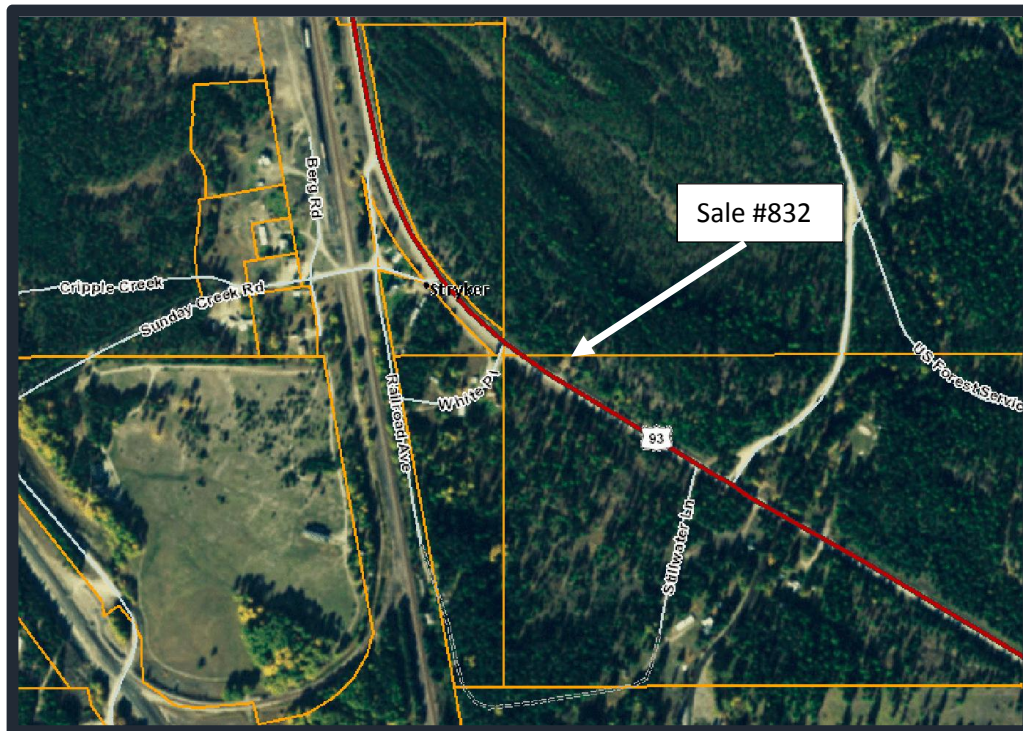


APPRAISAL REPORT OF:

**UNSURVEYED LOT IN NW1/4NW1/4NW1/4NE1/4 OF
SECTION 36, TOWNSHIP 34 NORTH, RANGE 25 WEST
LINCOLN COUNTY, MONTANA
AKA MT DNRC SALE #832**



PREPARED FOR:

**State of Montana, Montana Board of Land Commissioners,
& Montana Department of Natural Resources and Conservation
P.O. Box 201601
Helena, Montana 59620-1601
Attention: Ms. Emily Cooper, Lands Section Supervisor**

MARKET VALUES AS OF:

July 7, 2016

PREPARED BY:

**Elliott M. Clark, MAI &
Christopher D. Clark
Clark Real Estate Appraisal
704-C East 13th Street, #509
Whitefish, Montana 59937
(406) 862-8151**



704-C East 13th Street, #509
Whitefish, Montana 59937

LETTER OF TRANSMITTAL

September 2, 2016

Ms. Emily Cooper, Lands Section Supervisor
State of Montana, Montana Board of Land Commissioners,
& Montana Department of Natural Resources and Conservation
P.O. Box 201601
Helena, Montana 59620-1601

Re: Unsurveyed Lot in NW1/4NW1/4NW1/4NE1/4 of Section 36, Township 34 North, Range 25 West, Lincoln County, Montana

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced property on July 7, 2016. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. The property viewing, reviews, and analyses were made in order to prepare the attached summary appraisal report.

There are three approaches to value in the appraisal of real property. They are the Cost, Sales Comparison, and Income Approaches. All three approaches and their applicability will be discussed in greater detail in the Scope of the Appraisal and the Appraisal Process sections of this report.

The value of the fee simple interest in the subject lot, the value of the improvements, and value of the site and improvements considered together are estimated in this report. These estimates were made after thorough study of available market data and other data felt to be pertinent to this appraisal. The attached summary appraisal report exhibits the factual data found and reasoning used in forming our opinions of value.

The values are based on the assumptions that all necessary governmental approvals have been obtained and will be maintained, and that the property owner will exhibit sound management and sales practices. The values are based upon the **Hypothetical Conditions** that the property is a legal parcel, that the parcel has legal and adequate access, and that a future recorded survey depicts the property as described in this report.

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We were not provided with soil studies for the subject site. We assume that the soils are capable of supporting construction similar to that in similar area subdivisions without unusual soil preparation. We are also unaware of the presence of any hazardous material, groundwater contamination, or toxic materials that may be on or in the subject site. Should any of these conditions be present, the values stated in this report could be affected.

We certify that, to the best of our knowledge and belief, the statements and opinions contained in this appraisal report are full true and correct. We certify that we have no interest in the subject property and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimates of the property.

This appraisal assignment was not made nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations. This appraisal is subject to the attached Certification of Appraisal and Statement of Limiting Conditions. We further certify that this appraisal was made in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP).

Respectfully submitted,



Elliott M. Clark, MAI
Montana Certified General Real Estate Appraiser
REA-RAG-LIC-683



Christopher D. Clark
Montana Licensed Real Estate Appraiser
REA-RAL-LIC-841

16-031ec

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SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

Client/Intended User	State of Montana, State of Montana Board of Land Commissioners, Montana Department of Natural Resources & Conservation/Client Agencies & Individual Lessees Noted in the Report
Purpose/Intended Use	Estimate Market Values/Potential Sale Purposes
Property Owner(s)	Site: State of Montana/Improvements: Patti Sue Stachofsky

SUBJECT PROPERTY

Property Identifications	Unsurveyed Lot in NW1/4/NW1/4NW1/4NE1/4 of Section 36, Township 34 North, Range 25 West, Lincoln County, Montana
Site Size	1.00 Acres with 0.32 Acres Usable Area
Description of Improvements	See Property Description
Assessor Number(s)	N/A
Census Tract	30-053-0004.00
Flood Zone	Zone X or C, Map Panel 300157C0425B – Dated 8/1/1980
Zoning	Not Zoned

HIGHEST AND BEST USE(S)

As If Vacant	Residential Use
As Improved	Residential Use

DATES, VALUE CONCLUSION(S) AND ASSIGNMENT CONDITION(S)

Report Date	September 2, 2016
Inspection Date(s)	July 7, 2016
Effective Date of Value(s)	July 7, 2016
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Value	\$12,000
Individual Improvement Value	\$75,000
Individual Total Market Value	\$87,000

Extraordinary Assumption(s)	None
Hypothetical Condition(s)	See Scope of the Appraisal

MARKETING & EXPOSURE TIME

The appraised value for the subject property as improved is based upon a 3 to 14 month marketing time and 3 to 14 month exposure time. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

APPRAISER INFORMATION

Appraiser(s)	Elliott M. Clark, MAI & Christopher D. Clark
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CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief,

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions, and conclusions.
- Elliott M. Clark, MAI and Christopher D. Clark have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as appraisers 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of predetermined values or directions in value that favor the cause of the client, the amounts of the value opinions, the attainment of stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- Elliott M. Clark, MAI and Christopher D. Clark both personally viewed the subject property.
- No one provided significant real property appraisal assistance to the persons signing this certification.

- 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.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report Elliott M. Clark, MAI has completed the continuing education requirements of the Appraisal Institute.



Dated Signed: September 2, 2016
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: September 2, 2016
Christopher D. Clark
MT REA-RAL-LIC-841

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the following conditions and to such other specific and limiting conditions as are set forth in the appraisal report.

1. The legal description(s) from the most recently recorded deed(s) or plat(s) are assumed to be correct.
2. The appraisers assume no responsibility for matters legal in character, nor do they render any opinion as to the title, which is assumed to be marketable. All existing liens, encumbrances and assessments have been disregarded and the property is appraised, as though free and clear, under responsible ownership and competent management.
3. Any sketches in this report indicate approximate dimensions and are included to assist the reader in visualizing the property.
4. The appraisers have not made a survey, engineering studies or soil analysis of the property and assume no responsibility in connection with such matters or for engineering, which might be required to discover such factors.
5. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or restriction violations associated with the subject property.
6. Information, estimates and opinions contained in this report are obtained from sources considered reliable and believed to be true and correct; however, no liability for them can be assumed by the appraisers.
7. The appraisers are not required to give testimony or attendance in court by reason of this appraisal, with reference to the properties in question, unless arrangements have been made previously therefore.
8. The division of the land and improvements (if applicable) as valued herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
9. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusion(s) are contingent upon completion of the improvements in a workmanlike manner.
10. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. Except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this 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 prior written consent of the signatories 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, sales media or other media for public communication without the prior written consent of the signatory of this appraisal report.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject 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 effect upon the values of the property. Since the appraisers have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the values of the property.
12. The appraisers are not experts at the identification of environmental hazards. This assignment does not cover the presence or absence of such substances. Any visually detected or obviously known environmental problems affecting the property will be reported and their impact on the values will be discussed.
13. This appraisal assignment was not made nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations.
14. The appraisers are not building inspectors and this report does not constitute building inspections for the subject property. Any obvious defects are noted (if applicable); however, this report is not to be relied upon for detection of unseen defects for any of the subject property.
15. This appraisal was prepared for the clients and the intended users named in this report. The analysis and conclusions included in the report are based upon a specific Scope of Work determined by the clients and the appraisers, and are not valid for any other purpose or for any additional users other than noted in this report.

SCOPE OF THE APPRAISAL

The subject property is an unsurveyed Lot in NW1/4NW1/4NW1/4NE1/4 of Section 36, Township 34 North, Range 25 West, Lincoln County, Montana

The appraisers were asked to estimate the values of the fee simple interest in the site and improvements for the subject property for decisions regarding potential sale of each property.

Information about the subject properties has been collected and analyzed and a narrative appraisal report for the subject properties has been prepared. The scope of the appraisal requires compliance with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Guide Notes to the Standards of Professional Appraisal Practice adopted by the Appraisal Institute. The standards contain binding requirements and specific guidelines that deal with the procedures to be followed in developing an appraisal, analysis, or opinion. The Uniform Standards set the requirements to communicate the appraiser's analyses, opinions and conclusions in a manner that will be meaningful and not misleading in the marketplace.

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject property on July 7, 2016. We measured the improvements on the property and walked the subject site.

Scope of Research

The history of ownership, historical uses and current intended uses were researched via the Montana Department of Natural Resources, the lessee for the property, Lincoln County Records, and the area Multiple Listing Service.

Area trends in development were researched based upon information from various offices of the Lincoln County; inspections of surrounding properties by the appraisers; interviews with area developers, property owners and property managers; and research regarding current and projected demographics in the immediate and greater subject market area.

Comparable market data was obtained through a combination of public record and area realtors, developers and property owners. Every effort was made to verify all comparable data. **Montana is a non-disclosure state and realty transfer sales price information is not available via public record.**

Extraordinary Assumption(s)

An **Extraordinary Assumption** is defined in 2016-2017 version of the Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be *“an assumption, directly related to a specific assignment, as of the effective date of the assignment results which, if found to be false, could alter the appraiser’s opinions or conclusions.”*

There are no **Extraordinary Assumptions** associated with the values concluded in this report.

Hypothetical Conditions

A **Hypothetical Condition** is defined in 2016-2017 version of the Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for purpose of analysis.*”

The values concluded in this report for the subject property are based upon the **Hypothetical Conditions** that the subject property was a legal parcel as described in this report and as of the report effective date and that there was legal and adequate access to the property.

Highest & Best Use

Our opinion of the highest and best uses for the subject property were developed using the research collected relative to the subject property, area development trends, and demographics. The information collected is considered comprehensive and provided a credible basis for a carefully considered analysis. The appraisal process presented was based upon the highest and best use conclusions for the subject property.

Appraisal Process

The Sales Comparison Approach is developed to determine the value of the subject site as if vacant. This is typically the most reliable approach for determining values of vacant sites.

All three approaches to value were considered for the valuation of the subject property as improved. Most market participants interested in purchasing similar homes in the subject market area do not base decisions upon the depreciated cost of the improvements. For this reason the Cost Approach is not considered applicable and was not developed in this report. The subject property is not utilized for income generation. For this reason, the Income Approach is not considered applicable and was not developed in this report. The Sales Comparison Approach is developed to determine the value of the subject property as improved.

Environmental

The appraisers do not possess the requisite expertise and experience with respect to the detection and measurement of hazardous substances, unstable soils, or freshwater wetlands. Therefore, this assignment does not cover the presence or absence of such substances as discussed in the Limiting Conditions section of this report. However, any visual or obviously known problems affecting the property will be reported and any impact on the value will be discussed.

General Data Sources

Individuals and offices consulted in order to complete this appraisal include the following:

- Lincoln County - Various Offices;
- Montana Department of Revenue;
- Various Area Real Estate Agents, Property Managers, Property Owners, Tenants, and Builders

Specific data sources are noted in the body of the report where appropriate.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property is identified as an Unsurveyed Lot in the NW1/4NW1/4NW1/4/NE1/4 of Section 36, Township 34 North, Range 25 West, Lincoln County, Montana.

INTENDED USE & INTENDED USERS OF THE APPRAISAL

It is understood that the intended use of this appraisal is for decisions regarding possible sale of the subject properties. This report was prepared for the, the client, (State of Montana, Montana Board of Land Commissioners, & Montana Department of Natural Resources and Conservation) and is their exclusive property. The Lessee, Patti Sue Stachofsky, is an additional intended user of this report.

No additional parties may rely upon this report without the express written consent from both the appraisers and the client.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market values of the fee simple interest in the subject property for possible sale purposes.

DATE OF PROPERTY VIEWING

July 7, 2016

EFFECTIVE DATE OF MARKET VALUES

July 7, 2016

PROPERTY RIGHTS APPRAISED

The values concluded in this report are for the **fee simple** interests in the subject property. The fee simple interest is full, complete, and unencumbered ownership subject only to the governmental rights of taxation, police power, eminent domain and escheat. This is the greatest right and title, which an individual can hold in real property.

DEFINITION OF MARKET VALUE

At the request of the client, the definition of market value utilized in this report is the Current Fair Market Value as defined in MCA 70-30-313 which is as follows;

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 reasonable 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

STATEMENT OF OWNERSHIP & USE HISTORY

STATEMENT OF OWNERSHIP

The subject site is owned by the State of Montana. The improvements on the site are owned by the lessee. According to the lessee (Patti Sue Stachofsky), the improvements have been in the same ownership since 2004. We did not locate a transfer of the subject improvements via records of Lincoln County in the 3 years prior to the report effective date.

USE/MARKETING HISTORIES

The Montana Department of Natural Resources and Conservation manages hundreds of residential cabin sites which are owned by the State of Montana. The subject lot is in this program. According to the available information, the subject lot has been used for recreational/residential purposes for many years prior to the report effective date. According to the Montana Department of Revenue, the home on the subject site was constructed in 1950.

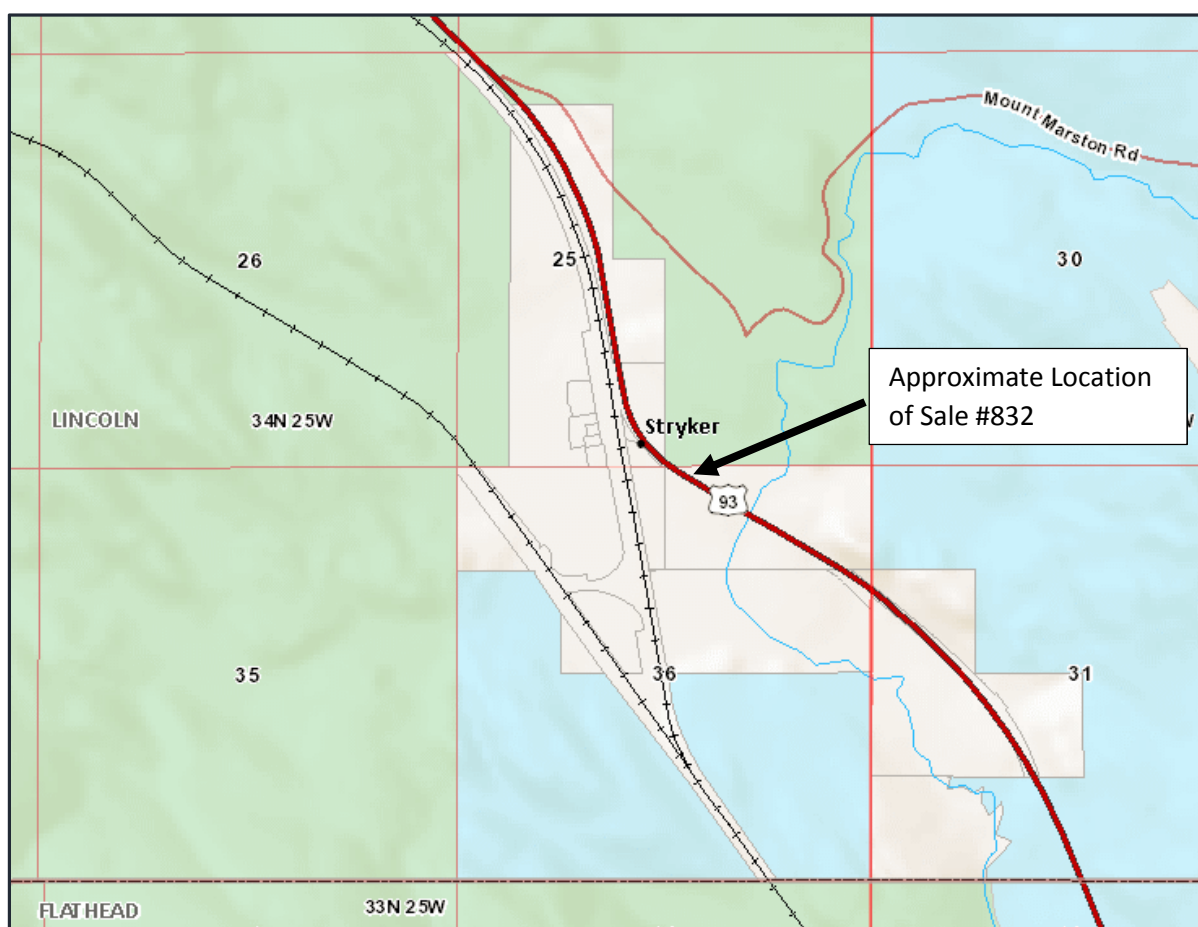
According to our research, the subject improvements have not been marketed via the area MLS during the 3 years prior to the report effective date.

PROPERTY DESCRIPTION

GENERAL DESCRIPTION

The subject property is in an unincorporated portion Lincoln County, Montana. The subject property is identified as an Unsurveyed Lot in the NW1/4NW1/4NW1/4NE1/4 of Section 36, Township 34 North, Range 25 West, Lincoln County, Montana. According to the Montana Department of Natural Resources and Conservation, the site size is 1.00 acres with 0.32 acres of usable area. There is not a recorded survey of the subject site and we were not provided with a survey depicting the subject property.

A zoomed out portion of the Montana Department of Revenue Cadastral Mapping street view mapping depicting the portion of Section 36 containing the subject property is below.



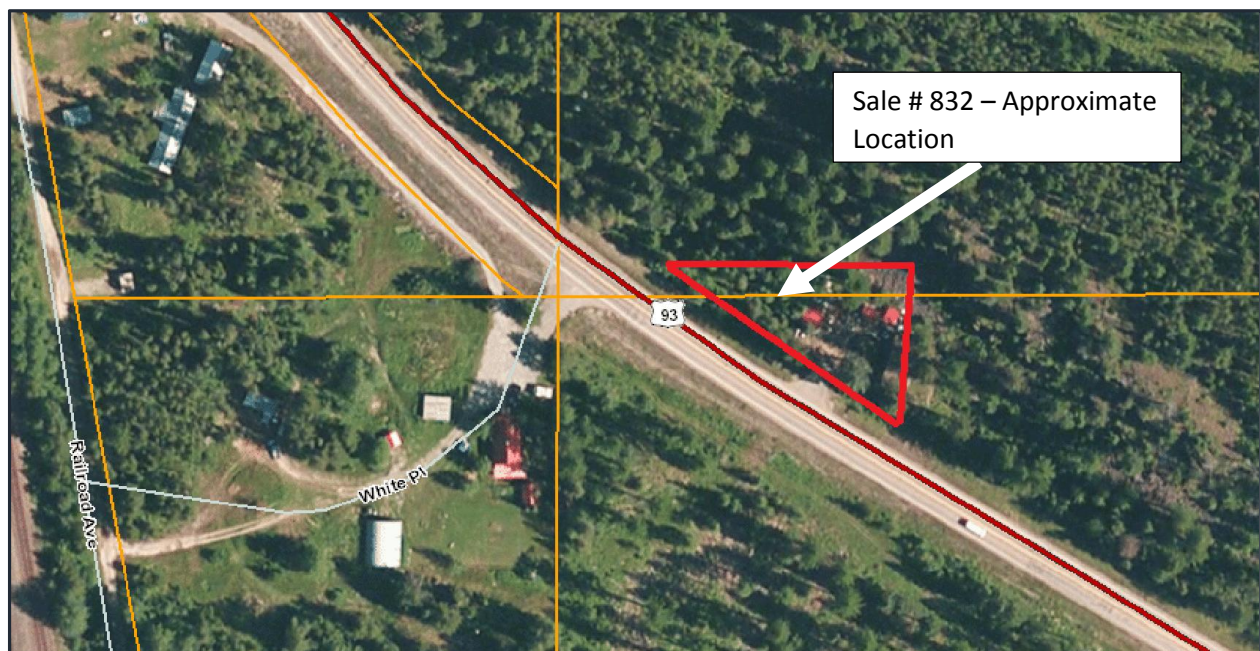
The subject property is accessed US Highway 93 and is approximately 20 miles (as the crow flies) Southeast of Eureka, Montana. Properties in green above are owned by the United States of America and properties colored in blue (and some colored white) are owned by the State of Montana.

Additional exhibits depicting the subject property are included throughout this section of this report.

A zoomed in portion the Montana Department of Revenue Cadastral Mapping street view mapping depicting approximate boundaries of the subject property outlined in red (by the appraisers) is below.



An aerial view from the Montana Department of Revenue Cadastral Mapping depicting the approximate location of the subject property is below;



ACCESS AND VIEWS

The subject property is accessed via from US Highway 93 North via an onsite gravel driveway. There is steep rock ridge or outcropping which runs within the property northern boundary. The property has views of this ridge and US Highway 93 North.

IMPROVEMENTS

The subject site is improved with an approximately 1,047 square foot log framed residence constructed on a stacked rock foundation with a root cellar. According the Montana Department of Revenue, the original residence was built in 1950. According to Ms. Stachofsky (the lessee), approximately 250 square feet and a deck was added to the residence in recent years. The residence includes log exterior siding and has a metal roof covering. Most of the windows are original to the residence. The interior floor plan consists of a sunroom, a living room, a kitchen, two bedrooms, one bathrooms, and a second floor room. The interior floor covering includes wood, plywood, and vinyl, carpet, and laminate. The wall and ceiling coverings are wood paneling. The residence includes a 128 square foot screened in front porch and a 130 square foot covered (partially enclosed) rear porch. The overall quality and condition of the residence are both considered to be average.

There is 128 square foot (wood framed) shed; a 39 square foot chicken coop, and an 80 square foot bunkhouse on the property. These buildings are all in overall average to fair condition. Additional site improvements include wood fencing, connection to the Styker public water system, and a septic system. According to Ms. Stachofsky, the septic system was installed in 1998 by Kookanusa Plumbing.

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

Easements may be depicted on recorded surveys; however, there is no recorded survey for this property. Since the subject property is not a recorded or legal site, there is no succinct method to conduct a search for easements relating to the property. We assume necessary easements for utilities are overhead or within the highway right-of-way. If easements, restrictions, or encroachments are present on the subject property, the values concluded in this report may be affected.

ZONING

The subject property is in a portion of Lincoln County that is not zoned.

ASSESSMENT/REAL PROPERTY TAXES

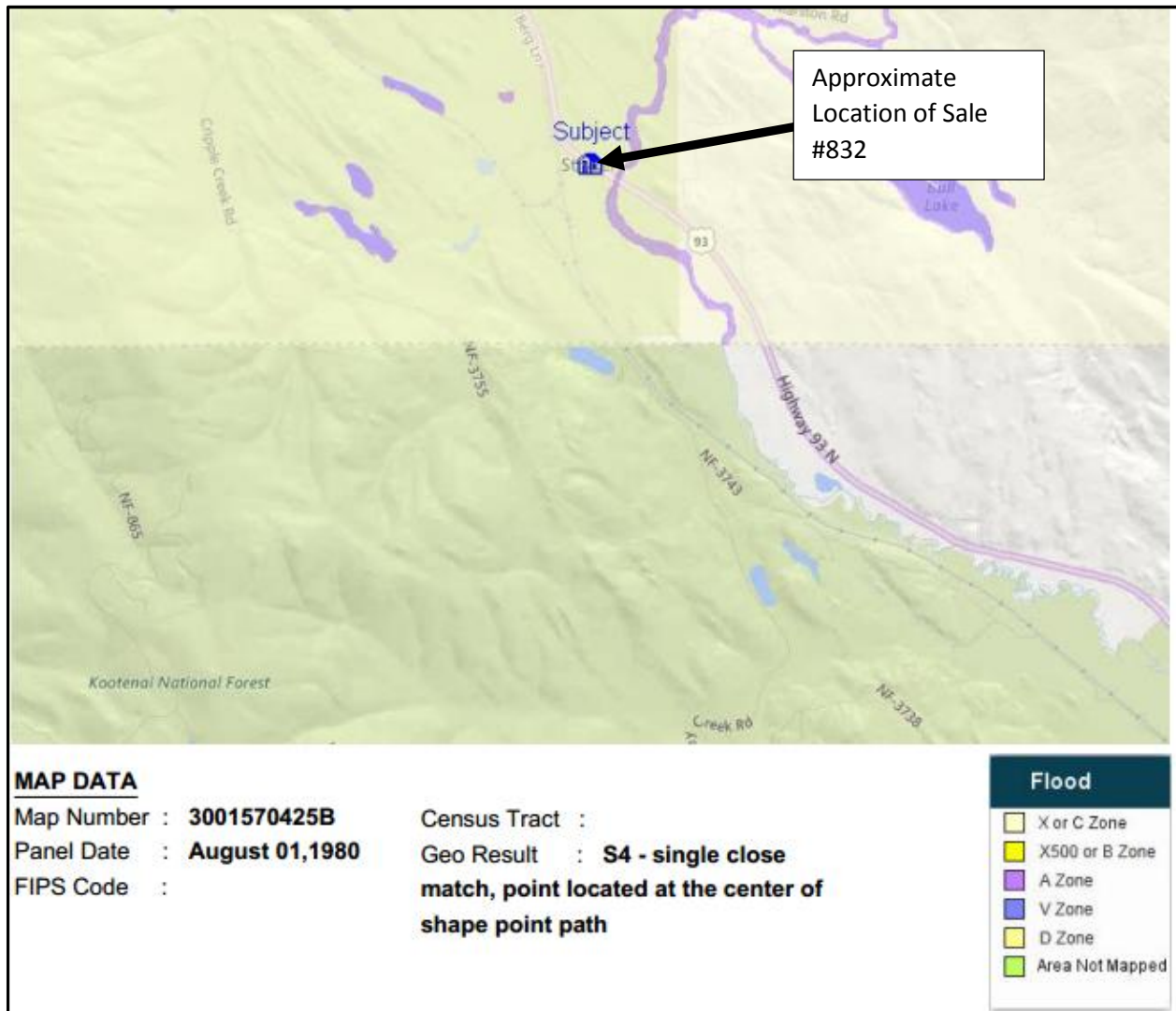
The subject lot was tax exempt as of the report effective date; however, the lot is valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on the subject site are taxable. The 2015 tax bill was \$170.21 and the taxable market value total for the subject improvements (as per the Montana Department of Revenue) was \$28,740 for 2015.

TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

Based upon our observation, a portion of the subject site is relatively level and a portion is within a ridge or rock outcropping which runs within the property boundaries. The subject lot includes native vegetation with cleared and landscaped areas around the home and outbuildings.

According to the Federal Emergency Management Agency (FEMA) Flood Zone Map (Map Panel #3001570425B), the subject property appears to be located in an area designated as low to flood risk. The appraisers are not experts regarding identification of flood zone areas and recommend an elevation certificate for final flood zone determination. **The values concluded in this report are based upon the assumption that our observation regarding the subject property and flood zone is correct.**

An exhibit derived from FEMA Flood Map Panel 3001570425B is below;

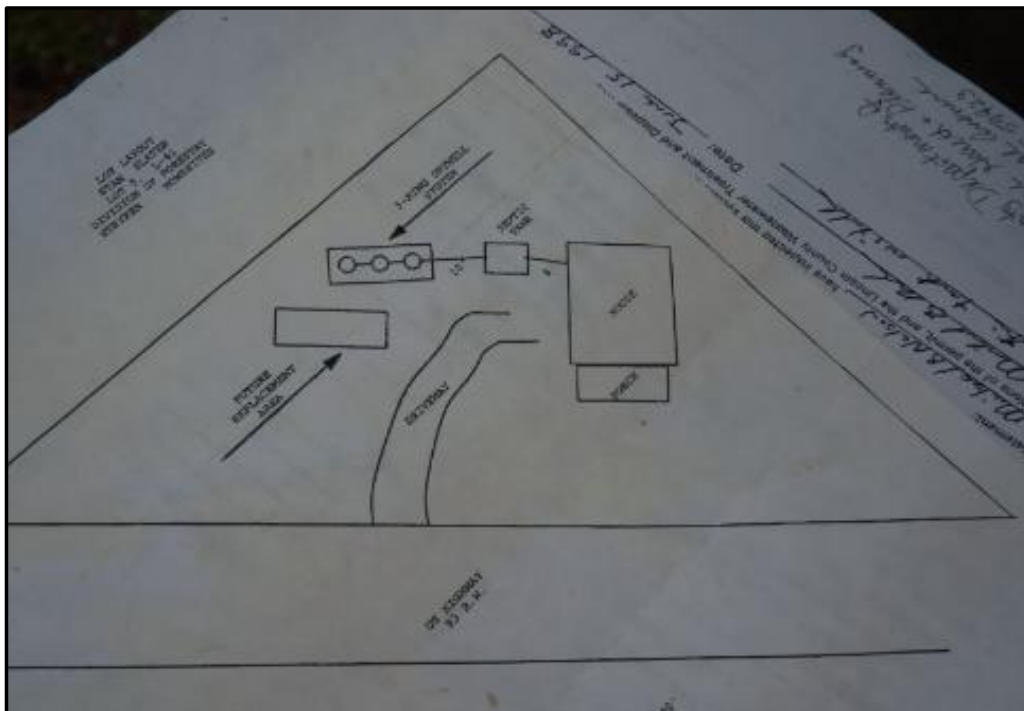


We assume that drainage and storm water runoff is adequate and was properly designed and engineered for the subject site. We have not been provided with a soil study for the subject site. We assume the soils can accommodate the type of construction, which is typically seen in the subject area.

We have not been provided with environmental audit for the subject site and assume there are no toxic or hazardous materials, groundwater contamination or unstable soils that may be on or in the subject lots. Should any of these conditions be present, the values concluded in this report may be affected.

UTILITIES

There is electricity and telephone service at US Highway 93 which borders the subject property. According to Ms. Stachofsky, the subject property is connected to an area public water system and has a private, onsite septic system. According to the septic permit dated 1998 provided by Ms. Stachofsky, this system includes a 1,000 gallon tank and 130 lineal feet of drain field. An image depicting the planned location of the tank and drain field for this septic permit is below;



PUBLIC SAFETY AND SERVICES

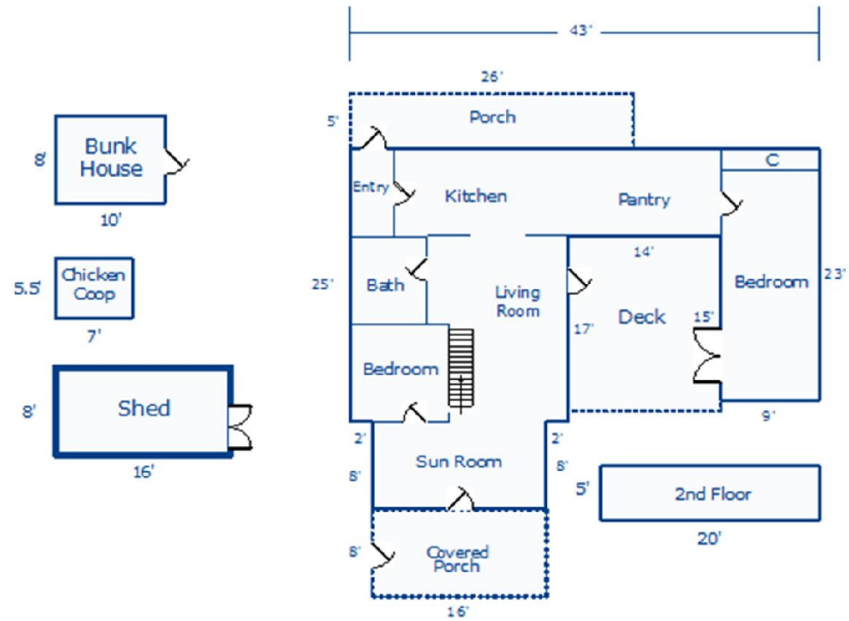
Police, fire protection, and other services are provided by Lincoln County and/or area volunteer emergency services.

SITE SUITABILITY

The subject lot is legally and physically suited for residential/recreational type improvements. The proximity to the highway is not typical for most area residential properties. Site suitability and subject marketability is addressed in greater detail in the subject market analysis portion of this report.

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

SALE 832 – BUILDING SKETCHES



Sketch by Apex Sketch & Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	947.00	
	2nd Level	100.00	1047.00
GAR	Shed	128.00	128.00
F/P	Front Porch	128.00	
	Enclosed Porch	130.00	
	Deck	224.00	482.00
OTR	Bunk House	80.00	
	Chicken Coop	38.50	118.50
Net LIVABLE Area		(rounded)	1047

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor		
	8.0 x 43.0	344.00
	8.0 x 16.0	128.00
	17.0 x 20.0	340.00
	13.0 x 9.0	117.00
2nd Level		
	5.0 x 20.0	100.00
5 Items	(rounded)	1047

SALE 832 - PHOTOGRAPHS



West Side of House



West Side of House



West and South Sides of House



South Side of House



House and Deck



View West from Southeast Property Boundary Marker

ADDITIONAL PHOTOGRAPHS



Front Covered Porch



Living Room



Bedroom



Front Covered Porch



Kitchen



Kitchen

ADDITIONAL PHOTOGRAPHS



Bathroom



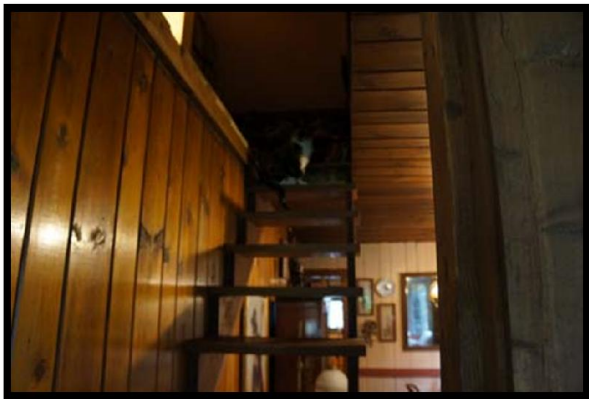
Pantry



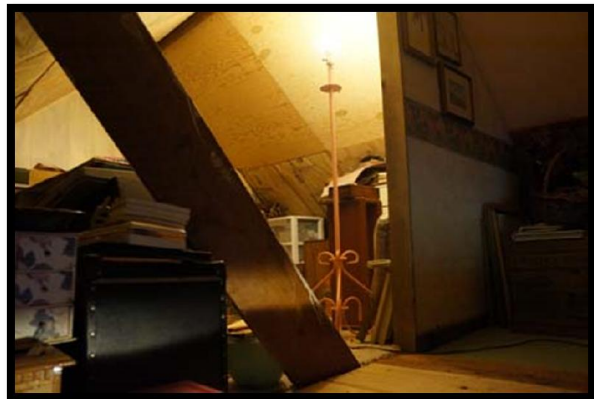
Bedroom



Pantry and Kitchen



Stairs to 2nd Level



Second Level Area

ADDITIONAL PHOTOGRAPHS



Living Room



Storage Building



Storage Building Interior



Chicken Coop and Bunk House



Bunk House Interior



Enclosed Porch on Rear of House

ADDITIONAL PHOTOGRAPHS



House and Improvements from North Portion of Property



Cliffs on North Portion of Property



House and Improvements Looking East



Cliffs on North Portion of Property



Rocks on North Portion of Property



Property Looking North from US Highway 93N

ADDITIONAL PHOTOGRAPHS



US Highway 93N Looking East



US Highway 93N Looking West

SUBJECT MARKET ANALYSIS

Detailed county and local demographic and economic information is included in the Addendum of this report. General national and statewide data is included as well.

Subject Productivity Analysis

General Property Description

The subject is in the Stryker area of Lincoln County. The subject site totals 1.00 acres with 0.32 acres of usable area and borders land owned by the State of Montana to the east and land owned by the United States of American to the north. The subject property includes residential improvements and is best described as a rural residential property.

Area Land Use Trends

The subject neighborhood is described as the community of Stryker and surrounding rural areas. As noted, much of the land in and surrounding the subject neighborhood is public.

Potential Users of Subject Property

The potential users of the subject lot would be market participants seeking to own a small residential site with a home in a rural area of Lincoln County, Montana.

Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand. We conducted searches of the area MLS for sales (vacant and improved) in the subject immediate and greater market areas.

There was not a sufficient number of sales in the immediate subject neighborhood to prepare a meaningful analysis. For this reason, we expanded our search to include all of Lincoln County, Montana. We prepared searches for sales of vacant sites ranging in size from 0.25 to 1.00 acre in size in Lincoln County with no frontage along or access to navigable water. We also prepared searches for sales of residential improved properties on sites ranging in size from 0.10 to 1.00 acre, built before 1960, and with no frontage along or access to navigable water in Lincoln County.

Montana is a non-disclosure state and every sale does not transfer via the area MLS; however, the MLS data is considered to provide an accurate depiction of general trends in real estate transfers. The results of our searches are included on the following pages.

Sales of Sites 0.25 up to 1.00 Acres in Size				
Non-Waterfront Properties Only				
Lincoln County, Montana				
Year	# of Sales	Median Sales Price	Days on Market	Percentage of Sales Price to List Price
2013	12	\$34,250	499	72%
2014	8	\$23,750	118	86%
2015	15	\$20,000	422	82%
2016 - YTD	5	\$22,500	759	81%
Actives	20	\$32,375	336	

This data indicates that the median sales price per lot per year remained within a relatively tight between 2014 and 2016 Year-to-Date.

Home Sales on Sites 0.10 to 1.00 Acre in Size				
Built Before 1960				
Non-Waterfront Properties Only				
Lincoln, County, Montana				
Year	# of Sales	Median Sales Price	Days on Market	Percentage of Sales Price to List Price
2013	27	\$60,000	127	79%
2014	7	\$79,000	205	89%
2015	16	\$65,500	135	80%
2016 - YTD	9	\$48,000	102	89%
Actives	20	\$112,500	258	

The median sales price for homes per year fluctuated between 2013 and 2016 Year-to-Date. Price fluctuations are typically tied to supply and demand both of which are governed by market forces.

Competitive Supply

There were 20 active listings of vacant sites ranging in size from 0.25 to 1.00 acres in the search parameters identified in Lincoln County as of the report effective date. The median list price at \$32,375 is approximately 44% higher than the median price per lot received in 2016 Year-to-Date.

There were 20 active listings of homes on sites ranging in size from 0.10 to 1.0 in the search parameters identified in Lincoln County as of the report effective date. The median list price is approximately 135% higher than the median home price received in 2016 Year-to-Date.

Interaction of Supply and Demand

Based upon the average sales volume from 2013 through 2015, there is an approximately 1.5 year supply of vacant sites available for sale within the search parameters utilized. Supply exceeds annual demand for typical vacant home sites within the size parameters selected in Lincoln County.

Sellers and buyers opinions are not in sync. Downward price pressure is likely for the active listings.

Based upon the average sales volume from 2013 through 2015, there is an approximately 1 year supply of homes on sites ranging from 0.10 to 1.0 acres in the search parameters selected in Lincoln County as of the report effective date. Supply and demand are in relative balance; however, the median list price is significantly above median annual sales prices received in recent years. Downward price pressure is likely for the active listings in order for them to sell within a typical marketing time.

Subject Marketability Conclusion

The subject site as if vacant is considered to have inferior marketability compared to many other residential home sites in the same size range. This is due to the proximity of US Highway 93 and the ridge running through the property which restricts the usable area.

The subject property as improved is also considered to have inferior marketability compared to other homes in the area on similar sized sites. This is also due to the proximity of US Highway 93 and the ridge running through the property which restricts usable area.

Estimated Marketing and Exposure Times

The 15 sales of non-waterfront or water access home sites ranging in size from 0.25 to 1.0 acre that transferred in Lincoln County via the area MLS in 2015 were marketed for 422 days and the five sales as of 2016 Year-to-Date were marketed for 759 days.

The 16 sales of home in the search parameters noted in Lincoln County via the area MLS in 2015 were marketed for 135 days and the nine home sales as of 2016 Year-to-Date were marketed for 102 days.

A **marketing time** between 3 to 14 months is appropriate for the subject property as if vacant and as improved. If the subject property had sold as vacant or as improved on the effective date of this report, at the appraised value indicated in this report, a 3 to 14 month **exposure time** would have been reasonable.

HIGHEST AND BEST USE

The four basic economic principles of supply and demand, substitution, balance and conformity are considered to be the basic tools of analyzing the relationship between economic trends and an appraisal. Market forces create market value. For this reason, the analysis of highest and best use is very important. When the purpose of an appraisal is to estimate market value, a highest and best use analysis identifies the most profitable, competitive use to which a property can be used.

According to The Appraisal of Real Estate – 14th Edition by the Appraisal Institute, Highest and Best Use is defined as follows:

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

The analysis for Highest and Best Use considers first the reasonably probable uses of a site that can be legally undertaken. The final Highest and Best Use determination is based on the following four criteria:

Legally Permissible:

The availability of land for a particular use in terms of existing regulations and restrictions, deed restrictions, lease encumbrances, or any other legally binding codes, restrictions, regulations, or interests.

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

All uses that are legally permissible and physically possible that are likely to produce an income, or return, equal or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization are considered to be financially feasible.

Maximally Productive:

Of the financially feasible uses, the use that produces the highest net return or the highest present worth.

The Highest and Best Use analysis and conclusions for the subject property are included on the following page.

AS IF VACANT

Legally Permissible

The subject site is in an area with no zoning. There are many legally permissible uses.

Physically Possible

There is electricity and telephone available to the subject property. The subject property has access to a public water system. According to the septic permit provided by Ms. Stachofsky, there is sufficient space for a septic system and replacement drain field on the subject site. There is sufficient space on the subject site for a single family residence and related outbuildings.

Financially Feasible

Most similar sized sites in the subject neighborhood include residential improvements. Residential use of the subject property is considered financially feasible.

Maximally Productive

Based upon the analysis of the legally permissible, physically possible, and financially feasible uses of the subject lot, the maximally productive highest and best use for the subject lot as if vacant, is for construction of a single family residence for residential use.

AS IMPROVED

The subject property is improved with a single family residence and related outbuildings. There is market acceptance of similar residences on similar sized sites in the subject area. Alteration of the subject residence for any use other than as a single family home would require large capital expenditures. Continued use as a single family residence for residential purposes is the highest and best use as improved.

THE APPRAISAL PROCESS

In the foregoing sections of this report, we have examined and discussed the subject property. To arrive at estimates of market values for the subject property, it is necessary to collect and analyze all available data in the market which might tend to indicate the values of the subject property. The subject property must be compared to similar properties that can be constructed, purchased, or from which a similar monetary return may be received.

APPROACHES IN THE VALUATION OF REAL PROPERTY

The three recognized approaches in the valuation of real property are Sales Comparison, Cost Approach and Income Capitalization. According to The Appraisal of Real Estate – 14th Edition by the Appraisal Institute, the approaches are described as follows:

Cost Approach

In the Cost Approach, value is estimated as the current cost of reproducing or replacing the improvements (including an appropriate entrepreneurial incentive or profit), minus the loss in value from depreciation, plus land value.

Sales Comparison Approach

In the Sales Comparison Approach, value is indicated by recent sales of comparable properties in the market.

Income Capitalization Approach

In the Income Capitalization Approach, value is indicated by a property's earning power based on the capitalization of income.

Each of the three approaches to value requires data collection from the market and each is governed equally by the principle of substitution. This principle holds "when several similar or commensurate commodities, goods or services are available, the one with the lowest price will attract the greatest demand and widest distribution."

The Sales Comparison Approach is developed to determine the value of the subject site as if vacant. This is typically the most reliable approach for determining values of vacant sites.

All three approaches to value were considered for the valuation of the subject property as improved. Most market participants interested in purchasing similar residential properties do not typically base decisions upon the depreciated cost of the improvements. For this reason the Cost Approach is not considered applicable and was not developed in this report. The subject property is not utilized for income generation. For this reason, the Income Approach is not considered applicable and was not developed in this report. The Sales Comparison Approach is developed to determine the value of the subject property as improved.

Comparable lot sales and home sales are presented in the following two sections of this report. After presentation of the comparables, the subject site and improvements are valued.

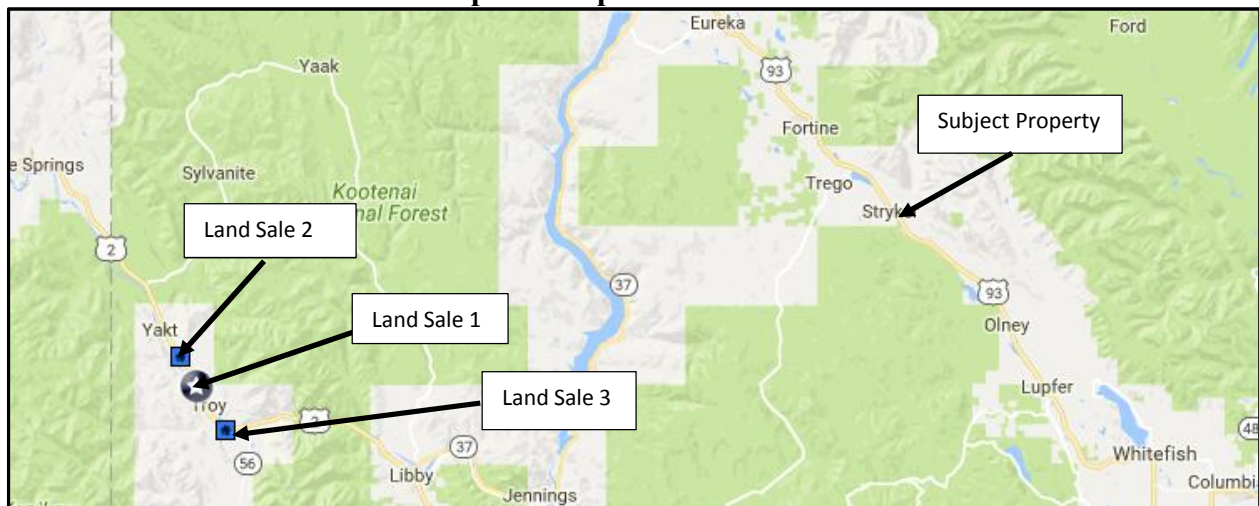
COMPARABLE SITE SALES

There were no recent sales of home sites similar in size to the subject site in the Stryker area. For this reason, it was necessary to expand the search for site sales to other areas of Lincoln County. We located three sales of home sites in Troy, Montana that are located near US Highway 2 are considered to provide reasonable indications of value for the subject site. Troy is a small population center like Stryker and Troy similar proximity to Libby as the subject site is to Eureka.


Sale #	Address	City	Acres	Sale Date	Sales Price
1	Lot 2, Valley Dr	Troy	0.46	2015	\$12,000
2	109 Piney Rd	Troy	0.66	2015	\$11,500
3	TBD Whitetail Way	Troy	0.51	2015	\$18,750

A complete description of each comparable is included in the individual land comparable write-ups provided in this section of this report. A map depicting the location of the subject property in relation to the comparable sales is below;

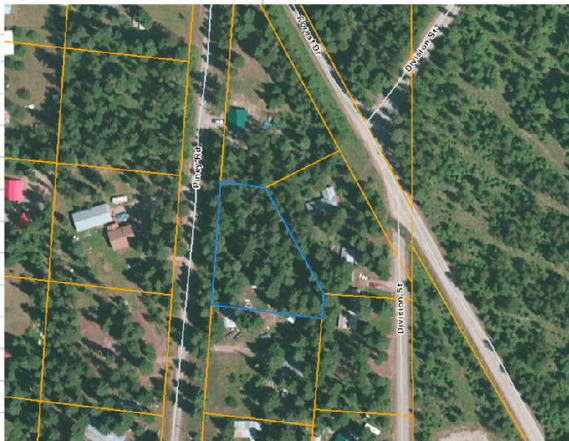
Map of Comparable Lot Sales




LAND SALE 1

COMPARABLE SALE INFORMATION			
	Location		Lot 12 Valley Drive
	City/State		Troy, MT
	County		Lincoln
	Assessor Number		0009833
	Zoning		Unzoned
	Site Size: Acres		0.459
	Square Feet		20,000
	Date of Sale		June 15, 2015
	Sales Price		\$12,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$12,000
	MLS #		331128
ANALYSIS OF SALE			
Price per Acre	\$26,138	Price per Square Foot	\$0.60
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Paul C. Bunn	Grantee	C. Elizabeth Viktora
Type of Instrument	Warranty Deed	Document #	257679
		Marketing Time	192 Days on Market
Financing/Conditions	Cash/Market	Verified By	Tracy Nicely, Listing Agent
Legal Description	Lot 12 of Valley Tracts	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S2/T31N/R34W		
PROPERTY DETAILS			
Access	Private Gravel Road	View	Trees, Mountains
Topography	Level	Lot Dimensions	100' x 200'
Flood Plain	According to Flood Map # 3001570585B, the property is not located in an area of elevated flood risk.	Improvements	None
Water	None	Value of Improvements	\$0
Water Frontage	N/A		
Utilities	Electricity and Telephone at Valley Drive.	Miscellaneous	
			Report File # 16-031ec

LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location		109 Piney Road
	City/State		Troy, MT
	County		Lincoln
	Assessor Number		0006608
	Zoning		Unzoned
	Site Size: Acres		0.659
	Square Feet		28,706
	Date of Sale		August 20, 2015
	Sales Price		\$11,500
	Less Cost of Improvements*		\$0
Sales Price Adjusted		\$11,500	
MLS #		333085	
ANALYSIS OF SALE			
Price per Acre	\$17,451	Price per Square Foot	\$0.40
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	KT Land Company, LLC	Grantee	Kenneth E. Davis
Type of Instrument	Warranty Deed	Document #	258884
		Marketing Time	137 Days on Market
Financing/Conditions	Cash/Market	Verified By	Tracy Nicely, Listing Agent
Legal Description	Lot 7, Block 10, Kootenai Vista Annex	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S27/T32N/R34W		
PROPERTY DETAILS			
Access	Piney Road *Paved	View	Trees
Topography	Level	Lot Dimensions	198.55' x 44.16' x 180' x 210' x 70'
Flood Plain	According to Flood Map # 3001570580B, the property is not located in an area of elevated flood risk.	Improvements	None
Water	None	Value of Improvements	\$0
Water Frontage	N/A		
Utilities	Electricity & Telephone at Road.	Miscellaneous	
		Report File # 16-031ec	

LAND SALE 3

COMPARABLE SALE INFORMATION				
	Location		Tbd Whitetail Way	
	City/State		Troy, MT	
	County		Lincoln	
	Assessor Number		0010642	
	Zoning		Unzoned	
	Site Size: Acres		0.506	
	Square Feet		22,041	
	Date of Sale		January 12, 2015	
	Sales Price		\$18,750	
	Less Cost of Improvements*		\$0	
Sales Price Adjusted		\$18,750		
MLS #		325247		
ANALYSIS OF SALE				
Price per Acre		\$37,055	Price per Square Foot	\$0.85
			Price Per Front Foot	N/A
TRANSFER INFORMATION				
Grantor	Joy Carol Rackham	Grantee	James R. Williams & Valerie Williams	
Type of Instrument	Warranty Deed	Document #	255450	
Financing/Conditions	Cash/Market	Marketing Time	301 Days on Market	
Legal Description	Lot 14 of Block 3, Wildemess Plateau Subdivision	Verified By	Tracy Nicely, Listing Agent	
Section/Township/Range	S19/T31N/R33W	Intended Use/Comments	Purchased for Residential Use	
PROPERTY DETAILS				
Access	Whitetail Way *Paved	View	Mountains, Trees	
Topography	Level	Lot Dimensions	Approx. 105' x 210'	
Flood Plain	According to Flood Map # 3001570595B, the property is not located in an area of elevated flood risk.	Improvements	None	
Water	None	Value of Improvements	\$0	
Water Frontage	N/A	Miscellaneous		
Utilities	Electricity, Telephone, Community Water			
Report File # 16-031ec				

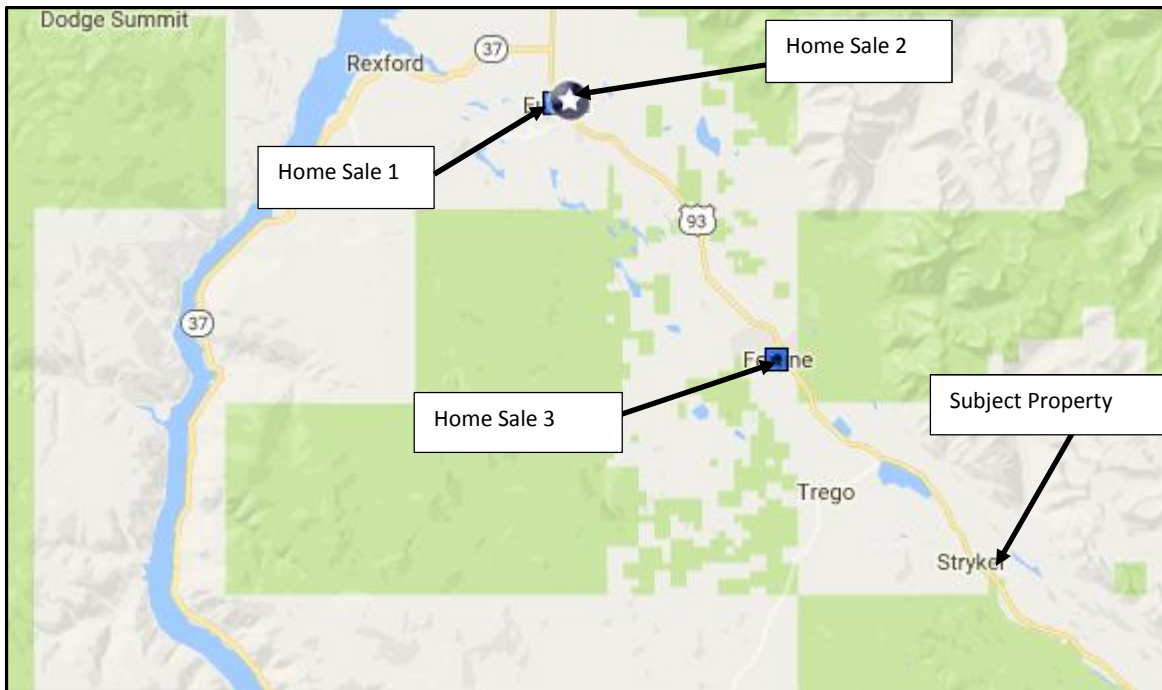
COMPARABLE HOME SALES

We conducted searches of sales of homes constructed prior to 1960 on small sites in Lincoln County. We located one sale of a residence in Stryker in 2013 that compared reasonably well with the subject property as improved. Due to the limited market data available, it was necessary to utilize two sales located in downtown Eureka as comparables for the subject property as improved. The comparables selected are the best available and are considered most indicative of the value of the subject property as improved. The selected comparables are described on the table below;

Comparable Home Sales						
Sale #	Address	City	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	285 Park Ave	Eureka	2016	\$110,000	\$25,000	\$85,000
2	301 Central Ave	Eureka	2014	\$81,000	\$15,000	\$66,000
3	63 First St N	Fortine	2013	\$74,900	\$20,000	\$54,900

A complete description of each comparable is included in the individual comparable write-ups provided in this section of this report. A map depicting the location of the subject property in relation to the comparable sales is below;

Map of Comparable Home Sales



HOME SALE 1

[illegible]

HOME SALE 2

COMPARABLE SALE INFORMATION			
	Location	301 Central Avenue	
	City/State	Eureka, MT	
	County	Lincoln	
	Assessor Number	0001887	
	Zoning	Unzoned	
	Site Size: Acres	0.160	
	Square Feet	7,000	
	Date of Sale	August 25, 2014	
	Sales Price	\$81,000	
	Adjustment to Sales Price	\$0	
	Adjusted Sales Price	\$81,000	
	MLS #	326891	
TRANSFER INFORMATION			
Grantor	Kenneth J. Peterson & Sharron F. Peterson	Grantee	Margaret Ann Osborne
Recording Data	Warranty Deed #253019	Marketing Time	110 Days on Market
Financing/Conditions	Conventional / Market	Verified By	Susan DeLong, Listing Agent
Legal Description	Lot 1 of Block 3, East Eureka	Intended Use	Residential
Section/Township/Range	S14/T36N/R27W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	None	Sales Price	\$81,000
Front Footage	N/A	Estimated Site Value	\$15,000
Access	Central Avenue	Sales Price of Improvements	\$66,000
House Square Feet	1,113	Improvement Price/SF	\$59
Bedroom/Bathrooms	3BR/1BA		
Year Built or Renovated	1887		
Construction	Wood Frame		
Quality	Good		
Condition	Average		
Water/Sewer	City Water & Sewer		
Utilities	Electricity, Telephone, Internet		
Topography	Level		
Outbuildings	Garage, Shop		
Miscellaneous	House has 981 SF on the main floor and 132 SF on the second level that was converted from attic space.		

HOME SALE 3

COMPARABLE SALE INFORMATION			
	Location	63 First Street N.	
	City/State	Fortine, MT	
	County	Lincoln	
	Assessor Number	0000740	
	Zoning	Unzoned	
	Site Size: Acres	0.520	
	Square Feet	22,651	
	Date of Sale	August 28, 2013	
	Sales Price	\$74,900	
	Adjustment to Sales Price	\$0	
	Adjusted Sales Price	\$74,900	
	MLS #	321476	
TRANSFER INFORMATION			
Grantor	The Estate of Lawrence Eugene Hilton	Grantee	Jessica M. Bollinger
Recording Data	Warranty Deed #247001	Marketing Time	46 Days on Market
Financing/Conditions	Conventional / Market	Verified By	Susan DeLong, Listing Agent
Legal Description	Lots 1-6 of Block 1, First Addition to Harrisburg, MT	Intended Use	Residential
Section/Township/Range	S25/T35N/R26W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	None	Sales Price	\$74,900
Front Footage	N/A	Estimated Site Value	\$20,000
Access	1st Street N.	Sales Price of Improvements	\$54,900
House Square Feet	872	Improvement Price/SF	\$63
Bedroom/Bathrooms	1BR/1BA		
Year Built or Renovated	1925		
Construction	Wood Frame		
Quality	Good		
Condition	Average		
Water/Sewer	Well & Septic		
Utilities	Electricity, Telephone, Internet		
Topography	Level		
Outbuildings	Guest Cabin, Garage/Shop		
Miscellaneous	House had 872 SF on main level and 372 SF of finished area in the basement.		
		Report File # 16-031ec	

SITE VALUE ESTIMATE

The comparable site sales were utilized to determine the value of the subject lot. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE				
UNSURVEYED LOT - NW1/4NW1/4NW1/4NE1/4 SECTION 36, T34N, R25W, LINCOLN COUNTY, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		Lot 12, Valley Drive	109 Piney Rd	TBD Whitail Way
CITY		Troy, MT	Troy, MT	Troy, MT
SALES PRICE		\$12,000	\$11,500	\$18,750
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
ADJUSTED PRICE		\$12,000	\$11,500	\$18,750
DATE OF SALE		06/15/15	08/20/15	01/12/15
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$12,000	\$11,500	\$18,750
SITE SIZE/ACRES	0.320	0.459	0.659	0.506
ADJUSTMENT FOR:				
LOCATION	Stryker	Troy	Troy	Troy
		0%	0%	0%
SHAPE	Irregular	Rectangular	Irregular	Rectangular
		0%	0%	0%
TOPOGRAPHY	Level Usable Area	Level	Level	Level
		0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Public Road	Public Road
		0%	0%	0%
ZONING	None	None	None	None
		0%	0%	0%
EASEMENTS AFFECTING USE	None	No	No	No
		0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available
		0%	0%	0%
SITE SIZE/ACRES	0.320	0.459	0.659	0.506
		0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%
TOTAL ADJUSTMENT		\$0	\$0	\$0
ADJUSTED PRICE PER SF		\$12,000	\$11,500	\$18,750

The subject acres noted on the sales comparison grid is the usable area.

Discussion of Adjustments

Adjustments for Improvements: None of the comparables included improvements that required adjustment.

Property Rights: The ownership interest in this report for the subject lot and for all of the land sales is the fee simple interest. Consequently no adjustments were necessary in this category.

Financing: All sales were cash or cash equivalent; therefore, no adjustments were necessary in this category.

Conditions of Sale: No adjustment is necessary to any of the comparables in this category.

Buyer Expenditures: No adjustments were necessary for the comparable sales in this category.

Market Conditions: The comparable sales closed in 2015. There is no market data suggesting that market conditions for sites like the subject changed appreciably since 2015. For that reason, no adjustment was made in this category.

Location: The subject is located in a rural area of Lincoln County approximately 20 Southeast of Eureka (one of the larger population centers of the county). The comparables are located in a small, rural community approximately 16 miles from Libby (the county seat and one of the larger population centers). Based upon our research, although the comparables are some distance from the subject property, the overall marketability due to location is similar. For this reason, no adjustment was necessary in this category.

Shape: The subject lot and comparables all have shapes that are suitable for residential use. No adjustment was necessary in this category.

Topography: The usable acreage for the subject site is utilized in this valuation. The usable subject acreage and the comparables are similar in this category. No adjustment was necessary for topography.

Frontage/Access: The subject lot and all of the comparables have similar access from public streets or highways. No adjustment was necessary in this category. Land Sale 1 is not accessed by a highway but abuts a frontage road just off US Highway 2.

Zoning: The subject and comparables are in areas with no zoning. No adjustment was necessary in this category.

Easements Affecting Value: There are no easements on the subject site or on the comparables which affect value. No adjustments were necessary in this category.

Electricity/Telephone: The subject property and all of the comparables have similar access to all necessary utilities. No adjustment was necessary in this category.

Size/Acres: The comparables are all larger than the usable area of the subject site but offer similar residential utility. No adjustment was considered necessary in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$12,000, \$11,500, and \$18,750 per front foot. Most weight is accorded Land Sale 1 as it is located very near US Highway 2 and the subject site abuts US Highway 93. A value of \$12,000 is well supported by this analysis. Consequently;

Subject Site Value as if Vacant

\$12,000

IMPROVEMENT VALUE ESTIMATE

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR UNSURVEYED LOT - NW1/4NW1/4NW1/4NE1/4 SECTION 36, T34N, R25W, LINCOLN COUNTY, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		285 Park Ave	301 Central Ave	63 First St N
LOCATION		Eureka, MT	Eureka, MT	Fortine, MT
SALES PRICE		\$110,000	\$81,000	\$74,900
SALE CONCESSIONS				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		02/26/16	08/25/14	08/28/13
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$110,000	\$81,000	\$74,900
LESS SITE VALUE		(\$25,000)	(\$15,000)	(\$20,000)
ADJUSTED IMPROVEMENT PRICE		\$85,000	\$66,000	\$54,900
ADJUSTMENT FOR:				
LOCATION/SITE	Stryker	Eureka	Eureka	Fortine
		\$0	\$0	\$0
QUALITY	Average	Good	Good	Good
		-\$8,500	-\$6,600	-\$5,490
CONDITION	Average	Very Good	Average	Average
		-\$17,000	\$0	\$0
AGE/YEARS	66	101	129	91
		\$14,875	\$20,790	\$6,863
BATHROOMS	1	1	1	1
		\$0	\$0	\$0
HOUSE SIZE/SF	1,047	816	1,113	872
		\$9,240	-\$2,640	\$7,000
FINISHED BASEMENT/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Various	Similar	Similar	Similar
		\$0	\$0	\$0
TOTAL ADJUSTMENT		-\$1,385	\$11,550	\$8,373
NET ADJUSTMENT PERCENTAGE		-2%	18%	15%
ADJUSTED PRICE INDICATION		\$83,615	\$77,550	\$63,273

Discussion of Adjustments

Property Rights, Financing, Conditions of Sale, & Adjustments for Buyer Expenditures: Based upon the information we verified, no adjustments were necessary in these categories for the comparables.

Market Conditions: The comparable sales closed in 2013, 2014, and 2016. The available data indicates that market conditions for homes in Lincoln County have not changed appreciably since 2013. For this reason, no adjustment is necessary in this category.

Location: The contributory site values for the sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale.

Quality: The subject was rated as average in overall quality. The comparables are rated as good in overall quality. Downward adjustments of 10% were made to the comparables in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Condition: The subject and Sales 2 and 3 were rated as average in this category. Sales 2 and 3 required no adjustment in this category. Sale 1 was rated as very good in this category. We made downward adjustments of 10% per difference in condition rating for Sale 1 in this category. This adjustment percentage per rating is subjective but is considered reasonable and indicative of the actions of market participants.

Age: Adjustments were considered necessary for differences in age between the subject and the comparables. The comparables were adjusted by 0.5% per year of age difference between the subject residences. This adjustment is reasonable based upon our analysis of annual physical depreciation typically found in single family residences.

Bathrooms: The subject residence and comparables all have 1 bathroom. No adjustment was necessary in this category.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$40 per square foot is considered reasonable and appropriate.

Outbuildings: The property includes a storage building, a chicken coop, and a bunk house. The comparables include outbuildings that have similar marketability compared to the subject outbuildings. No adjustments were necessary in this category.

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$83,615, \$77,550, and \$63,273. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of \$75,000 is reasonable and well supported for the subject improvements.

Total Value Conclusion

The total value conclusion is derived by adding the subject site value to the estimated value of improvements. The calculations are below;

Subject Site Value	\$12,000
Subject Improvements Value	<u>\$75,000</u>
Total Value Indication	\$87,000

RECAPITULATION OF VALUE INDICATIONS

The market value for the subject property is recapitulated on the table below;

Sale #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
832	\$12,000	\$75,000	\$87,000	7/7/2016

QUALIFICATIONS OF THE APPRAISERS

ELLIOTT (ELLIE) M. CLARK, MAI

PROFESSIONAL DESIGNATIONS

MAI Designated Member of the Appraisal Institute (2004)

FORMAL EDUCATION

College of Charleston, Charleston, SC
Bachelor of Science – Geology (1985)

REAL ESTATE EDUCATION

Appraisal Institute

1990 - Basic Valuation Procedures
1990 - Real Estate Principles
1992 - Capitalization Theory and Technique
1994 - Advanced Income Capitalization
2001 - Highest and Best Use and Market Analysis
2001 - Advanced Sales Comparison and Cost Approaches
2002 - Standards of Professional Practice, Part A
2002 - Standards of Professional Practice, Part B
2002 - Report Writing and Valuation Analysis
2002 - Advanced Applications
2003 - Comprehensive Exam
2003 - Separating Real & Personal Property from Intangible Business Assets
2004 - Demonstration Appraisal
2006 - 7 Hour National USPAP Update Course
2006 - Business Practices and Ethics
2008 - 7 Hour National USPAP Update Course
2010 - 7 Hour National USPAP Update Course
2012 – 7 Hour National USPAP Update Course
2012 – Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets
2012 – Valuation of Conservation Easements
2014 – 7 Hour National USPAP Update Course
2015 – Real Estate Finance Statistics and Valuation Modeling
2016 – 7 Hour National USPAP Update Course
2016 – Eminent Domain & Condemnation

Institute of Financial Education

1985 - Real Estate Law I
1986 - Real Estate Law II

IAAO

1991 - Standards of Practice and Professional Ethics

Citadel Evening College

1993 - Residential Appraisal Reports Using URAR Form

William H. Sharp & Associates

1995 - The Home Inspection

Trident Technical College

1997 - Uniform Standards of Appraisal

Historic Preservation Consulting

1998 - Appraising Historic Property

The Beckman Company

2004 - The Technical Inspection of Real Estate

WORK EXPERIENCE

2003 - Present Clark Real Estate Appraisal – Owner/Commercial Real Estate Appraiser
1995 - 2003 Sass, Herrin & Associates, Inc. – Commercial Real Estate Appraiser
1990 - 1995 Charleston County Assessor's Office – Sr. Staff Real Estate Appraiser
1986 - 1989 First Sun Capital Corporation - Mortgage Loan Officer
1985 - 1986 First National Bank of Atlanta - Mortgage Loan Processor
1984 - 1985 South Carolina Federal Savings Bank - Mortgage Loan Processor

STATE LICENSES/CERTIFICATIONS

Montana State Certified General Real Estate Appraiser - REA-RAG-LIC-683

APPRAISAL SEMINARS ATTENDED

2000 – JT&T Seminars: Financial Calculator HP-12C
2000 – Appraisal Institute: Highest and Best Use Applications
2004 – Appraisal Institute: Evaluating Commercial Construction
2005 – Appraisal Institute: Scope of Work: Expanding Your Range of Services
2006 – Appraisal Institute: Subdivision Valuation
2006 – Appraisal Institute: Appraising from Blueprints and Specifications
2006 – Appraisal Institute: Uniform Appraisal Standards for Federal Land Acquisitions
2007 – Appraisal Institute: Analyzing Commercial Lease Clauses
2007 – Appraisal Institute: Condominiums, Co-ops, and PUDs
2008 – Appraisal Institute: Spotlight on USPAP
2008 – Appraisal Institute: Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans
2008 – Appraisal Institute: Office Building Valuation: A Contemporary Perspective
2009 – Appraisal Institute: Appraisal Curriculum Overview (2-Day General)
2010 – Appraisal Institute: Hotel Appraising – New Techniques for Today's Uncertain Times
2010 – Appraisal Institute: The Discounted Cash Flow Model: Concepts, Issues & Applications
2011 – Appraisal Institute: Understanding & Using Investor Surveys Effectively
2011 – Appraisal Institute: Advanced Spreadsheet Modeling for Valuation Applications
2012 – Appraisal Institute: Appraising the Appraisal: Appraisal Review-General
2013 – Appraisal Institute: Business Practices and Ethics

PARTIAL LIST OF CLIENTS

Rocky Mountain Bank
State of Montana Department of Natural Resources
United States Government Services Administration

CHRISTOPHER D. CLARK

FORMAL EDUCATION

Millikin University, Decatur, Illinois
Bachelor of Arts in Political Science

REAL ESTATE EDUCATION

Appraisal Institute

Course 110 – Appraisal Principles, 2005
Course 120 – Appraisal Procedures, 2005
Course 410 – 15- Hour National USPAP Course, 2005
Course 203R – Residential Report Writing & Case Studies, 2006
Course REA070513 – Analyzing Commercial Lease Clauses, 2007
Course 06RE0638 – Condominiums, Co-ops, PUD's, 2007
Course REA071154 –Hypothetical Conditions, Extraordinary Assumptions, 2008
Course 07RE0734 – 7-Hour National USPAP Update, 2008
Course 06RE0641 – Quality Assurance in Residential Appraisals, 2008
Course 06RE1286 – Office Building Valuation: A Contemporary Perspective, 2008
Course 430ADM 0 Appraisal Curriculum Overview – 2009
Course I400 - 7-Hour National USPAP Update – 2010
Course OL-202R - Online Residential Sales Comparison and Income Approach – 2011
Course OL-200R - Online Residential Market Analysis and Highest & Best Use – 2011
Course OL-201R - Online Residential Site Valuation & Cost Approach – 2011
Course I400 – 7-Hour National USPAP Update Course – 2012
Course REA110436 – Appraising the Appraisal: Appraisal Review General – 2012
Course 08REO643 – Business Practices and Ethics -2013
Course I400 – 7-Hour National USPAP Update – 2014
Course REA4380 – Online Introduction to Green Buildings: Principles and Concepts
Course REA120108 – Online Cool Tools: New Technology for Real Estate Appraisers
Course REA6260 – Real Estate Finance Statistics & Valuation Modeling 2015
Course REA-REC-REC-7415 – 2016-2017 7-Hour USPAP Update – 2016
Course REA-CEC-REC-7494 – Eminent Domain and Condemnation - 2016

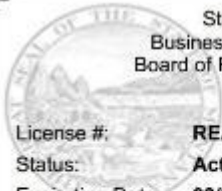

WORK EXPERIENCE

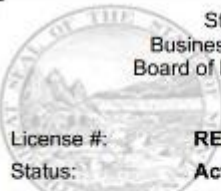

2005 - Present	Clark Real Estate Appraisal, Inc. – Real Estate Appraiser
2003 - 2005	IKON Office Solutions – Technology Marketing
2002 - 2003	Relational Technology Services – Technology Marketing
1998 - 2003	IKON Office Solutions – Technology Marketing
1988 – 1998	CMS Automation (Formerly Entré Computer Center) – Technology Marketing

STATE LICENSES/CERTIFICATIONS

Montana Licensed Appraiser # REA-RAL-LIC-841

APPRAISERS LICENSES

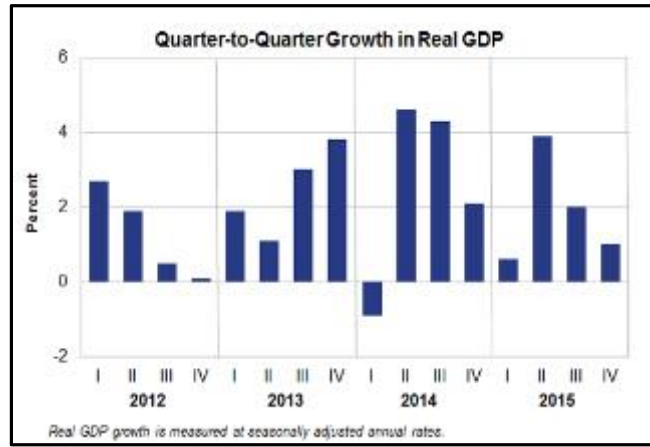
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: CERTIFIED GENERAL APPRAISER With endorsements of: REAL ESTATE APPRAISER MENTOR
License #:	REA-RAG-LIC-683	
Status:	Active	
Expiration Date:	03/31/2017	
ELLIOTT M CLARK CLARK REAL ESTATE APPRAISAL 704C E 13TH STREET #509 WHITEFISH, MT 59937		 RENEW OR VERIFY YOUR LICENSE AT: https://ebiz.mt.gov/pol/

	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: LICENSED APPRAISER
License #:	REA-RAL-LIC-841	
Status:	Active	
Expiration Date:	03/31/2017	
CHRISTOPHER D CLARK CLARK REAL ESTATE APPRAISAL 704C E 13TH STREET #509 WHITEFISH, MT 59937		 RENEW OR VERIFY YOUR LICENSE AT: https://ebiz.mt.gov/pol/

ADDENDUM

NATIONAL ECONOMIC DATA

Real GDP increased by 1.0% in the fourth quarter of 2015 after increasing 2.1% in the third quarter of 2015 according to the Bureau of Economic Analysis of the US Department of Commerce (BEA). According to the BEA, the fourth quarter increase in real GDP reflected positive contributions from personal consumption expenditures, residential fixed investment, and federal government spending that were partly offset by negative contributions from exports, nonresidential fixed investment, state and local government spending, and private inventory investment.



According to the US Bureau of Labor and Statistics, the seasonally adjusted national unemployment rate for February 2016 was 4.9 %. This is the same as the January 2016 rate but down from the October, November, December 2015 unemployment rate of 5.0%. This is the lowest national unemployment rate since July of 2008. Generally, continued slow growth is forecasted for the US economy during 2016.

STATE ECONOMIC DATA

Montana is the 44th most populous state in the US. 2010 US Census data estimated a population of 989,415 indicating a growth in population of 9.7% from 2000 to 2010. According to ESRI using US Census data, the 2015 population of Montana was forecasted to be 1,027,698. This estimate shows a 3.87% increase since the 2010 census. The state economy is diverse with a wide variety of industries. The top five employment categories in the state are;

- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

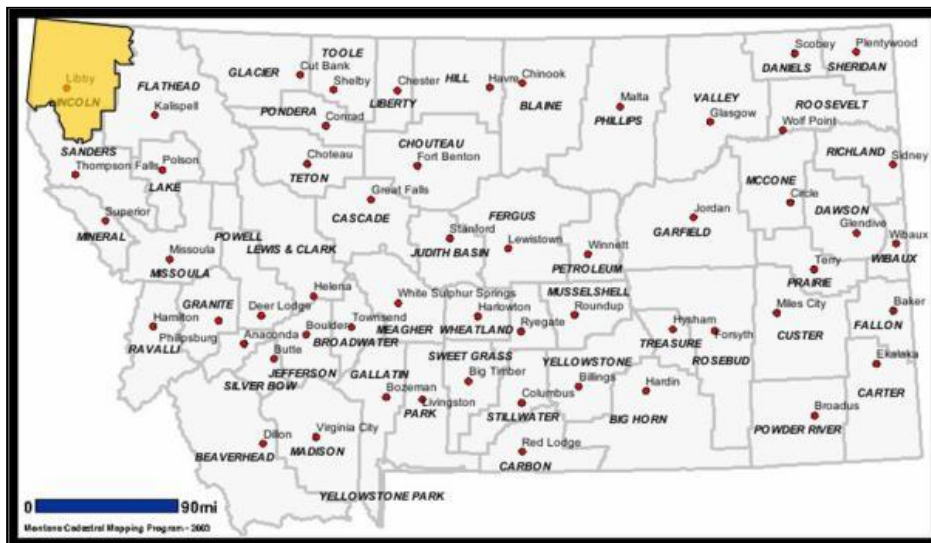
These industries employ from 11% to 16% of the workforce in Montana per category. The remaining categories employ less than 10% each.

According to the Federal Reserve Minneapolis economic models, employment growth is forecasted to slow in 2016 for the region; however, consumer spending and tourism expenditures are forecasted to increase. Specific to Montana, the Federal Reserve Minneapolis forecasts the following for 2016; nonfarm employment in Montana is projected to increase by 0.7%, unemployment for the state is projected to decrease to 3.8%, and personal income is projected to increase by 4.5%.

LINCOLN COUNTY DATA

Location

The subject property is located in an unincorporated portion of Lincoln, Montana known as Styker. Lincoln County is in the northwest portion of Montana along the Canadian border. It is bordered to the east by Flathead County and to the south by Sanders County. The western border is Idaho and the northern border is Canada.



Lincoln County is 3,675 square miles in size. The Kootenai National Forest comprises 76% of the total county area; therefore, there is a limited amount of privately owned land. Plum Creek Timber and Burlington Northern own approximately 14% of the privately owned land. The remainder is individually owned.

The county population is concentrated around the area communities. The city of Libby, in the southern portion of the county is the county seat. The only other two incorporated cities are Eureka which is near the Canadian border and Troy which is approximately 20 miles northwest of Libby. Rexford is the only town in Lincoln County. Communities and census areas in Lincoln County include; Fortine, Stryker, Trego, and Yaak.

Population

According ESRI estimated based upon US Census data, the 2016 population of Lincoln County is approximately 20,634. The 2000 and 2010 population estimates for Lincoln County are included on the table below;

Lincoln County Population			
2000	2010	Annual % Change	Annual % Change
18,837	19,687	4.51%	0.45%

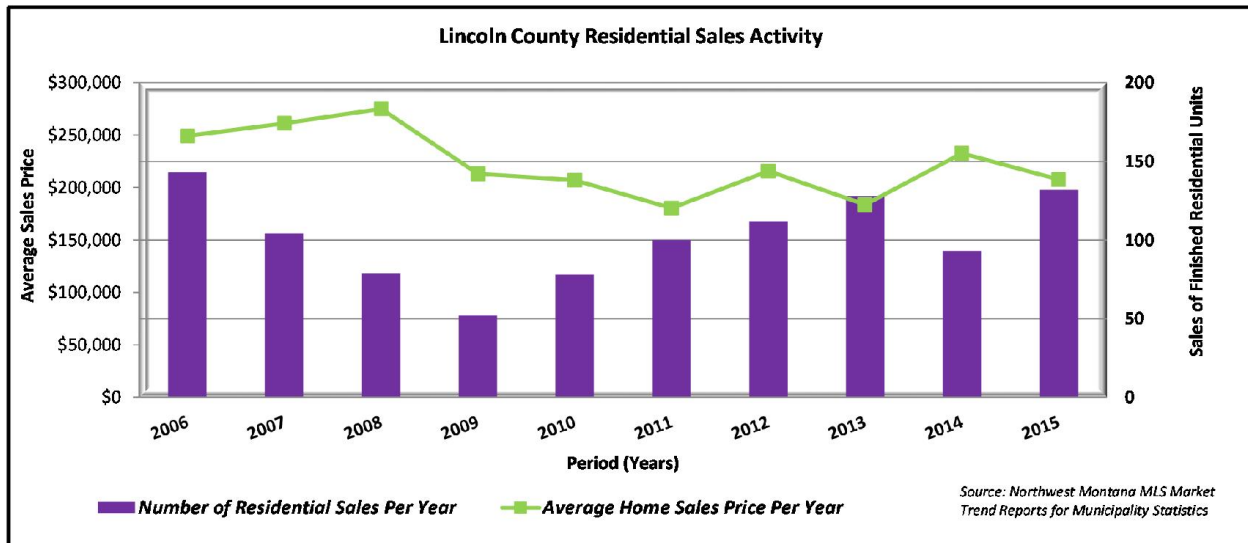
Housing

The number of housing units in Lincoln County was estimated to be 11,966 in 2016. Most of the county housing units (approximately 76%) are in unincorporated areas of Lincoln County. The percentages of housing occupancy are included on the table below;

Lincoln County Housing Units - 2016		
Total Housing Units	11,996	100.0%
Owner Occupied	6,634	55.3%
Renter Occupied	2,363	19.7%
Vacant	2,999	25.0%

Real Estate Market

The graph below provides a ten history of home sales according to the area MLS in Lincoln County;



There was an average of 102 home sales per year over the past ten years in Lincoln County. As of mid-2016, there was an approximately 2.5 year supply of homes available for sale. Additionally the average list price at \$454,256 was approximately 119% greater the average sales price for 2016. This indicates a vast difference of opinion between sellers and potential buyers. There will likely be downward price pressure for the homes available for sale during 2016. There are signs of improvement in the residential real estate market in Lincoln County. The number of sales increased from 2014 to 2015; however, the average sales price decreased from 2014 to 2015.

Due to the proximity of a number of Canadian towns and cities (Calgary is approximately 4 hours north of Eureka); the economy in Lincoln County is influenced by the economy of Canada. Industries related to oil production make up a large portion of the employment based in nearby Canadian communities. Since oil production has increased in this area, more Canadians are spending time and money in northwest Montana. This includes real estate purchases. According to area real estate agents, recent purchasers of area properties include state residents, out of state U.S. residents and Canadians.

There have been few sales of commercial properties in Lincoln County via the regional MLS over the past few years. There were 2 sales of commercial properties via the MLS in the county in 2015 and none in 2014. This data may not include all commercial sales in Libby as there is a separate MLS system utilized by Libby area realtors.

Interest in residential real estate in Lincoln County has fluctuated over the last decade. It appears that the general real estate market in Lincoln County has followed recent trends in Flathead County. The general real estate market slowed dramatically beginning in late 2007. The residential real estate market has generally been improving since 2010.

Employment

According to the Montana Department of Labor & Industry approximately 24% of employed people in Lincoln County were employed by the government in 2009. The second highest industry category for 2009 was retail trade with 14 % of the work force. The remaining categories of farming, mining, construction, manufacturing, forestry & fishing, wholesale trade, transportation & warehousing, information, finance & insurance, real estate, professional & technical services, management of companies, administrative & waste services, educational services, arts & entertainment, accommodations & food services and other services all account for less than 10% per category of the 2009 workforce in Lincoln County.

The vermiculite mine operated by W.R. Grace, Inc. was a significant employer for the Libby area. The mine has closed due to asbestos contamination. Stimson Lumber (a lumber mill in Libby) employed 200 people and closed in 2002. Owens and Hurst Lumber (a lumber mill in Eureka) employed approximately 90 people in the Eureka area. This mill closed in 2005. The Ksanka Mill located in the Fortine also closed in 2009.

The top nine private employers in Lincoln County in 2009 were; St John's Lutheran Hospital, Rosauer's Food & Drug, Revett Minerals, Inc, Plum Creek, Mountain View Manor, Libby Care Center, A Full Life Agency, First National Bank and Environmental Restoration.

According to the Montana Department of Labor and Industry the unemployment rate as of May 2016 for Lincoln County was 7.5%. This is down from the rate for May 2015 of 8.5%. Although the unemployment decreased from 2015 to 2016, Lincoln County has the second highest unemployment rate for all counties in the state. The seasonally adjusted unemployment rate for the state of Montana was 4.2% as of May 2016.

Environmental Issues

Vermiculite was mined from "Zonolite Mountain" near Libby from the 1920's until 1990. The vermiculite was processed for export in and around the town of Libby. The vermiculite mined in Libby is contaminated with amphibole asbestos fibers (aka Libby asbestos). The mining and processing operations and home use resulted in the spreading of Libby asbestos throughout the town.

Unusually high numbers of people in Libby have been diagnosed with asbestos related respiratory disease. Since 1999 the United States Environmental Protection Agency Emergency Response Branch has been conducting sampling and removals to address the most highly contaminated areas.

In 2001 Libby was designated as a Superfund cleanup site. The EPA maintains that it is safe to live and work in Libby and that the cleanup was to be completed in 2010.

Income

The estimated 2016 median household income based on ESRI forecasts for Lincoln County is \$37,244 in 2016. This is less than the median household income estimated for the state of Montana.

According to the American and Community Survey from 2010 through 2014, 17.1% of the population of Lincoln County are below the poverty rate. There are reportedly approximately 15.4% of state residents below the poverty rate.

Linkages

US Highway 2 (a two lane highway) connects Libby to the nearest city to the southeast which is Kalispell (approximately 90 miles) in Flathead County. US Highway 93 (also a two lane highway) connects Whitefish to Eureka and continues into Canada. Montana Highway 37 runs along the Kootenai River and Lake Kootanusa, and connects Libby to Eureka.

Freight train service runs daily and Amtrak service is available 4 days a week at the depot in Libby. Libby has a small airport with a 5,000 foot runway. There is a small airport in Eureka as well. Glacier Park International Airport in Flathead County is approximately a 2 hour drive from the Libby area.

Recreational Opportunities

Lincoln County boasts a number of significant recreational opportunities. As stated approximately 76% of the county land area is included in the Kootenai National Forest. The Kootenai National Forest contains 2.2 million acres and is available for public use. The national forest offers a large number of recreational opportunities such as fishing, hunting, hiking, camping, mountain biking and wildlife viewing.

The largest drainages of the county are the Tobacco and Kootenai Rivers. A large portion of the Kootenai River was damned in the mid 1970's for flood control. This resulted in a 90 mile long lake named Lake Kootanusa. The lake stretches from the Canadian border south to the Libby Dam located 17 miles north of Libby and provides significant recreational opportunities.

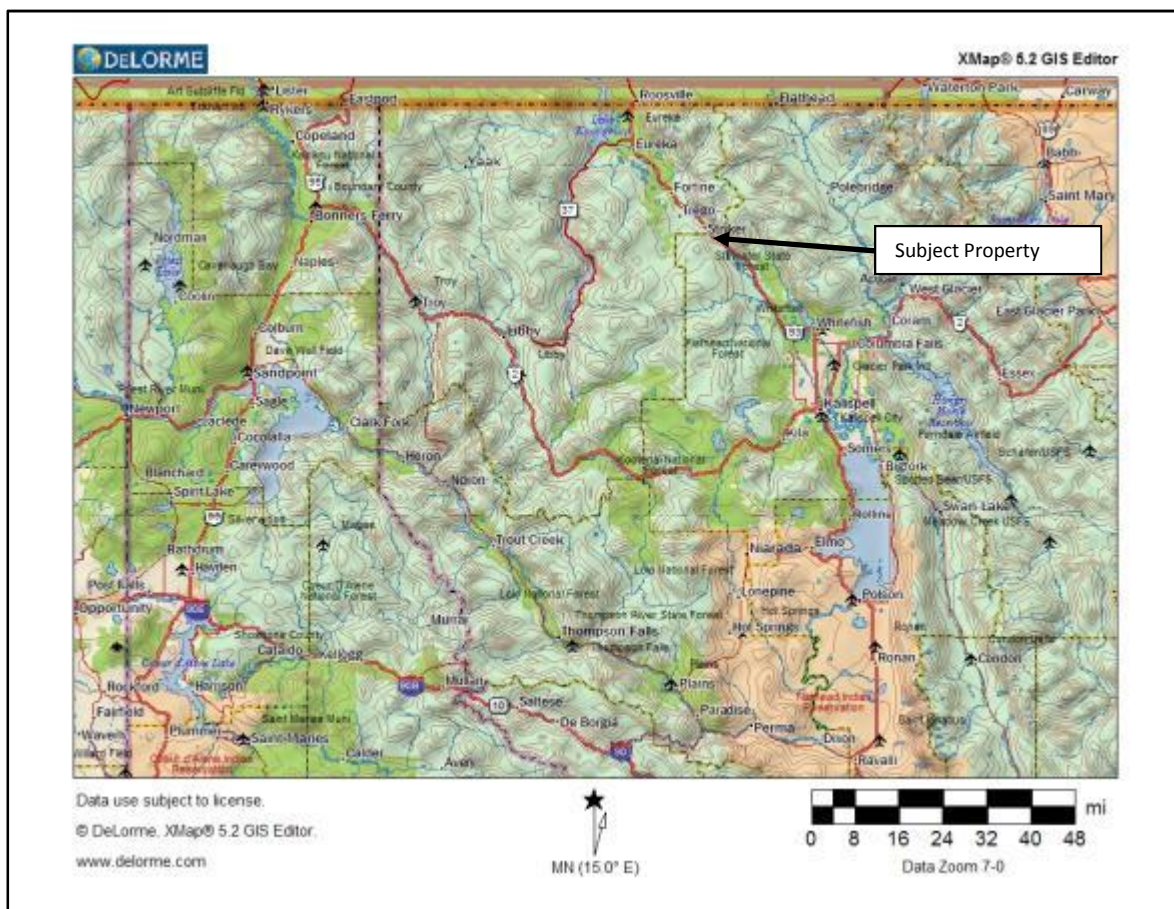
The Purcell Mountain Range occupies the lower portion of the county. The Kootenai River runs south below the Libby Dam and is joined by water from the Fisher River drainages, then loops west to the last major waterfall in the northwestern United States that is not damned. This waterfall is known as the Kootenai Falls.

Other recreation areas include the Cabinet Mountains Wilderness Area, Ross Creek Cedars, Ten Lakes Scenic area and Turner Mountain Ski area. All are in the Libby area with the exception of the Ten Lakes Scenic area which is in the northeastern portion of the county near Eureka.

Glacier National Park, Whitefish Mountain Ski Resort, Whitefish Lake and Flathead Lake are all located in adjacent Flathead County. These recreational attractions are within a two to three hour drive of most communities in Lincoln County.

Conclusion

The population of Lincoln County is small in comparison to the total land area. Household incomes are somewhat less than the state of Montana. There are relatively few employment opportunities in the county. The largest industry category for the area workforce is the government. The unemployment rate for Lincoln County is higher than for most counties in Montana. Due to the large amount of recreational opportunities, the area is attractive for second home owners, retirees and Canadians. This will likely continue. The outlook for Lincoln County overall is considered to be somewhat guarded, but good.



SCOPE OF WORK

(Page 1 of 5)

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), Risen Family Trust, and Smeby Family, LLC for the Sperry Grade parcels; Bruce & Louise Stiegler, Ellen Spurlock, Rick DeAcetis & Amee Tafoya, Jason & Suzanne Moe, David & Margaret Yuhas, Bruce & Peggy Graving, and Robin Castle Mikkelsen for the Seeley Lake Outlet East parcels; Justun & Stacy Juelfs, Fred Gariepy, Denise Epler, Christopher & Debbie Slater, and Maura Stobie for the Seeley Lake Development parcels; Jessica Brown for the Seeley Lake North parcel; Patti Sue Stachofsky for the Lincoln County parcel; Neal Franson & Barb Roberts for the Flathead County parcel; Susan Hutz, Ronald Gibb, and Robert Farren for the Echo Lake parcels; Michael & Pamela Mower for the McGregor Lake parcel; and John Weber for the Sanders County parcel. 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 five (5) 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, landscaping or any other improvements to the raw land.

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:

SPERRY GRADE		
Sale #	Acres	Legal Description
845	2.851±	Lot 2, Sperry Grade Cabin Sites COS 5714, Section 36, T15N-R14W
846	1.807 ±	Lot 1, Sperry Grade Cabin Sites COS 5714, Section 36, T15N-R14W
SEELEY LAKE OUTLET (EAST)		
838	1.803 ±	Lot 3, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
839	1.173 ±	Lot 4, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
840	1.241 ±	Lot 13, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
842	1.463 ±	Lot 22, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
844	1.571 ±	Lot 24, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
890	0.646 ±	Lot 5A, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
SEELEY LAKE DEVELOPMENT		
834	1.25 ±	Lot 39, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
835	1.363 ±	Lot 43, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
836	1.407 ±	Lot 29, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
837	1.682 ±	Lot 12, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
894	1.131 ±	Lot 44, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
SEELEY LAKE NORTH		
843	1.304 ±	Lot 2, Seeley Lake Development North Cabin Sites, COS 6787, Section 16, T17N-R15W
LINCOLN COUNTY		
832	0.32 ±	Unsurveyed lot in the NW¼NW¼NW¼NE¼, Section 36, T34N-R25W

Rev. 11/15

FLATHEAD COUNTY		
833	4.15 ±	Unsurveyed lot in the SW¼NW¼, Section 28, T32N-R23W
BEAVER LAKE		
764	2.238 ±	Lot 5, Beaver Lake, COS 18353, Section 5, T27N-R19W
ECHO LAKE		
828	0.879 ±	Lot 24, Echo Lake Cabin Sites, COS 18885, Section 5, T27N-R19W
829	1.54 ±	Lot 34, Echo Lake Cabin Sites, COS 18885, Section 5, T27N-R19W
892	1.999 ±	Lot 33, Echo Lake Cabin Sites, COS 18885, Section 5, T27N-R19W
MCGREGOR LAKE		
830	2.68 ±	Lot 28, McGregor Lake Cabin Sites, COS 19909, Section 16, T26N-R25W
SANDERS COUNTY		
831	0.7 ±	Unsurveyed lot in the NW¼NW¼, Section 36, T23N-R27W

Separate values must be supplied for each sale parcel including; total value, land value and improvement value.

DNRC Contact Information:

Emily Cooper, Lands Section Supervisor
P.O. Box 201601
1625 11th Avenue
Helena, MT 59620-1601
Phone: (406) 444-4165
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828 Susan Hutz 1898 LaBrant Rd #24 Bigfork, MT 59911	829 Ronald Gibb 10447 21 Ave NW Edmonton, AB T6J-5E9 CANADA	830 Michael & Pamela Mower PO Box 8234 KalisPELL, MT 59904
831 John Weber 55740 Fish Hatchery Road St. Ignatius, MT 59901	832 Patti Sue Stachofsky PO Box 49 Stryker, MT 59933-0049	833 Neal Franson & Barb Roberts PO Box 107 Olney, MT 59927
834 Justun & Stacy Juelfs 195 Meadow Vista Loop KalisPELL, MT 59901	835 Fred Gariepy PO Box 783 St. Ignatius, MT 59865	836 Denise Epler PO Box 1750 Helena, MT 59624
837 Christopher & Debbie Slater 5205 Goodan Lane Missoula, MT 59802	838 Bruce & Louise Stiegler 15621 W. White Horse Dr. Sun City West, AZ 85375	839 Ellen Spurlock PO Box 17422 Missoula, MT 59808

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840 Rick DeAcetis & Amee Tafoya 2324 Hess Dr. Crest Hill, IL 60435	841 Jason & Suzanne Moe PO Box 57 Park City, MT 59063	842 David & Margaret Yuhas PO Box 1179 Florence, MT 59833
843 Jessica Brown 10328 302 nd Way NE Carnation, WA 98014	844 Bruce & Peggy Graving 1140 West Platinum St. Butte, MT 59701	845 Risen Family Trust C/O Larry Risen 805 Brighton Ave Southlake, TX 76092
846 Smeby Family, LLC 15533 Broadway Avenue Snohomish, WA 98296	890 Robin Castle Mikkelsen 700 3 rd Ave. N. Great Falls, MT 59401	892 Robert Farren C/O Dale Russell Box 15 Diamond City, AB T0K-0T0 CANADA
894 Maura Stobie 6930 Linda Vista Blvd. Missoula, MT 59803	764 DNRC 1625 11 th Avenue Helena, MT 59620-1620	

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 MCA.

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.