranges. In fact, this is Whitefish's best single attraction. Summer activities include boating, swimming, sailing, fishing, camping, hiking, water skiing, and wind surfing. Summer organized sports programs include baseball, soccer, and softball. Winter activities include ice fishing, skiing (both cross country and downhill), and snow mobiling. Fishing and big game and bird hunting is very convenient throughout the area.

Although the area's economy has remained relatively stable during recessionary periods, real estate values dropped about 20% to 25% from 1982 to 1987. Values increased drastically from 1988 to 2007, then a recession resulted in a large loss in values until about 2010. Values appear to be relatively stable since.

Estimates for the Whitefish area future include a steady growth rate with relatively increasing values due to the aesthetics and abundant recreational opportunities.

NORTH



LOTS 5 & 6 BEAVER LAKE CABIN SITES LOCATION MAP I

NORTH



LOTS 5 & 6 BEAVER LAKE CABIN SITES LOCATION MAP II

LOCAL DISCRETIZATION

20

3,330 acres of land were in 1985, as shown in the Cartograph of Survey with a boundary accompanied it and made a part of the legal description.

NORTH



LOTS 5 & 6 BEAVER LAKE AERIAL MAP

SUMMARY LAND DESCRIPTION

Legal Description – Tracts 5 and 6, Beaver Lake Cabin Sites (COS 18353 in Sec. 20, T31N, R22W, Flathead County, Montana)

Tax # - NA

Lot 5 - The lot consists of 2.238 acres with 128.5 lineal feet of gently sloping beach, and medium to gently sloping topography up to a cabin site. The remaining part is gently undulating. The entire lot is covered with trees and shrubs. The property is accessed on the east boundary by a 2-lane private dirt road that is not open for most vehicular traffic during the winter months. A county road with county maintenance runs to about 2.6 miles west of the subject and is open year around. The private road for the last 2.6 miles is rough and dusty this time of year. It appears that during rainy weather, it is probably slick.

No soil profile has been provided, but it appears that the area soils will accommodate lightly built structures like the existing cabins in the area. A visual inspection indicates that existing buildings in the area, and the subject's cabin site, appear to be on higher ground with no flooding problem.

There is no electrical power, telephone, fuel oil or propane delivery, mail service, nor school bus routes available close by. The nearest point for these services is approximately 2.6 miles west. Individual water wells are typical for the general area, but there is no water well onsite. Filtered lakewater can be used for a potable supply. Sewage can be handled with an individual septic system but none has been installed, but the site does have an outdoor privy. Electrical power can be supplied by a generator or solar panels.

There appear to be no drainage or environmental problems. No title report has been provided, but it is assumed that there are no adverse easements, encroachments, or other adverse conditions

According to flood map 30029C1070G, the subject is not in a designated flood plain.

The site is adequate for either a cabin or single family homesite.

Lot 6 - The lot consists of 1.914 acres with 125.72 lineal feet of gently sloping beach, and medium to gently sloping topography up to a cabin site. The remaining part is gently undulating. The entire lot is covered with trees and shrubs. The property is accessed on the east boundary by a 2-lane private dirt road that is not open for most vehicular traffic during the winter months. A county road with county maintenance runs to about 2.6 miles west of the subject and is open year around. The private road for the last 2.6 miles is rough and dusty this time of year. It appears that during rainy weather, it is probably slick.

No soil profile has been provided, but it appears that the area soils will accommodate lightly built structures like the existing cabins in the area. A visual inspection indicates that existing buildings in the area, and the subject's cabin site, appear to be on higher ground with no flooding problem.

There is no electrical power, telephone, fuel oil or propane delivery, mail service, nor school bus routes available close by. The nearest point for these services is approximately 2.6 miles west. Individual water wells are typical for the general area, but there is no water well onsite. Filtered lakewater can be used for a potable supply. Sewage can be handled with an individual septic system but none has been installed, and the site does have an outdoor privy. Electrical power is supplied by a generator and solar panels.

There appear to be no drainage or environmental problems. No title report has been provided, but it is assumed that there are no adverse easements, encroachments, or other adverse conditions

According to flood map 30029C1070G, the subject is not in a designated flood plain.

The site is adequate for either the existing cabin or single family homesite.

SUMMARY BUILDING IMPROVEMENT DESCRIPTION

Lot 5 – There are no Buildings, but there is an 8' x 12' metal shed (good condition), outdoor privy (good condition), a 314 sf. redwood deck in average condition, and a small floating dock in average condition. A small wood shed, picnic table, old stove on a concrete pad, and what appears to be a grey water hookup are also onsite, but none are estimated to have contributing value.

Lot 6 – 456 sf. frame cabin with a 240 sf. sleeping loft and an attached 228 sf. enclosed Porch
Constructed on a post and pier foundation.

Metal Roofing and wood siding.

Attached 488 sf. wooden deck with attached steps and a landing

Appears to be about 30 to 40 years old with remodeling.

Not insulated, but has double pane, slider windows

Interior room count is a small kitchen, dining area, living room with an open sleeping area off the living room, and a $\frac{3}{4}$ bath.

Interior décor consists of knotty pine walls and ceilings and vinyl and carpet flooring.

There is a wood stove with a simulated rock backing. A propane space unit also furnishes heat. A generator and solar panel provides electricity.

Potable water is provided by filtered lake water.

Sewage is handled with a 6' x 6' outdoor privy and a portable tank for grey water.

Overall, the structure is of good construction for a cabin and in very good condition with no deferred maintenance noted.

A 4' x 8' metal sheds has been placed near the cabin. (good condition)

An 8' x 10' metal shed has been placed near the beach area. (good condition)

An 8' x 24' floating dock has been placed at the beach. (good condition)

There is a propane tank onsite, but according to the owner, it is leased.

SUMMARY SITE IMPROVEMENT DESCRIPTION

There are no site improvements except an access drive and parking areas for each lot. There are no water wells, cisterns, septic systems, etc. on either site.

HISTORY

According to DNRC Lot 5 has not sold in the past five years. Also according to them, Lot 6 has not been sold in the past five years, but according to the cabin owner, he purchased it for \$40,000 in early 2014. He has made several improvements to the property since.

ZONING

The subject's area is not zoned.

TAXES

The lots are Montana State owned, and not taxed.

ANALYSIS AND CONCLUSIONS

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is currently defined in The Dictionary of Real Estate Appraisal, published by the Appraisal Institute as:

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.
2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.
3. The most profitable use.

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like.

This analysis assumes that the land is vacant and ready to be improved. Existing improvements must be considered in the final analysis.

The following tests must be passed in determining highest and best use:

1. The use must be legal.
2. The use must be reasonable, not speculative, or conjectural.
3. There must be a demand for such a use.
4. The use must be profitable.
5. The use must be such as to return to land the highest net return.
6. The use must be such as to deliver the return for the longest period of time.

Establishing highest and best use involves 4 steps of analysis:

1. Possible Use (Physical)
What uses are physically possible?
2. Permissible Use (Legal)
What uses are allowed under existing zoning laws, deed restrictions, etc?
3. Feasible Use
Of the possible and permissible uses, which will produce the highest net return or highest present worth?
4. Highest and Best Use
Among the feasible uses, which will produce the highest net return or highest present worth?

All uses including agricultural, commercial, industrial, recreational, residential, etc. must be considered, and the above test applied to the subject.

Possible Use: Possible uses for the both lots, as vacant, are agricultural, residential, commercial, industrial, or recreational. Recreational properties are typically located away from heavily traveled highways and in aesthetic areas close to recreational opportunities. The subject lots are located in such an area, and lie adjacent to Beaver Lake with good recreational opportunities. Due to the remoteness and poor access during winter months, the best possible use as recreational is seasonal. Residential properties typically require some privacy and quiet, and the subject does qualify, but residential use requires good access, electrical power, telephone lines, mail delivery, school bus, either propane and/or fuel oil delivery, but none of these amenities or services are close by. Neither lot is large enough, nor do they have physical characteristics for a possible agricultural use. Due to the remote location with only fair

access and visibility, commercial and industrial uses are not desirable. The best possible use, as vacant, is recreational. The building on Lot 6 has been constructed for use as a seasonal cabin.

Permissible Use: The area is not zoned, and nearly any use is permissible. Any type of obnoxious or noxious development would probably be opposed by area owners or government officials. The subject parcels' current use as a seasonal cabin on Lot 6 is permissible. A permissible use for Lot 5, as improved, is also estimated to be season camp or cabin site.

Feasible Use: In order to be feasible, there must be a demand for the potential use. As with the permissible and possible uses, the best feasible use for both lots, as unimproved land, and based on existing and recent development in the area, is for seasonal cabin or camp site. The existing improvements are located in an area that is very lightly traveled by both tourists and local people, and is not convenient to a community center and the services it would provide. Real estate values and development growth has slowed in the past few years, and the subject's area had a slow growth rate for many years before the recent recession. There is no data to indicate that any development other than the existing development on Lot 6 and perhaps a seasonal recreational cabin development on Lot 5 will be in demand in the foreseeable future.

Of the above possible, permissible, and feasible uses, highest and best use must also be that use which returns the highest net return or highest present worth. Based upon all available data, using the above analysis, the subject lots' highest and best use, as vacant, is owner-occupied recreational. Highest and Best use, given the above analysis and the subject lot's existing improvements on Lot 6, as improved, is estimated to be an owner-occupied seasonal recreational cabin.

LAND VALUATION

The subject Lot 5 consist of 2.238 acres and 128.5 lineal feet of frontage on Beaver Lake. The acreage is relatively remote and the growth rate is slow. The area is wooded and aesthetic. Recreational opportunities are abundant with adjacent Beaver Lake and surrounding mountains, streams, and lakes close by. Electrical and telephone services are 2.6 miles west. Lot 6 has the same characteristics, except that it consists of 1.914 acres and 125.72 lineal feet of frontage on Beaver Lake. A search of the subject's Area produced the following sales. The sales are compared to both subject lots in order to derive an estimate of land value. Since both subject lots are essentially the same with respect to location, physical characteristics, and size with regard to value, both will be included in the same grid.

All sales are also chosen due to locations in areas with similar values, size, and amenities. Sales are few due to a slow real estate market, and these are the best available. Although they are located outside the subject's neighborhood, all are located in similar areas with similar values. As mentioned above, no sales of properties with similar access and availability of public utilities and services could be found, but all are located on similar small lakes in NW Montana.

Detailed sale sheets, including location maps, for each of the above sales are kept in the appraiser's files and are available upon written request and for a reasonable preparation fee.

SUMMARY ANALYSIS GRID

LOTS 5 AND 6, BEAVER LAKE WEST OF WHITEFISH, MONTANA

	SUBJECT	SALE 1	Adj.	SALE 2	Adj.	SALE 3	Adj.
LEGAL DESCRIPTION	Lots 5 & 6 Beaver Lake Cabin Sites	Lot 30 & 31A Ashley Lake Villa Sites		Lot 30 Blue Grouse Subdivision		Lot 30 Emerald Point on Ashley Lake #1	
ADDRESS	None	4693 Ashley Lake Rd. Kila, MT		795 Lodgepole Marion MT		3918 Ashley Lake Rd. Marion MT	
SEC., TOWNSHIP & RANGE	20-31-22	14-28-24		6-27-24		1-28-24	
MLS #	NA	322351		308477		318196	
PRICE/LINEAL FOOT OF LAKEFRONT	N/A	Price/LF	\$1,433	Price/LF	\$1,456	Price/LF	\$1,875
SALE DATE	05/09/2015	11/14/2014		08/15/2013		07/26/2013	
SELLER	NA	Urbach & Gibson		Richard & Rita Rasmussen		James Lewis	
BUYER	NA	Gregory Sefcik		Jason & Stefanie Hanson		Randy & Gaylene Birky	
DOCUMENT	NA	201400023387 WD		201300020804 WD		201300018270 WD	
FINANCING	Assume Cash	Seller Financing		Seller Financing		Cash to Seller	
LOCATION	Good	Similar		Similar		Similar	
DISTANCE FROM THE SUBJECT	NA	26 miles SW		32miles SW		26 miles SW	
SIZE – LOT 5	2.238 ac 128.5' lf	2.92 ac. 150' LF Similar	(+)	.63 ac. 103' LF		.61 ac. 160' LF	
SIZE – LOT 6	1.914 ac. 125.72' LF	2.92 ac. 150' LF Similar	(+)	.63 ac. 103' LF		.61 ac. 160' LF	
ACCESS	Fair	Superior	(-)	Superior	(-)	Superior	(-)
Electrical Power and Telephone Services	2.6 miles away	Elec. & Tel. Adjacent Superior	(-)	Elec. & Tel. Close By Superior	(-)	Elec. & Tel. Close By Superior	(-)
Well & Septic System	None Onsite	None Onsite		None Onsite		Community Wtr. & Swr.	(-)
VIEW	Good – Lake & Mtns.	Similar – Lake & Mtns.		Similar – Lake & Mtns.		Similar – Lake & Mtns.	
Mail & School Bus Services	2.6 mi. away	Superior Close bay		Similar 2.0 mi. away		Superior Close By	
VEGETATION	Grass & Trees	Similar		Similar		Similar	
Beach Quality	Good – Gently Sloping	Inferior – Steeply Sloping	(+)	Inferior – Steeply Sloping	(+)	Inferior Steeply Sloping	(+)
WATER INFLUENCE	Beaver Lake	Ashley Lake		Little Bitterroot Lake		Ashley Lake	
PUBLIC LAND INFLUENCE	State Land Adjacent	Plum Creek Close-By		Plum Creek Close-By		State Land Adjacent	
IMPROVEMENTS	Not Included	None		None		None	
MISCELLANEOUS	None	Large “wet hole” behind the lakefront	(+)	None		None	
IND.VALUE/LF		Slightly Less Than	\$1,433	Slightly Less Than	\$1,456	Less Than	\$1,875

Land Sale 1 was made with seller financing, but according to the seller, it was their choice due to tax ramifications, and no financing adjustment is needed. The sale is relatively recent, and there is no sale data to show a change in value since that date, therefore no time adjustment is needed. The sale is approximately 26 miles from the subject lots, but in an area with similar values. The sale is slightly larger than the subject lots, but sale analysis indicates value per lineal foot of lakefront is similar. Access to the sale is over a paved county road that is open year around and is far superior to the subject lots' access that is rough and not open year around. Electrical power and telephone services run by the sale on the county road. Mail routes and school bus services run close to the sale. These services are at least 2.6 miles from the subject lots, and this is a big negative consideration for the subject. Neither the subject lots nor the sale lots have water and sewage facilities onsite, and these amenities are similar. The subject lots and sale have good views of the adjacent lake. Both the subject lots and sale have a mixture of trees and grassland making them similar and equal. The subject lots and sale have frontage on similar, small lakes, but the subject lots have a gently sloping beach area whereas the sale is relatively steep. The subject lots are superior for this reason. There is no sale data to estimate a difference in value due to the location on a different lake, therefore both the subject lots and sale are estimated to be similar and equal with respect to value. The subject lots have Montana State land adjacent, and the sale has Plum Creek land that is open to the public close by. This amenity is estimated to be equal for both the subject lots and the sale. Building and site improvements are not considered for the subject, and the sale has neither, making subject and sale similar in this analysis. As mentioned, the subject's building and site improvements will be considered in the cost approach next. There are no other differences that need consideration, and the subject's superior size, quality of lakefront, and superior topography (the sale's low spot), nearly offset the sale's better access, availability of public utilities and services. This sale indicates the subject lots have a value slightly less than \$1,433/lineal foot of lakefront.

Land Sale 2 was made with seller financing, but according to the Realtor, the terms did not affect the sale price, and no financing adjustment is needed. The sale is about 1 ½ years old, but there is no sale data to show a change in value since that date, therefore no time adjustment is needed. The sale is approximately 32 miles from the subject lots, but in an area with similar values. The sale has much less land area and amount of lakefront, but on a per lineal foot basis, values are estimated to be similar due to the inverse relationship between overall size and unit value. Neither the subject nor sale have both community water and sewer, and no value consideration is needed for the lack of this amenity. Access to the sale is over a paved county road that is open year around and close in to Kalispell. This amenity is far superior to the subject lots' access that is rough and not open year around. Electrical power and telephone services run by the sale on the access road. Mail routes and school bus services run close to the sale. These services are at least 2.6 miles from the subject lots, and this is a big negative consideration for the subject. The subject lots and sale have good views of the adjacent lake. Both the subject lots and sale have a mixture of trees and grassland making them similar and equal. The subject lots and sale have frontage on similar, small lakes, but the subject lots have a gently sloping beach area whereas the sale is relatively steep. The subject lots are superior for this reason. There is no sale data to estimate a difference in value due to the location on a different lake, therefore both the subject lots and sale are estimated to be similar and equal with respect to value. The subject lots have Montana State land adjacent, and the sale has Plum Creek land that is open to the public close by. This amenity is estimated to be equal for both the subject lots and the sale. Building and site improvements are not considered for the subject, and the sale has neither, making subject and sale similar in this analysis. As mentioned, the subject's building and site improvements will be considered in the cost approach next. There are no other differences that need consideration, and the subject's superior size, and quality of lakefront nearly offset the sale's better access, availability of public utilities and services. This sale indicates the subject has a value of slightly less than \$1,456/lineal foot of lakefront.

Land Sale 3 was made with cash to the seller, and no financing adjustment is needed. The sale is nearly two years old, but there is no sale data to show a change in value since that date, therefore no time adjustment is needed. The sale is approximately 26 miles from the subject lots, but in an area with similar values. The sale is much smaller than the subject lots, but has more lakefront. The amenities are estimated to be offsetting. Access to the sale is over a paved county road that is open year around and is far superior to the subject lots' access that is rough and not open year around. Electrical power and telephone services run by the sale on the county road. Mail routes and school bus services run close to the sale. These services are at least 2.6 miles from the subject lots, and this is a large negative consideration for the subject. The sale has community water and sewer, and the sale has neither system onsite. The sale is superior for this reason. The subject lots and sale have good views of the adjacent lake. Both the subject lots and sale have a mixture of trees and grassland making them similar and equal. The subject lots and sale have frontage on similar, small lakes, but the subject lots have a gently sloping beach area whereas the sale is relatively steep. The subject lots are superior for this reason. The subject lots and sale have frontage on similar, small lakes. There is no sale data to estimate a difference in value due to the location on a different lake, therefore both the subject lots and sale are estimated to be similar and equal with respect to value. The subject lots and sale have Montana State land adjacent. This amenity is estimated to be equal for both the subject lots and the sale. Building and site improvements are not considered for the subject, and the sale has neither, making subject and sale similar in this analysis. As mentioned, the subject's building and site improvements will be considered in the cost approach next. There are no other differences that need consideration, and the subject lots' superior quality of lakefront, does not offset the sale's better access, availability of public utilities and services, available community water and septic systems, and proximity to Kalispell where there are jobs, schools, medical facilities, schools, etc. This sale indicates the subject lots have a value less than \$1,875/lineal foot of lakefront.

Conclusion - Land Value

The indicators are:

A thorough search was made, and these are the best sales available. All were chosen due to being lakefront lots on a small NW Montana Lake

Land Sale 1 – Slightly Less Than \$1,433/lineal foot of lakefront

Land Sale 2 – Slightly Less Than \$1,456/lineal foot of lakefront

Land Sale 3 - Less Than \$1,875/lineal foot of lakefront

Sales 1 and 2 are estimated to more closely resemble the subject lots. Since Sale 1 is more recent and more closely resembles the subject with respect to size, it is given most weight.

Estimated land value for the subject Lot 5 is \$1,400/lineal foot of lakefront or \$179,900 or \$180,000® total.

Estimated land value for the subject Lot 6 is \$1,400/lineal foot of lakefront or \$175,980 or \$176,000® total.

COST APPROACH

The next step in this process is to estimate replacement cost of the improvements – less depreciation. A synopsis of the calculations is presented below. Costs are taken from the Marshall Swift Valuation Manual, a nationally recognized cost service, and substantiated by known local costs. All costs have been adjusted for size, quality, location, etc.

Costs are taken from the Marshall Swift Valuation Guest Cottages- Sec. 12, Page 15, Low Cost Construction , Recreational Facilities-Small Boat Marinas(docks) – Sec. 67, Page 6, Yard Improvements (Decks and Enclosures) – Sec. 66, Page 2. All costs are adjusted for time and location.

Estimated average effective age for cabin is based upon the age/life method and is 15 years with an expected remaining economic and physical life of 50. Simple calculations result in an accrued physical depreciation of 23%. Estimated average effective age for the decks and enclosed porch is the same. This includes short and long-lived curable and incurable depreciation. No functional obsolescence exists due to the floor plan, size, etc, due to the building structure being a seasonal, recreational cabin.

Most of the country, including the subject's area, is slowly recovering from a recession that resulted in few sales, low sale prices, and corresponding low rentals for all types of real estate. There is not enough sale, cost, and rental data in the subject's area to accurately estimate external obsolescence due to these factors. In addition, the subject is located in a relatively remote area with a relatively low demand for buildings other than low cost cabins like the subject. These two factors may result in some external obsolescence. Analysis of Multiple List sale data, relative to building costs and income data for Flathead County, shows conflicting results. It appears that the market is recovering, and with this in mind, values are expected to rise. This rise in values should result in less external obsolescence than the 25% to 30% incurred between 2008 and 2010. With no reliable data to measure external obsolescence, it cannot be accurately estimated, but it should be considered to possibly exist. Without reliable data, no reasonable estimate can be made. Estimated costs and depreciation amounts are presented next. The improvements on Lot 5 are minimal, and their depreciated estimated values are also minimal relative to land value. This factor makes the cost approach relatively unimportant for this property.

COST APPROACH – LOT 5 BEAVER LAKE

Dock - 100 sf. @ \$10.70/sf. x 80%	\$ 856
Storage Shed - 96 sf. @ \$9.20/sf. x 80%	707
Deck – 314 sf. @ \$14/sf. X 50%	2,198
Outdoor Privy (Dep'd.)	<u>1,000</u>
Indicated Improvement Value	\$ 4,761
Estimated Land Value	<u>\$180,000</u>
Indicated Value – Cost Approach	\$184,761 or \$185,000.

COST APPROACH – LOT 6 BEAVER LAKE

Base – Frame Cabin	\$71.85	
Heat Adj.	<u>+ 0.00</u>	
subtotal	\$71.85	
Perim. Mult.	x1.104	
Current Cost Mult.	x1.010	
Local Multiplier	<u>x .950</u>	
456 sq.ft. @	\$76.11	\$ 34,706
Enclosed Porch	\$25.69	
Perim. Mult.	x1.104	
Current Cost Mult.	x1.010	
Local Multiplier	<u>x .950</u>	
228 sq.ft. @	\$27.21	\$ 6,204
Base – Loft	\$17.96	
Heat Adj.	<u>+ 0.00</u>	
subtotal	\$17.96	
Perim. Mult.	x1.104	
Current Cost Mult.	x1.010	
Local Multiplier	<u>x .950</u>	
240 sq.ft. @	\$19.02	\$ 4,565
Total Cabin		\$ 45,475
Less Physical Dep. @ 23%		<u>- 10,459</u>
Physically Dep. Indicator		\$ 35,016
Dep'd Appliances		500
Decks and Steps- 464 sf @ \$14/sf. x 75%		4,872
Dock - 192 sf. @ \$10.70/sf. x 80%		1,644
Storage Sheds - 112 sf. @ \$18.40/sf. x 80%		<u>1,649</u>
Indicated Improvement Value		\$ 43,681
Estimated Land Value		<u>\$176,000</u>
Indicated Value – Cost Approach		\$219,681 or \$220,000®

SUMMARY OF SALES COMPARISON APPROACH

This approach can be highly reliable when there is an abundance of sales data. Such a situation can usually be found for vacant land and residential types of property. It can seldom be found for commercial or industrial properties, especially for those that are highly specialized, unusual, highly complex, or in a relatively remote location like the subject. The subject is neither unusual nor complex, but it is in a relatively remote location with no community services or utilities, and access is only fair over a private, rough road for the last 2.6 miles. A thorough search resulted in no similar comparable sales in the subject's immediate area therefore the search was expanded to various area small lakes with similar amenities, physical characteristics and values.

All detailed sale data is kept in the appraiser's files and is available upon written request and for a reasonable preparation fee.

SUMMARY SALE ANALYSIS TABLE
CABIN ON LOT 6 BEAVER LAKE CABIN SITES

	SUBJECT	Cabin Sale 1	Adj.	Cabin Sale 2	Adj.	Cabin Sale 3	Adj.
Address	NHN BEAVER LAKE CABIN SITES WHITEFISH, MT	1226 Echo Lake Road Bigfork MT		975 Lodgepole Drive Marion, MT		3155 Trestle Lane Trout Crk, MT	
MLS#	NA	321472		319900		324838	
LOCATION - LAKE	Beaver Lake	Echo Lake Superior	(-)	Little Bitterroot Lake Superior		Noxon Reservoir Superior	
SALE PRICE	N/A	Sale Price	\$180,000	Sale Price	\$266,500	Sale Price	\$250,000
SALE DATE	N/A	09/17/2013		06/10/2013		10/06/2014	
FINANCING	Assume Cash None	Conventional Loan		Cash to Seller		Conventional Loan	
SELLER	NA	Jesse G.Workman		Robert & Kathleen Cotner		Kale/Loda	
BUYER	NA	Conor & Brooke Hogan		PLC		Jason Crone Annie Marrinan	
DOCUMENT	NA	201300024104 WD		201300014306 WD		81196 WD	
DISTANCE FROM SUBJECT ACCESS	N/A Fair	37 Miles SE Superior		32 Miles SW Superior		145 Miles SW Superior	
ELECTRICITY & TELEPHONE	2.6 miles away	On Site	(-)	On Site	(-)	On Site	(-)
WATER AND SEWER	None Onsite	Onsite	(-)	Lakewater & Septic System	(-)	Community Water & Septic System	(-)
MAIL & SCHOOL BUS ROUTES	2.6 Miles Away	Close by	(-)	Close by	(-)	Close by	(-)
SITE SIZE	1.914 AC. 125.72' Lakefront	.46 Ac. 100' Lakefront	(+)	.66 Ac. 110' Lakefront	(+)	.62 Ac. 200' Lakefront	(-)
BEACH QUALITY	Average	Similar		Similar		Similar	
BUILDING AGE	15 Effective	15 Effective		15 Effective		15 Effective	
CABIN QUALITY	Frame/Good	Frame/Inferior	(+)	Manufactured Similar		Frame/Superior	(-)
CABIN CONDITION	Good	Inferior	(+)	Similar		Similar	
CABIN SIZE	456 sf. Main 240 sf. Loft	528 sf. Similar	(+)	728 sf. Similar		1,280 sf. Superior	(-)
ROOM COUNT	K, LR, DA, 3/4 Bath, Sleep Area	K, LR, DA, 1 BR, No Bath Inferior	(+)	K, LR, DA, 2BR, 1 Bath Similar	(-)	K, LR, DA, 2BR, 1 Bath Superior	(-)
BASEMENT FOUNDATION	Post & Pier	Post & Pier Similar		Concrete Foundation Superior	(-)	Concrete Foundation Superior	(-)
PORCHES	228 sf. Enclosed Porch	None	(+)	None	(+)	None	(+)
GARAGE CARPORT	None	None		None		600 sf. 2-Car Garage	(-)
DECKS	488 sf. Open Deck	160 sf. Cov. Porch Inferior	(+)	Open Deck Similar		Covered Deck Superior	(-)
HEATING SYSTEM	Propane Space Heater & Wood Stove	Propane Space Heater	(+)	Elec. Forced Air Superior	(-)	Elec. Forced Air Superior	(-)
DOCKS	192 sf. Floating Dock	Floating Dock Similar		Floating Dock Similar		Floating Dock Similar	
OUTBUILDINGS	Two Stg. Sheds Outdoor Privy	Outdoor Privy Inferior	(+)	Similar		Similar	
Miscellaneous	None	None		None		None	
IND.VALUE/SF.		More Than	\$180,000	Less Than	\$266,500	Less Than	\$250,000

The subject lot 6 will be compared to the sales on a total price basis with quality considerations made for differences.

Cabin Sale 1 is located on a similar lake as the subject, but sale analysis indicates values are similar on the different lakes. Consideration for the subject's inferior access and inferior availability of utilities and services is considered later in this analysis.

The sale was made with conventional financing, with no other sale concessions, and no financing adjustment is needed. The sale is nearly two years old, but there is no sale data to show a change in value since that date, therefore no time adjustment is needed. The sale is approximately 37 miles from the subject, and in an area with higher values. The sale has better access and has electricity and telephone services onsite. The sale also has delivery of mail, propane, fuel oil, and it has school bus service, all of which make it superior to the subject lots. These services are at least 2.6 miles from the subject lots, and this is a big negative consideration for the subject. The sale is much smaller with less lakefront, and the subject is superior for this reason. Neither the subject lots nor the sale have water and sewage facilities onsite. Both use lakewater and an outdoor privy. The subject and sale have good views of the adjacent lake. Both the subject lots and sale have a mixture of trees and grassland making them similar and equal. The subject lots and sale have frontage on similar, small lakes. There is no sale data to estimate a difference in value due to the location on a different lake, therefore both the subject lots and sale are estimated to be similar and equal with respect to value. The subject lot and sale have similar beaches on the adjacent lake. The sale was chosen due to having a similar cabin with a similar age. The sale was of inferior quality and condition. The appraiser inspected the sale on 05/14/2014, and the cabin has been added onto and is in the process of being remodeled. The subject is superior due to its sleeping loft with regard to size. The sale has no bath, but the subject has a partial bath with a sink and shower stall. The subject's attached, enclosed porch adds value to the subject that the sale does not have. The subject's deck is much larger and in better condition than the sale's. The subject's wood stove adds value that the sale does not have. The subject has two storage sheds that the sale does not have. There are no other differences that need consideration, and the subject's larger lot, superior cabin quality, condition, and size, and its porches and outbuildings more than offset the sale's better access, availability of public utilities and services, and proximity to Kalispell where there are jobs, schools, medical facilities, schools, etc. This sale indicates the subject property has a value more than \$180,000.

Cabin Sale 2 is located on a similar lake as the subject, but sale analysis indicates values are similar on the different lakes. Consideration for the subject's inferior access and inferior availability of utilities and services is considered later in this analysis.

The sale was made with cash to the seller, with no other sale concessions, and no financing adjustment is needed. The sale is nearly two years old, but there is no sale data to show a change in value since that date, therefore no time adjustment is needed. The sale is approximately 32 miles from the subject, and in an area with higher values. The sale has better access and has electricity and telephone services onsite. The sale also has delivery of mail, propane, fuel oil, and it has school bus service, all of which make it superior to the subject lots. These services are at least 2.6 miles from the subject lots, and this is a big negative consideration for the subject lots. The sale is much smaller and with less lakefront, and the subject is, overall, superior for this reason. The subject does not have water or sewer systems onsite, but the sale has lake water and a septic system onsite. The sale is superior for this reason. The subject and sale have good views of the adjacent lake. Both the subject and sale have a mixture of trees and grassland making them similar and equal. The subject and sale have frontage on similar, small lakes. There is no sale data to estimate a difference in value due to the location on a different lake, therefore both the subject and sale are estimated to be similar and equal with respect to value. The subject lot and sale have similar beaches on the adjacent lake. The sale was chosen due to having a similar structure with a similar age. Although the subject is frame and the sale is a manufactured home, the subject is of low quality and is similar to the sale with respect to quality and condition. The subject has a partial bath with a sink and shower stall, but the sale has a full bath. The sale is superior for this reason. The subject sits on a post and pier foundation, and the sale sits on a concrete foundation, making the sale superior. The subject's attached, enclosed porch adds value to the subject that the sale does not have. The subject's deck is larger and in better condition than the sale's. The subject has a space heating unit, but the sale has an electric forced air heating system that is superior. The subject has two storage sheds and a privy, and the sale has similar outbuildings. There are no other differences that need consideration, and the subject's larger lot and enclosed porch do not offset the sale's better access, availability of public utilities and services, and proximity to Kalispell and Bigfork where there are jobs, schools, medical facilities, schools, etc. This sale indicates the subject property has a value less than \$266,500.

Cabin Sale 3 is located on a similar lake as the subject, but sale analysis indicates values are similar on the different lakes. Consideration for the subject's inferior access and inferior availability of utilities and services is considered later in this analysis.

The sale was made with a conventional loan, with no other sale concessions, and no financing adjustment is needed. The sale is less than a year old, and there is no sale data to show a change in value since that date, therefore no time adjustment is needed. The sale is approximately 145 miles from the subject, and in an area with similar values. The sale has better access and has electricity and telephone services onsite. The sale also has delivery of mail, propane, fuel oil, and it has school bus service, all of which make it superior to the subject. These services are at least 2.6 miles from the subject, and this is a big negative consideration for the subject lots. The sale is much smaller but with more lakefront, and the subject is inferior for this reason. The subject does not have water or sewer systems onsite, but the sale does have both onsite. The sale is superior for this reason. The subject and sale have good views of the adjacent lake. Both the subject and sale have a mixture of trees and grassland making them similar and equal. The subject lots and sale have frontage on similar, small lakes. There is no sale data to estimate a difference in value due to the location on a different lake, therefore both the subject lots and sale are estimated to be similar and equal with respect to value. The subject lot and sale have similar beaches on the adjacent lake. The sale was chosen due to having a similar structure with a similar age, but the sale is superior being of higher quality and with being built as a year around home. The sale has a full bath, but the subject has a partial bath with a sink and shower stall. The sale is superior for this reason. The sale sits on a concrete foundation, and this superior to the subject's post and pier foundation. The subject's attached, enclosed porch adds value to the subject that the sale does not have. The sale has a well-built, two-car garage that the subject does not have. The subject's deck is of similar size and condition as the sale's, but the sale's is superior due to being covered. The sales superior heating system more than offsets the subject's space heater and wood stove. The sale's superior access, availability of mail services, school bus routes, onsite electricity, superior onsite water and sewer systems, superior cabin quality, and its garage more than offset the subject's only superior item that is the enclosed porch. There are no other differences that need consideration, and this sale indicates the subject property has a value less than \$250,000.

CORRELATION AND CONCLUSION – SALES COMPARISON APPROACH

Lot 5 – See the land valuation in the cost approach.

Lot 6 -

Sale 1 – More Than \$180,000.

Sale 2 – Less Than \$266,500.

Sale 3 – Less Than \$250,000.

Using a method called bracketing, the above sales indicate the subject has a value of between \$180,000 and \$250,000. Neither of the two indicators is estimated to be better, and since there is no more sale data to further refine the indicators, the best indicator from this approach is estimated to be at midpoint between \$180,000 to \$250,000 or \$215,000.

The indicator from this approach is as reliable as the cost approach, since most of the subject's value lies in the land, and the land value was estimated in the cost approach.

INCOME APPROACH

This section of the report typically includes an estimate of the subject's market rent (rental value) which is then be used to derive an indicator of the subject's market value.

Income-producing property is typically purchased for its earning power. An investor essentially trades a sum of present dollars for the right to receive future dollars. Potential net income is capitalized into value by established appraisal methods, techniques, and mathematical procedures after analysis of the subject and comparable rentals has been done.

Ordinarily, the subject's potential gross annual rental income is estimated by considering the subject's contract rents and by comparing and analyzing comparable rentals. Estimated expenses are also made using the same process. A net annual rental income is then calculated and capitalized into value. The capitalization rate, which is simply the relationship between net income and sales price, is market derived.

Estimated Highest and best use for the subject is an owner-occupied, seasonal cabin which is not an income-producing property. For this reason the income approach is not estimated to be needed for this report.

FINAL CORRELATION AND CONCLUSION

All three traditional approaches to value were considered, but only two are used in this appraisal. Their indicators are:

Lot 5 -

Cost Approach: \$185,000.

Sales Comparison Approach: \$185,000.

Income Approach: NOT USED

Lot 6 - Cost Approach: \$220,000.00

Sales Comparison Approach: \$215,000.00

Income Approach: NOT USED

The cost approach can be very reliable for new, and /or specialized types of buildings. The subject improvements are not new, and are unusual. The real estate market appears to be improving from a 4-5 year recession, and this results in possible external obsolescence that is difficult to accurately measure with limited sale information. For this latter reason, the cost approach cannot be given as much weight as usual.

The sales comparison approach can be reliable if sales data is highly comparable and if there is adequate data. The approach is typically ideal for vacant land and residential properties. It can be reliable for commercial properties if an abundance of reliable, comparable data is available. No sales that are highly similar to the subject could be found.

The income approach cannot be ignored for income-producing properties, and ordinarily should be given a proportionately high amount of weight when estimating market value for rental type properties. The approach becomes less reliable for properties that are typically owner-occupied and not rented. The subject properties have been leased in the past, but estimated highest and best use is not as rental properties. The properties are atypical and relatively remote, and reliable rental data for such properties is not available. For this reason, this approach cannot be used.

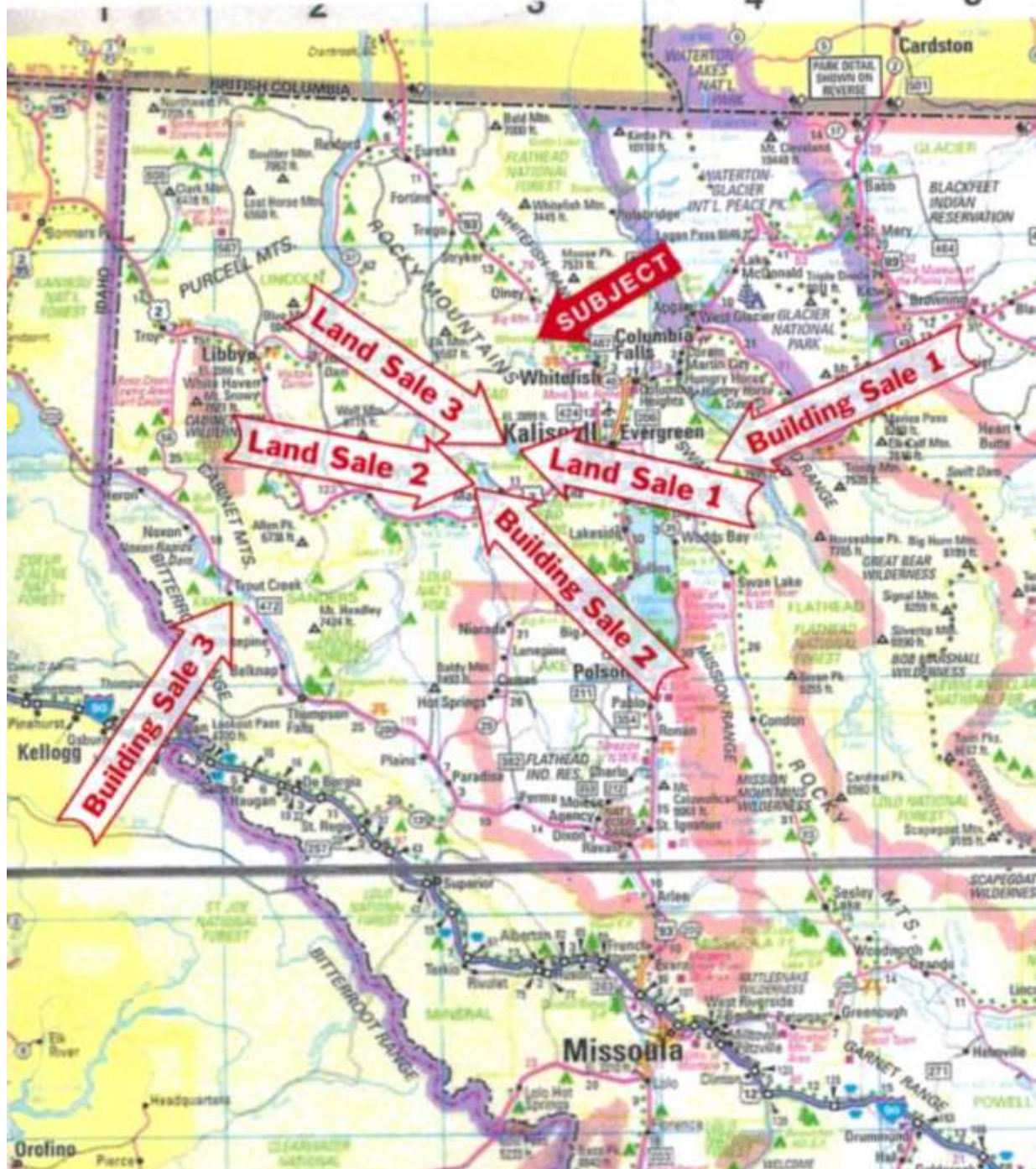
ALL THREE APPROACHES ARE CONSIDERED, BUT ONLY TWO APPROACHES ARE USED. NEITHER APPROACH IS ESTIMATED TO BE BETTER FOR EITHER LOT. THE COST APPROACH IS MORE RELIABLE THAN TYPICAL, SINCE MOST OF THE OVERALL VALUE LIES IN THE LAND, AND THE SALES COMPARISON APPROACH WAS USED TO ESTIMATE ITS VALUE FOR BOTH LOTS.

CERTIFY THAT MY ESTIMATED MARKET VALUE, IN FEE TITLE, FOR THE SUBJECT PROPERTY LOT 5 AT BEAVER LAKE WEST OF WHITEFISH, MONTANA, AS OF MAY 9, 2015 IS \$185,000 WITH \$180,000 ATTRIBUTED TO LAND AND \$5,000 ATTRIBUTED TO IMPROVEMENTS.

I CERTIFY THAT MY ESTIMATED MARKET VALUE, IN FEE TITLE, FOR THE SUBJECT PROPERTY LOT 6 AT BEAVER LAKE WEST OF WHITEFISH MONTANA, AS OF MAY 9, 2015 IS \$215,000 WITH \$176,000 ATTRIBUTED TO LAND AND \$39,000 ATTRIBUTED TO IMPROVEMENTS.

ADDENDUM

NORTH



SUBJECT LOCATION & LAND SALE MAP I
LOTS 5 & 6, BEAVER LAKE CABIN SITES
WEST OF WHITEFISH, MONTANA

NORTH



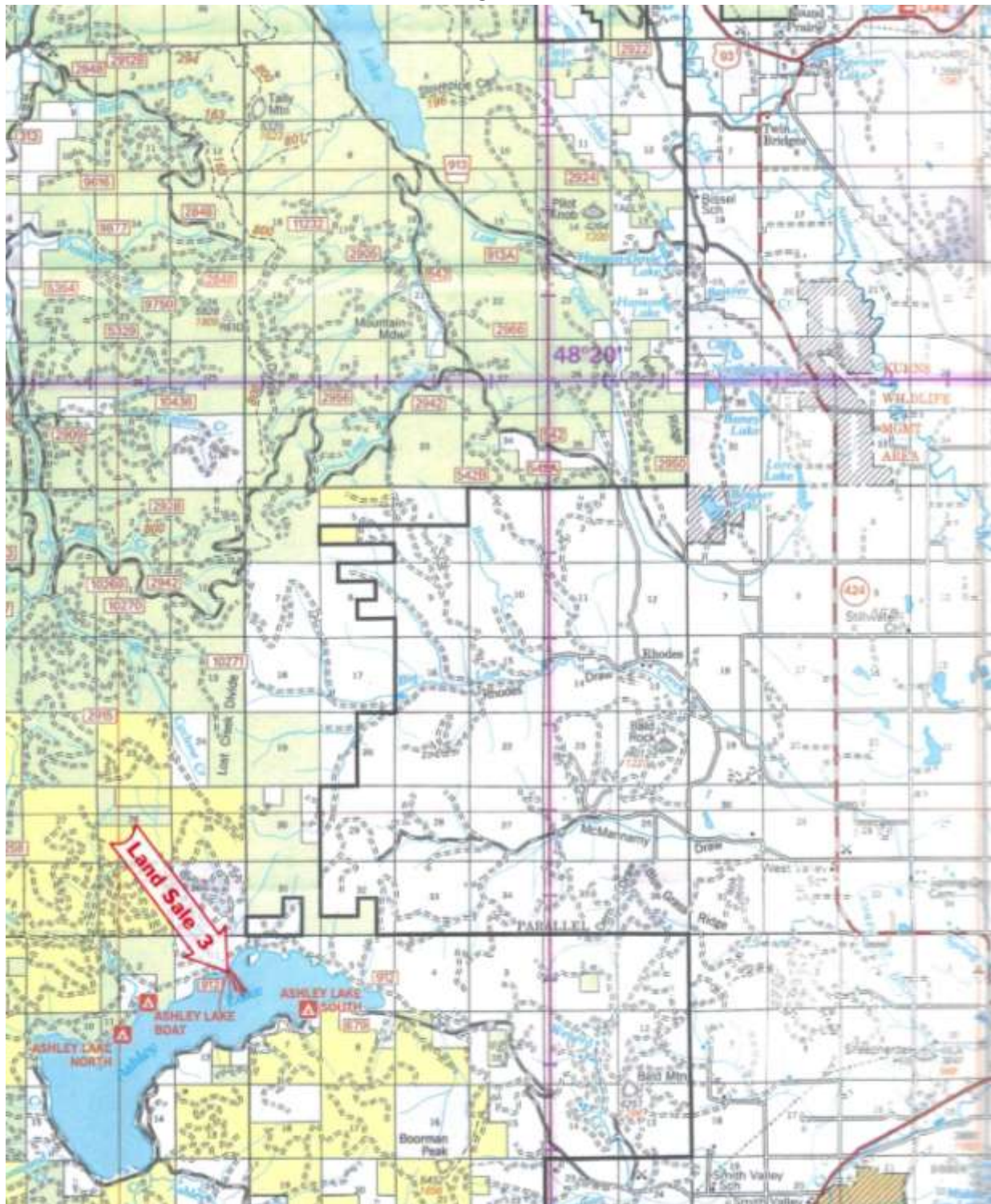
LAND SALE MAP I
LOTS 5 & 6, BEAVER LAKE CABIN SITES
WEST OF WHITEFISH, MONTANA

NORTH



LAND SALE MAP II
LOTS 5 & 6, BEAVER LAKE CABIN SITES
WEST OF WHITEFISH, MONTANA

NORTH



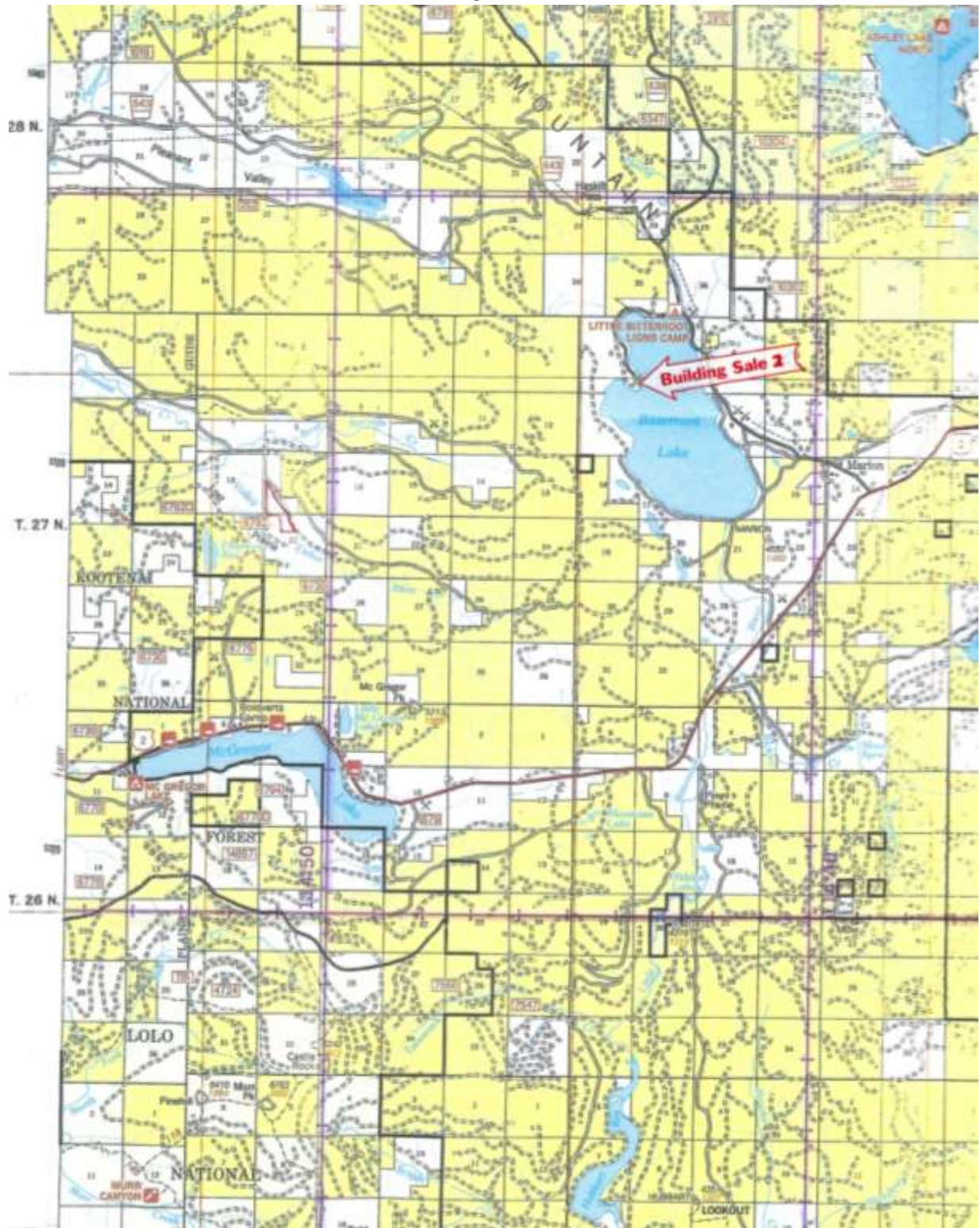
LAND SALE MAP III
LOTS 5 & 6, BEAVER LAKE CABIN SITES
WEST OF WHITEFISH, MONTANA

NORTH



CABIN SALE MAP I
LOTS 5 & 6, BEAVER LAKE CABIN SITES
WEST OF WHITEFISH, MONTANA

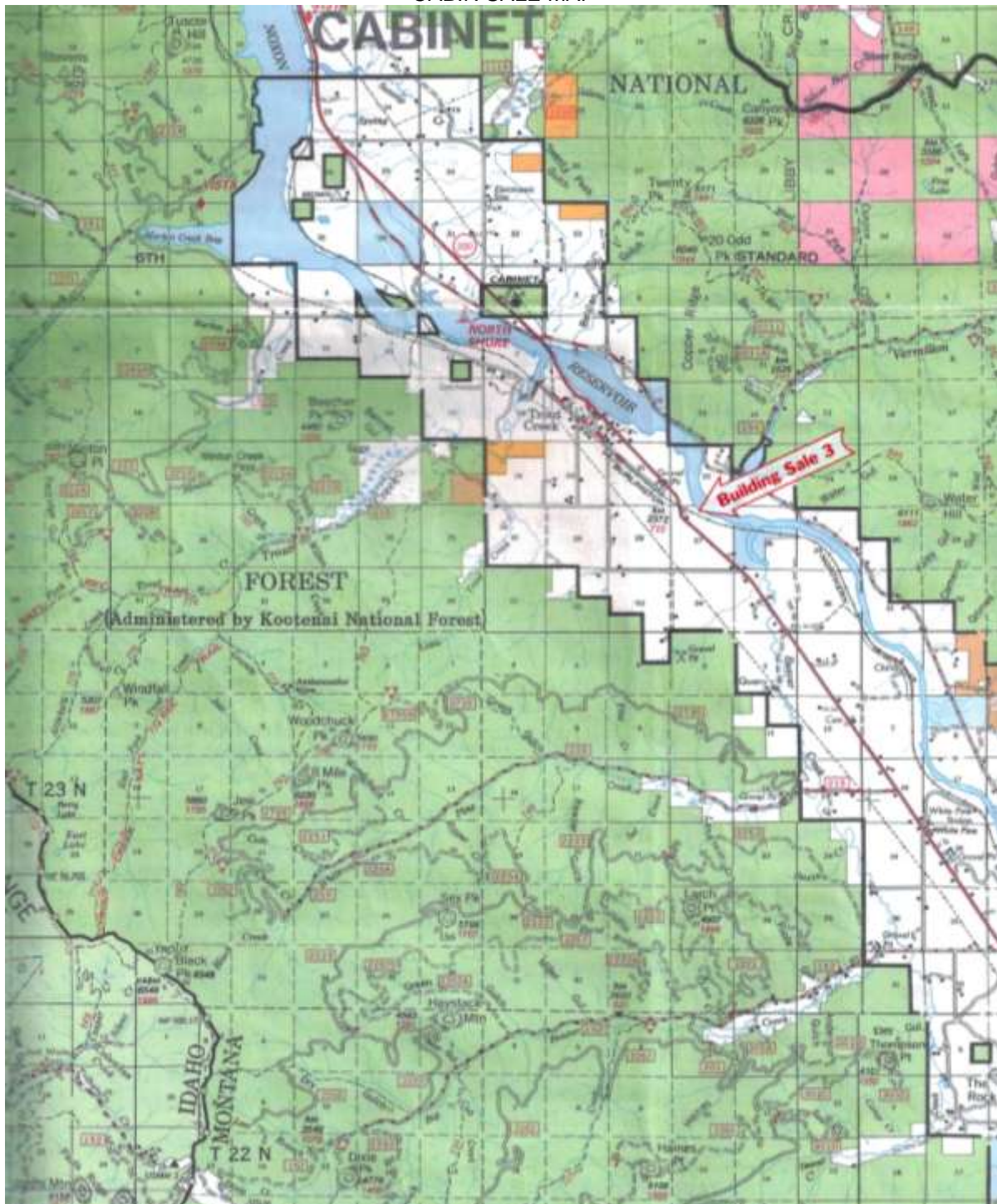
NORTH



CABIN SALE MAP II
LOTS 5 & 6, BEAVER LAKE CABIN SITES
WEST OF WHITEFISH, MONTANA

NORTH

CABIN SALE MAP



CABIN SALE MAP III
LOTS 5 & 6, BEAVER LAKE CABIN SITES
WEST OF WHITEFISH, MONTANA

LAND SALE 1



4693 Ashley Lake Road
Kila, Montana

LAND SALE 2



795 Lodgepole Drive
Marion, Montana

LAND SALE 3



BITTERROOT LAKE
MARION, MT

CABIN SALE 1



1226 Echo Lake Road
Bigfork, Montana

CABIN SALE 2



975 Lodgepole Drive
Marion, Montana

CABIN SALE 3



3155 Trestle Lane
Trout Creek, Montana

ADDITIONAL SUBJECT LOTS 5 & 6 PHOTOGRAPHS



LOT 5 BEAVER LAKE CABIN SITES
STORAGE SHED



LOT 5 BEAVER LAKE CABIN SITES
DECK WITH VALUE

TAKEN BY GAROLD JETTE 05/09/2015



LOT 5 BEAVER LAKE CABIN SITES
DECK WITH NO VALUE



LOT 5 BEAVER LAKE CABIN SITES
OUTDOOR PRIVY

TAKEN BY GAROLD JETTE 05/09/2015



LOT 5 BEAVER LAKE CABIN SITES
CABIN OR CAMPING AREA



LOT 5 BEAVER LAKE CABIN SITES
ACCESS ROAD

TAKEN BY GAROLD JETTE 05/09/2015



LOT 6 BEAVER LAKE CABIN SITES
KITCHEN



LOT 6 BEAVER LAKE CABIN SITES
DINING AREA TAKEN FROM THE LIVING ROOM

TAKEN BY GAROLD JETTE 05/09/2015



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beaver lake Montana

You have selected a location in

FLATHEAD COUNTY

The flood map for this selected area is number **30029C1070G**, effective on **09/28/2007**.



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Letters of Map Change

Revisions (2)

Amendments (2)

Revolutions (3)

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ATTACHMENT A

Scope of Work for Appraisal of Potential Property Sale through the Cabin & Home Site Sale Program

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

The clients are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC). The intended users are State of Montana, the Montana Board of Land Commissioners, the Department of Natural Resources and Conservation (DNRC) and Brian and Tracy Stoutjesdyk. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties and is intended for use in the decision making process concerning the potential sale of said subject properties.

DEFINITIONS:

Current fair market value. (MCA 70-30-313) Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

- (1) the highest and best reasonably available use and its value for such use, provided current use may not be presumed to be the highest and best use;
- (2) the machinery, equipment, and fixtures forming part of the real estate taken; and
- (3) any other relevant factors as to which evidence is offered.

Highest and best use. The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

PROPERTY RIGHTS APPRAISED:

State of Montana lands are always to be appraised as if they are in private ownership and could be sold on the open market and are to be appraised in Fee Simple interest. For analysis purposes, properties that have leases or licenses on them are to be appraised with the Hypothetical Condition the leases/licenses do not exist.

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

The latest date of inspection by the appraiser will be the effective date of the valuation.

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

The legal descriptions and other characteristics of the state's property that are known by the state will be provided to the appraiser. However, the appraiser should verify, as best as possible, any information provided. Further, should any adverse conditions be found by the appraiser in the course of inspecting the property and neighborhood, or through researching information about the property, neighborhood and market, those conditions shall be communicated to the clients and may change the scope of work required.

The legal descriptions and other characteristics of the Lessee's property that are known by the Lessee will be provided to the appraiser. However, the appraiser should verify, as best as possible, any information provided. Further, should any adverse conditions be found by the appraiser in the course of inspecting the property, or through researching information about the property, neighborhood and market, those conditions shall be communicated to the clients and may change the scope of work required.

ASSIGNMENT CONDITIONS:

The appraiser must be a Montana certified general appraiser, and be competent to appraise the subject property. The appraisal is to conform to the latest edition of USPAP, and the opinion of value must be credible. The appraiser is to physically inspect the subject properties at a level that will allow the appraiser to render a credible opinion of value about the properties. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

The appraiser will consider the highest and best use of the subject properties. (Note: it may be possible that because of the characteristics of a subject property, or market, there may be different highest and best uses for different components of the property. Again, that will depend on the individual characteristics of the subject property and correlating market. The appraiser must look at what a typical buyer for the property would consider.)

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable.

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that included analysis and appraised values of the two (2) cabin sites identified in the Supplemental Appraisal Instructions.

Be valued with the actual or hypothetical condition that the cabin site or home site has legal access.

All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject property. Comparables sales used should preferably be most recent sales available or be adjusted for market trends if appropriate. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county. Use comparable sales of like properties.

The cabin site (land) should be valued under the hypothetical condition that it is vacant raw land, without any site improvements, utilities, or buildings.

The appraisal report must list all real property improvements that were considered when arriving at the appraised value for the improvements. Improvements means a home or residence, outbuildings and structures, sleeping cabins, utilities, water systems, septic systems, docks and landscaping.

The appraised value of state-owned land added to the allocated market value of the non-state-owned improvements value will not be greater than total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.

Appraised Values Required:

The appraisal for each cabin and home site must:

1. Include a total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.
2. Include a separate market value for the state-owned cabin or home site (land), under the hypothetical condition of it being vacant raw land exclusive of real property improvements.
3. Allocate a separate market value for the non-state-owned improvements, from the total market value derived in 1 above.
4. Valuation of the improvements must account for all forms of obsolescence.

ATTACHMENT B

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION Supplemental Appraisal Instructions

This Scope of Work and Supplemental Appraisal Instructions are to be included in the appraiser's addendum.

Subject Properties (Located in Flathead County):

Sale #	Acres	Legal Description
763	1.914 ±	Lot 6 Beaver Lake Cabin Sites, COS 18353, Section 20, T31N-R22W
764	2.238 ±	Lot 5 Beaver Lake Cabin Sites, COS 18353, Section 20, T31N-R22W

DNRC Contact Information:

Nicole Stickney, Special Uses Forester
P.O. Box 164
Onley, MT 59927
Phone: (406) 881-2666
nstickney@mt.gov

Lessees:

Sale 763

Brian & Tracy Stoutjesdyk
PO Box 329
Coaldale, AB T1M1M4
Canada
P:(403)345-6298/C: (403)331-7019
Brian.elkcreek@hotmail.com

Sale 764

No Lessee

The following will be located in the body of the contract:

The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the parcel. If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing the specific market data as a stand-alone document, which must be reviewed and accepted along with the appraisal, and will be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.

The definition of market value is that as defined in 70-30-313 M.C.A.

The DNRC will provide access to the state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, property issues, surveys (if any), and production history. The local land office will provide contact information to the appraiser, if necessary, in order for the appraiser to obtain access to the property.

Sale # 763 & 764 Location Map



Beaver Lake Lots



[illegible]

PRIVACY STATEMENT

Persuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, appraisers, along with all providers of personal financial services are required by Federal law to inform their clients of the policies of the firm with regard to privacy of client nonpublic personal information. As professionals, we understand that our privacy is important to you and are providing you with this information.

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within this firm. A disclosure is required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information. Please feel free to call us if you have any questions about the confidentiality of the information that you provide to us.

QUALIFICATIONS OF THE APPRAISER
Garold D. Jette
Montana General Certificate #22

Born: 1943 - Polson, Montana

Military Service: United States Naval Submarine Service
1962-1966 – Honorably Discharged

Formal Education: Graduate - University of Montana
Missoula, Montana
Bachelor of Science Degree
Finance - 1970

Real Estate Education: Institute Course 1A, Principals
University of Portland - 1977
Institute Course 1B, Capitalization
University of Portland - 1979
Institute Course - Standards
Billings, Montana - 1983
Institute Course 2-2, Valuation
Analysis & Report Writing
University of Minnesota-1985
Institute Course 2-3, Case Studies
University of Nebraska – 1987

Partial List of Seminars Recently
Attended:

Subdivision Analysis
Cash Equivalency
Condemnation Appraising
Easement Valuations
Lease Valuations
FIARREA & USPAP Regulations
Complex Residential Property
Valuations
Highest & Best Use & Feasibility Analysis
Limited Scope Appraisals
Environmental Conditions

Professional Background: 1967-1970 Southside Nat'l. Bank
Missoula, Montana
Installment Loan Department
1970-1973 Federal Reserve Bank
Helena, Montana
Mgmt. Trainee & Planner
1973-75 Mont.Credit Union League
Helena, Montana
Mgmt.& Financial Consultant
1975-77 Montana Employment Svc.
1977-Current Real Estate Appraiser
Polson, Montana

Professional Affiliations: Appraisal Institute - Affiliate

Partial List of Clients:

All area lending institutions
Various relocation companies
Montana Board of Investments
Montana Board of Housing
FHA & VA
Farm Home Administration
Montana Dept. of Fish, Wildlife, & Parks
Federal Highway Administration
Montana Department of Highways
Montana State University
University of Montana
U.S. Forest Service - Regional Ofc.
Small Business Administration
Champion International
Bonneville Power
Montana Power
Northwestern Energy
Confederated Salish & Kootenai Tribes
Lake County
Flathead County
US Postal Department
Federal deposit Insurance Corporation
Area attorneys
Private parties

Since 1977, I have appraised over 700 million dollars worth of real estate including single and multi-family residential, commercial, industrial, agricultural, entire subdivisions, highway acquisitions, conservation and highway easements, and recreational lands. This work has been performed in Lake, Flathead, Missoula, Sanders, Lincoln, Ravalli, Glacier, Gallatin, Madison, Pondera, Lewis and Clark, Broadwater, Granite, Cascade, and Meagher Counties. Commercial and Multi-family experience includes commercial covering the entire State of Montana, and both commercial and residential along Highways in Montana which were acquired by the Montana Department of Transportation in past years.